

**CITY OF MOBILE, ALABAMA**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2014

William S. Stimpson, Mayor  
Paul C. Wesch, Executive Director of Finance  
Patricia A. Aldrich, Comptroller

**CITY OF MOBILE, ALABAMA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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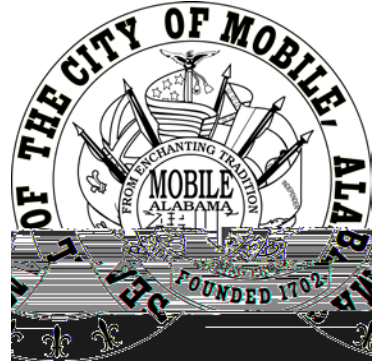
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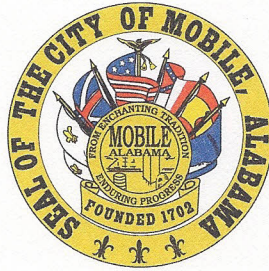
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WILLIAM S. STIMPSON  
MAYOR

# Part I Introductory Section



## THE CITY OF MOBILE, ALABAMA

March 31, 2015

TO THE CITIZENS OF  
THE CITY OF MOBILE, ALABAMA:

Enclosed is the Comprehensive Annual Financial Report (CAFR) of the City of Mobile, Alabama (the City) for the fiscal year ended September 30, 2014. The CAFR is provided to give detailed information about the financial position and activities of the City to its citizens, City Council, City staff and other readers.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City of Mobile management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City as a whole and the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Alabama state law requires an annual audit of the City's financial statements by independent certified public accountants who must conduct the audit in accordance with generally accepted auditing standards. The accounting firm of Smith, Dukes & Buckalew LLP, conducted the audit and their report on the City's basic financial statements is included herein. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U. S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments." The audit has been performed and the separately issued Single Audit Report is available for review at the Federal Audit Clearinghouse.

Management's discussion and analysis (the MD&A) immediately follows the independent auditors' report. It provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

## **PROFILE OF THE CITY**

Three hundred-year-old historic Mobile is the county seat of Mobile County and is located in the southwestern section of Alabama, at the head of Mobile Bay, thirty-one miles from the Gulf of Mexico. The city covers an area of 179 square miles. In 2013, the United States Census Bureau estimated that there were 194,899 people residing within the city limits of Mobile and that there were 414,079 people in Mobile County, the third largest metropolitan statistical area in Alabama.

The City of Mobile, Alabama (the City) was incorporated on January 20, 1814 under the provisions of Act 1911, No. 281, page 330; Code 1940. The City operates under a Mayor and seven member council form of government, with the council members elected by district. Responsibility for day-to-day operations of the City rests with the Mayor. Various City Council committees also work closely with the Mayor and department heads.

This report includes all funds of the City. The City provides a full range of services. These services include police and fire protection; the construction and maintenance of highways, streets and infrastructure; and recreational activities and cultural events. The Mobile Public Library, the Public Parks and Recreation Board (Ladd - Peebles Stadium) and the Solid Waste Disposal Authority have met the criteria to be included in the report as discretely presented component units and are seperately presented in the report. The Board of Water and Sewer Commissioners of the City of Mobile, Mobile Housing Board, Mobile Airport Authority, Mobile Board of Health, Mobile Emergency Management, Mobile Personnel Board, and Juvenile Court and Youth Center are excluded from this report. Additional information on all of these entities can be found in the notes to the financial statements (See Note 2).

Policy making and legislative authority are vested in a seven member city council which is, among other things, responsible for passing local ordinances, adopting budgets, appointing committees and board members of related organizations, and approving the appointment of executive directors of the City. The Mayor is responsible for carrying out certain ordinances of the City Council, supervising the operation of the City and appointing executive directors. The Mayor and Council members are elected to four-year terms. All council members are elected from within their respective districts.

The annual budget serves as the foundation for the City's financial planning and control. The Mayor is required to submit a balanced budget proposal to the City Council for most of the City's departments and funds by August 20 of each fiscal year. The Council, after public comment and evaluation, adopts the budget by October 1, the beginning of the fiscal year.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds. The comparison between the project-length basis budget to actual expenditures for the year is not meaningful and, therefore, is not presented. The level of budgetary control is on the departmental level within an individual fund for legal and administrative control. Unencumbered amounts lapse at year-end in the general fund.

## **FINANCIAL CONDITION**

As of September 30, 2012, the unassigned fund balance of the City's general fund was \$11.4 million. During Fiscal Year 2013, the general fund balance deteriorated by \$15.7 million, leaving the unassigned fund balance of the general fund at a negative \$4.3 million as of September 30, 2013.

During Fiscal Year 2014, the City's general fund budget was amended to repair the unassigned fund balance deficit and to restore a surplus. During that year, the City experienced a \$19.4 million net increase in fund balance in its general fund.

At the close of Fiscal Year 2014, the unassigned fund balance of the general fund was a positive \$14.9 million. The total fund balance for the general fund, including restricted and nonspendable assets, was \$19.2 million.

## **ECONOMIC CONDITION**

Manufacturing, higher education and medical services continue to be driving factors for the economy of Mobile.

In July, 2012 it was announced that Airbus planned to construct a \$600 million aircraft assembly plant in Mobile at the Brookley Aeroplex and will assemble A320 aircraft and will employ approximately 1,000 full-time workers at full-capacity. The construction phase of the project is well under way and nearing completion.

Austal USA in Mobile has been commissioned by the US Navy to build ten ships under a joint high speed vessel contract. Congress recently approved a budget adding resources for an eleventh ship. Austal has also secured funding to build its seventh and eighth 127-meter littoral combat ships under a 10-ship, 3.5 billion contract. In connection with the JHSV and LCS contracts, Austal employs 4,200 workers in its Mobile shipyard.

Economic stability is provided to Mobile with the presence of the University of South Alabama and its health care facilities, employing 5,200, and medical centers such as Infirmary Health Systems, Providence Hospital and Springhill Medical Center, together employing 7,800.

## **MANAGEMENT OF CITY RESOURCES**

A significant factor in assessing the economic health of the City of Mobile, and the City's finances is the credit rating assigned by credit ratings agencies because of their in-depth review of economic conditions and City financial performance. During Fiscal Year 2014, Standard and Poor's maintained the City's bond rating at AA- (stable).

In April, 2014, however, Moody's Investor Service placed the City's rating under review for a possible downgrade "due to a rapid deterioration in General Fund liquidity and reserves during fiscal 2012 and 2013." As of that date, Moody's was unaware of the change in the City management and of the adoption of an amended 2014 budget.

In June, Moody's announced that it would maintain the City's Aa2 credit rating, avoiding a downgrade. Moody's identified new City management as a key factor in its decision. "This new management team worked to amend the fiscal 2014 budget to reflect more accurate revenue estimates and implemented various expenditure cuts, and as a result, expects to increase fund balance at fiscal year-end."



## RELEVANT FINANCIAL POLICIES

City management is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of Federal and State awards, the City also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by the City.

As a part of the City's single audit, tests are made to determine the adequacy of internal controls, including those portions related to Federal awards. Tests are also performed to evaluate the City's compliance with federal awards. The City's single audit for the fiscal year ended September 30, 2014 reported no instances of material weaknesses in internal control over compliance with federal awards or significant violations of applicable laws and regulations.

Cash temporarily idle during the fiscal year was invested in government securities and bank certificates of deposit. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by Federal Depository Insurance or collateralized. The deposits that were not insured by Federal Depository Insurance were covered under the Security for Alabama Funds Enhancement (SAFE) program. Each of the banks holding the City's deposits is a certified participant in the SAFE program. Through the SAFE program, all public funds are protected through a collateral pool administered by the Alabama State Treasury.

The City is self-insured for claims and judgments, general liability and general automobile liability. These liabilities were estimated to be approximately \$717,256 at September 30, 2014 and were accounted for in the Insurance Internal Service Fund. Claim settlement and loss expenses are accrued in this fund for estimated reported claims. Past experience indicates that incurred but not reported claims, in aggregate, do not represent a material amount and, therefore, have not been accrued at year-end. The City is also self-insured for workers' compensation claims up to \$500,000 per accident and employee health insurance claims. An excess coverage insurance policy covers individual claims in excess of \$500,000 per accident for workers' compensation claims. The City has contracted with outside third parties for claim administration. These liabilities were estimated to be approximately \$13.67 million at September 30, 2014 and are accounted for in the Government-wide financial statements. The liability for employee health insurance claims of approximately \$2.36 million is reported in the Employee Health Plan Fund (Internal Service Fund).

The cost of providing benefits to City retirees is a significant commitment of current and future resources. The City pays 100% of benefit costs after employee contributions and plan earnings. The City has met all of its obligations and incorporated the effect of expected benefit cost increases in making annual budget decisions. These costs have risen and are expected to continue to rise without some modifications to the plan.

During Fiscal Year 2015, City management has made modifications to its employee health plan and to its separate retiree health plan in an effort to lessen the impact to the City of rising costs.

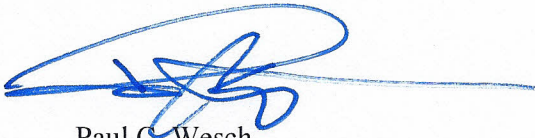
## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its September 30, 2013 comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and especially the efforts of Patricia Aldrich, Comptroller. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. My sincere appreciation is also extended to our independent auditors, Smith, Dukes & Buckalew LLP, for their cooperation and technical guidance.

Sincerely,



Paul C. Wesch  
Executive Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

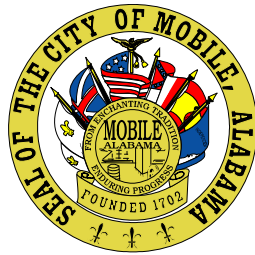
Presented to

**City of Mobile  
Alabama**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO



# City of Mobile Organizational Chart

**CITY OF MOBILE CITIZENS**

**CITY COUNCIL**

**Sandy Stimpson  
Mayor**

**Fred Richardson, Jr.**  
Council Vice President  
District 1

**Levon C. Manzie**  
District 2

**C.J. Small**  
District 3

**John C. Williams**  
District 4

**Joel Daves**  
District 5

**Bess Rich**  
District 6

**Gina Gregory**  
Council President  
District 7

**Municipal Court**  
Holmes Whiddon,  
Presiding Judge

**Internal Audit**  
Celia Sapp

**Ricardo Woods**  
City Attorney

**Legal Department**  
Flo Kessler

**Colby Cooper**  
Chief of Staff

**George Talbot**  
Senior Director  
Communications and External Affairs

**History Museum of  
Mobile**  
David Alsbrook

**Mobile Museum of Art**  
Deborah Velders

**Mobile Film Office**  
Eva Golson

**Lisa Lambert**  
City Clerk

**Archives**  
Ned Harkins

**Mail Room**  
Lisa Lambert

**City liaisons with:**  
Environmental Agencies for Regulatory Affairs  
E911 Operators  
Local, State & Federal Environmental  
Emergency Management / Civil Defense  
WAVE Transit  
Arts Council  
Downtown Mobile District Management Corp  
Civic and Convention Centers  
Ladd-Peebles Stadium Board  
Mobile Bay Convention and Visitors Bureau  
Ft. Conde Welcome Center  
Sports Commission  
Public Library System  
Gulf Quest Museum  
Exploreum  
Mobile County Public School System

**RADM Rich Landolt, USN (Ret.)**  
Executive Director  
Public Safety

**Bill Harkins**  
Executive Director  
Public Works

**Paul Wesch**  
Executive Director  
Finance

**Dianne Irby**  
Executive Director  
Planning and Development

**Nigel Roberts**  
Senior Director  
Community and Housing  
Development

**Shayla Beaco**  
Senior Director  
Community Affairs

**Sue Farni, Acting**  
Senior Director  
Information Technology

**Safety and Performance**  
Gary Gamble, Acting

**Fire-Rescue Department**  
Assistant Chief Billy Pappas

Administration  
Bureau of Fire Prevention  
Training  
Fire Suppression  
Emergency Medical Services  
Communications

**Police Department**  
Chief James Barber

Administrative Services  
Field Operations  
Investigative Services  
Community Services  
Support Services  
Impound Operations

**Animal Shelter**  
Ellen Lursen

**Parks and Recreation**  
Dan Otto

**Azalea City Golf Course**  
Brian Aaron  
Lawrence Auer

**Mobile Tennis Centers**  
Bruce Lockett

**Parks**  
Dan Otto

Parks Maintenance  
Landscaping Services  
Operations & Cemeteries

**Recreation**  
Julius Shine

Community Centers  
Athletics  
Special Activities  
Community Activities  
Mobile Regional Senior &  
Community Center

**Equipment Services**  
Greg Beckham

Garage  
Motor Pool

**Keep Mobile Beautiful**  
Bob Haskins

**Traffic Engineering**  
Jennifer White

**Electrical**  
Doug Davis

**Public Works**  
John Windley

Road Maintenance  
Storm/Drainage Maintenance  
Solid Waste/Trash Collection

**Accounting/Comptroller**  
Patricia Aldrich

**Budget**  
Robert "Bubba"  
Young

**Human Resources**  
Leslie Rey

**Payroll**  
John Noletto

**Inventory Control**  
Bill Catlow

**Police & Fire  
Pension**  
Mary Berg

**Purchasing**  
John Paine

**Revenue**  
Gwen Hall

**Treasury**  
Pandora  
Cunningham

**Engineering**  
Nick Amberger

**Environmental  
Services**  
Ray Richardson

**Historic Development**  
Devereaux Bemis

**Urban Development**  
Laura Clarke

**Code Administration**  
Roger Bendolph

**Permitting & Development**  
Margaret Pappas

**Planning**  
Richard Olsen

**Property Maintenance**  
Vacant

**Real Estate/Asset Management**  
Brad Christensen, Acting

**Architectural Engineering**  
Brad Christensen

**Mechanical Systems**  
Richard Safin

**Public Buildings**  
Steve Elmore

**Real Estate**  
John Olszewski

**Special Events**  
Ann Rambeau

**Jena Berson**  
Local Affairs

**Shemika Brown**  
Community  
Engagement

**Geographic Information  
Systems**  
Scott Kearney

**Mobile Information  
Technology**  
Sue Farni

IS Project Management

Mobile 311

Network & Technical Services

Telecommunications

**Boards and Commissions Appointed by Council:**

- Advisory Commission on Disabled
- Animal Shelter Board
- Architectural Review Board
- Board of Adjustment
- Citizens' Budget and Finance Advisory Committee
- Citizens' Park and Recreation Advisory Committee
- Civic Center Board
- Codes Advisory Committee
- Commercial Development Authority
- Downtown Redevelopment Commission
- Historic Development Commission
- Historic Preservation Authority
- Human Relations Commission
- Keep Mobile Beautiful
- Ladd-Peebles Stadium Board
- Public Library Board
- Mobile Conventions and Visitors Board
- Mobile Museum Board, Inc.
- Old Dauphin Way Review Board
- Solid Waste Authority
- South Alabama Regional Planning Commission
- Tree Commission
- Water and Sewer Commissioners
- Youth Council

**Boards and Commissions Appointed by Mayor:**

- Mobile Airport Authority
- Industrial Development Board
- Housing Authority
- Planning Commission

**AUTHORIZATION**  
Adopted July 8, 2014  
(Revised September 9, 2014)

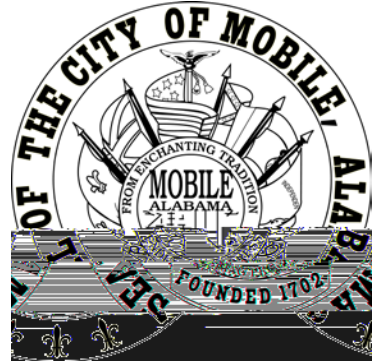
*William S. Stimpson*  
William S. Stimpson - Mayor

**CITY OF MOBILE, ALABAMA**

**LIST OF PRINCIPAL OFFICIALS**

**AT SEPTEMBER 30, 2014**

| <b>TITLE</b>                  | <b>NAME</b>                 |
|-------------------------------|-----------------------------|
| Mayor                         | William S. Stimpson         |
| City Council                  |                             |
| District 1                    | Fredrick D. Richardson, Jr. |
| District 2                    | Levon C. Manzie             |
| District 3                    | C.J. Small                  |
| District 4                    | John C. Williams            |
| District 5                    | Joel Daves                  |
| District 6                    | Bess Rich                   |
| District 7                    | Gina Gregory                |
| Executive Director of Finance | Paul C. Wesch               |
| City Clerk                    | Lisa C. Lambert             |



WILLIAM S. STIMPSON  
MAYOR

# Part II Financial Section



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and  
Members of the City Council of  
the City of Mobile, Alabama  
Mobile, Alabama

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mobile, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Mobile's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

The City of Mobile's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of WAVE Transit and the Mobile Public Library, which represent 2.00 percent, and 0.44 percent, respectively, of the assets, 4.36 percent and 0.85 percent, respectively, of the net position, and 1.63 percent and 2.93 percent, respectively, of the revenues of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for WAVE Transit and the Mobile Public Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinion***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mobile, Alabama, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



To the Honorable Mayor and  
Members of the City Council of  
the City of Mobile, Alabama  
Page 2

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-15 and 80-83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mobile's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparison information, other financial schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the introductory section, combining and individual non-major fund financial statements, budgetary comparison information, other financial schedules, and statistical section is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, budgetary comparison information, other financial schedules, and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2015 on our consideration of the City of Mobile's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Mobile's internal control over financial reporting and compliance. That report is included in the City of Mobile's Audit of Federal Awards Program.

*Smith, Duke and Muchalew, LLP*

Mobile, Alabama  
March 31, 2015



**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Mobile's Comprehensive Annual Financial Report (CAFR) presents City management's discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2014. Please read this in conjunction with the City's financial statements, which follow this section, and the additional information furnished in the letter of transmittal, which can be found in the introductory section of the CAFR.

### FINANCIAL HIGHLIGHTS

- ◆ The assets and deferred outflows of the City of Mobile exceeded its liabilities and deferred inflows at the close of the fiscal year by \$410.8 million (net position). Of this amount the City had a deficit in unrestricted net position of \$154.4 million offset by \$95.2 million in restricted net position and \$470.0 million in net investment in capital assets.
- ◆ The City's total net position decreased \$0.5 million, or 0.11%, as a result of this year's operations. Net position of governmental activities increased \$6.6 million, or 2.18%, and net position of business-type activities decreased \$7.06 million, or 6.31%.
- ◆ The City made three prior period adjustments in the current year which affected beginning net position. A detailed explanation of these adjustments can be found at Note 18.
- ◆ At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$90.4 million. This was an increase of \$17.2 million or 23.4% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General Fund was \$19.2 million, an increase of 595.8% from the prior year. This was primarily due to cost saving measures in departments and cost centers as well as revenues performing above budget estimates. City management made intentional efforts to re-establish general fund reserves after declines in recent years.
- ◆ Sales and use tax, the City's single largest revenue source, increased \$7.9 million or 4.6% from the prior year primarily due to improving economic conditions and increased collection enforcement.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements consist of four parts: management's discussion and analysis (this section), the basic financial statements, and the narrative notes to the financial statements and the required supplementary information. The basic financial statements include two kinds of statements that present different views of the City's finances.

- ◆ The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- ◆ The remaining statements are fund financial statements that focus on individual elements of the City government, reporting the City's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.
  - Proprietary funds statements offer short and long-term financial information about the activities the government operates like businesses such as the WAVE transit.

The financial statements also include narrative notes that explain some of the information in the financial statements and provide more detailed data.

To assess the overall economic health of the City, additional non-financial factors, such as changes in the City's tax base, planning and zoning actions, and the condition of the City's roads and other infrastructure should be considered.

## **USING THIS ANNUAL REPORT**

The Statement of Net Position and the Statement of Activities, (pages 16 - 18) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 19. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government wide statements by providing information about the City's most significant funds.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 36.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget starting on page 80.

## **REPORTING THE CITY AS A WHOLE**

### **The Statement of Net Position and the Statement of Activities**

One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, liabilities, deferred outflows and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in it. You can think of the City's net position - the difference between assets and deferred outflows less liabilities and deferred inflows - as one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's tax bases and the condition of the City's drainage systems and roads, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

- Governmental activities - Most of the City's basic services are reported here, including the police, fire, public works, parks and recreation departments and general administration. Sales taxes, business license fees, property taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services provided. Convention center, civic center, the golf and tennis centers and parking facilities are reported here.
- Component units - The City includes three separate legal entities in its report – Mobile Public Library, The Public Park and Recreation Board (Ladd-Peebles Stadium), and the Solid Waste Disposal Authority.

More comprehensive information about these component units can be found in Note 2.

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State Law and by bond covenants. However, the City Council established many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Federal Transportation Authority and the Department of Housing and Urban Development). Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report. The City's two kinds of funds - governmental and proprietary - use different accounting approaches.

- Governmental funds - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Government fund information helps you determine whether there are more or fewer resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a separate reconciliation following each fund financial statement.

• Proprietary funds - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities - such as the City's Motor Pool. Because internal service funds primarily serve governmental functions, they are included within the governmental activities of the government-wide financial statements.

## THE CITY AS A WHOLE - CONDENSED FINANCIAL INFORMATION

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's net position at fiscal year-end are \$410.8 million. This is a \$0.5 million decrease over last year's net assets of \$413.9 million. The following table provides a summary of the City's net assets:

|                                  | <b>City of Mobile, Alabama</b> |                   |                             |                   |                             |                   | Amount<br>Change | %<br>Change |
|----------------------------------|--------------------------------|-------------------|-----------------------------|-------------------|-----------------------------|-------------------|------------------|-------------|
|                                  | <b>Summary of Net Position</b> |                   |                             |                   |                             |                   |                  |             |
|                                  | Governmental<br>Activities     |                   | Business-type<br>Activities |                   | Total Primary<br>Government |                   |                  |             |
| 2014                             | Restated<br>2013               | 2014              | Restated<br>2013            | 2014              | Restated<br>2013            |                   |                  |             |
| Current and other assets         | \$ 196,582                     | \$ 178,608        | \$ 14,927                   | \$ 17,491         | \$ 211,509                  | \$ 196,099        | \$ 15,410        | 7.86 %      |
| Capital assets                   | <u>641,724</u>                 | <u>641,276</u>    | <u>97,964</u>               | <u>101,748</u>    | <u>739,688</u>              | <u>743,024</u>    | <u>(3,336)</u>   | (0.45)%     |
| Total assets                     | <u>\$ 838,306</u>              | <u>\$ 819,884</u> | <u>\$ 112,891</u>           | <u>\$ 119,239</u> | <u>\$ 951,197</u>           | <u>\$ 939,123</u> | <u>\$ 12,074</u> | 1.29 %      |
| Deferred outflows                | <u>\$ 4,855</u>                | <u>\$ -</u>       | <u>\$ -</u>                 | <u>\$ -</u>       | <u>\$ 4,855</u>             | <u>\$ -</u>       | <u>\$ 4,855</u>  | 100.00 %    |
| Long-term liabilities            | \$ 502,661                     | \$ 481,736        | \$ 419                      | \$ 621            | \$ 503,080                  | \$ 482,357        | \$ 20,723        | 4.30 %      |
| Other liabilities                | <u>34,501</u>                  | <u>36,061</u>     | <u>3,720</u>                | <u>2,702</u>      | <u>38,222</u>               | <u>38,763</u>     | <u>(541)</u>     | (1.40)%     |
| Total liabilities                | <u>537,162</u>                 | <u>517,797</u>    | <u>4,139</u>                | <u>3,323</u>      | <u>541,302</u>              | <u>521,120</u>    | <u>20,182</u>    | 3.87 %      |
| Deferred inflows                 | <u>-</u>                       | <u>-</u>          | <u>3,967</u>                | <u>4,069</u>      | <u>3,967</u>                | <u>4,069</u>      | <u>(102)</u>     | (2.51)%     |
| Net position:                    |                                |                   |                             |                   |                             |                   |                  |             |
| Net investment in capital assets | 372,033                        | 366,742           | 97,964                      | 101,563           | 469,997                     | 468,305           | 1,692            | 0.36 %      |
| Restricted                       | 95,217                         | 93,283            | -                           | -                 | 95,217                      | 93,283            | 1,934            | 2.07 %      |
| Unrestricted                     | <u>(161,252)</u>               | <u>(157,938)</u>  | <u>6,821</u>                | <u>10,284</u>     | <u>(154,431)</u>            | <u>(147,654)</u>  | <u>(6,777)</u>   | 4.59 %      |
| Total net position               | <u>305,998</u>                 | <u>302,087</u>    | <u>104,785</u>              | <u>111,847</u>    | <u>410,783</u>              | <u>413,934</u>    | <u>(3,151)</u>   | (0.76)%     |

The largest portion of the City's net assets (114.4%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, equipment, etc.) less any related debt used to acquire those assets that are still outstanding, excluding any unspent proceeds of the debt issued. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (23.2%) represents resources that are subject to restrictions as

to how they may be used. The remaining balance of unrestricted net assets may normally be used to meet the City's on-going obligations to citizens and creditors.

At the end of the current fiscal year unrestricted net assets has a deficit balance of \$161.3 million for governmental activities. This deficit arose mainly because of the way the City is required to account for its other post-employment benefits (OPEB). The City has elected to fund its OPEB obligation on a pay as you go basis. In addition to paying annual claims as they arise, the City is required to record the expense related to the increase in the accrual of the net OPEB obligation as actuarially determined.

The combined total OPEB expense (the combination of the expense for annual paid claims and the expense for the increase in the accrual) reduces the amount of unrestricted net assets for the year. The OPEB expense for the City of Mobile is substantial and increased by \$26.2 million during the current fiscal year.

The unrestricted net assets for business-type activities show a balance of \$6.8 million which is a \$3.5 million decrease from the prior year. This decrease is due primarily to operating deficits in enterprise funds.

Please turn to the following page for the Summary of Changes in Net Position table.

Comparative data is accumulated and presented to assist analysis. The following table provides a summary of the City's changes in net position:

**City of Mobile, Alabama**  
**Summary of Changes in Net Position**  
(dollars are in thousands)

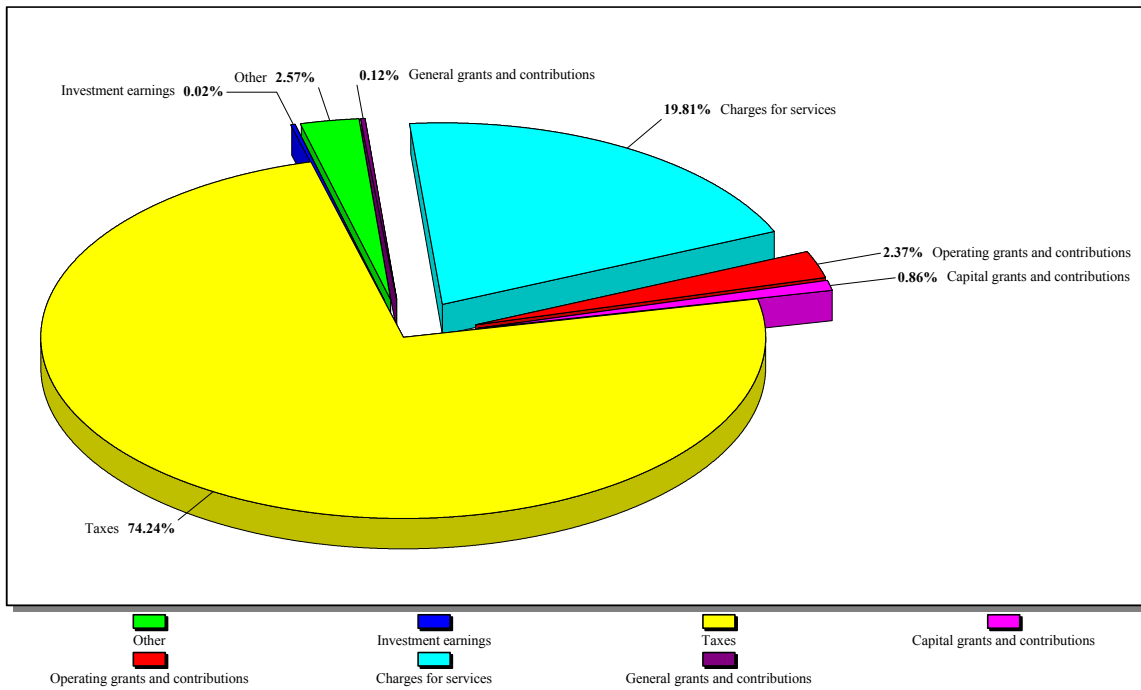
|   | Governmental Activities |                   | Business-type Activities |                   | Total Primary Government |                   | Amount Change     | % Change  |
|---|-------------------------|-------------------|--------------------------|-------------------|--------------------------|-------------------|-------------------|-----------|
|   | 2014                    | Restated 2013     | 2014                     | Restated 2013     | 2014                     | Restated 2013     |                   |           |
| Program Revenues:   |                         |                   |                          |                   |                          |                   |                   |           |
| Charges for services  | \$ 57,932               | \$ 55,666         | \$ 10,372                | \$ 10,131         | \$ 68,304                | \$ 65,797         | \$ 2,507          | 3.81 %    |
| Operating grants and contributions                              | 6,937                   | 9,032             | 3,412                    | 2,911             | 10,349                   | 11,943            | (1,594)           | (13.35)%  |
| Capital grants and contributions                                | 2,525                   | 5,105             | 848                      | 1,276             | 3,373                    | 6,381             | (3,008)           | (47.14)%  |
| General revenues:   |                         |                   |                          |                   |                          |                   |                   |           |
| Taxes   | 217,091                 | 207,741           | 10,777                   | 10,617            | 227,868                  | 218,358           | 9,510             | 4.36 %    |
| Grants & contributions  | 348                     | -                 | -                        | -                 | 348                      | -                 | 348               | - %       |
| Investment earnings   | 72                      | 94                | 5                        | -                 | 77                       | 94                | (17)              | (18.09)%  |
| Other   | 7,501                   | 1,767             | -                        | -                 | 7,501                    | 1,767             | 5,734             | 324.50 %  |
| Total revenues  | <u>292,406</u>          | <u>279,405</u>    | <u>25,414</u>            | <u>24,935</u>     | <u>317,820</u>           | <u>304,340</u>    | <u>13,480</u>     | 4.43 %    |
| Program Expenses:   |                         |                   |                          |                   |                          |                   |                   |           |
| General government  | 78,626                  | 89,601            | -                        | -                 | 78,626                   | 89,601            | (10,975)          | (12.25)%  |
| Economic development  | 1,176                   | 1,271             | -                        | -                 | 1,176                    | 1,271             | (95)              | (7.47)%   |
| Public safety   | 115,054                 | 116,800           | -                        | -                 | 115,054                  | 116,800           | (1,746)           | (1.49)%   |
| Public works  | 41,782                  | 41,981            | -                        | -                 | 41,782                   | 41,981            | (199)             | (0.47)%   |
| Culture and recreation  | 24,193                  | 24,346            | -                        | -                 | 24,193                   | 24,346            | (153)             | (0.63)%   |
| Finance   | 5,887                   | 5,314             | -                        | -                 | 5,887                    | 5,314             | 573               | 10.78 %   |
| Interest on long-term debt                                      | 14,123                  | 14,532            | -                        | -                 | 14,123                   | 14,532            | (409)             | (2.81)%   |
| Alabama Cruise Terminal   | -                       | -                 | 1,144                    | 1,303             | 1,144                    | 1,303             | (159)             | (12.20)%  |
| Civic Center  | -                       | -                 | 3,582                    | 3,563             | 3,582                    | 3,563             | 19                | 0.53 %    |
| Convention Center   | -                       | -                 | 9,675                    | 8,526             | 9,675                    | 8,526             | 1,149             | 13.48 %   |
| Golf Course   | -                       | -                 | 1,534                    | 1,546             | 1,534                    | 1,546             | (12)              | (0.78)%   |
| Firemedics  | -                       | -                 | 7,477                    | 6,796             | 7,477                    | 6,796             | 681               | 10.02 %   |
| Parking Garage  | -                       | -                 | 285                      | 227               | 285                      | 227               | 58                | 25.55 %   |
| Tennis Center   | -                       | -                 | 707                      | 640               | 707                      | 640               | 67                | 10.47 %   |
| Neighborhood Renewal Program                                    | -                       | -                 | 19                       | 2                 | 19                       | 2                 | 17                | 850.00 %  |
| Saenger Theater   | -                       | -                 | 890                      | 259               | 890                      | 259               | 631               | 244 %     |
| WAVE Transit  | -                       | -                 | 12,134                   | 11,551            | 12,134                   | 11,551            | 583               | 5.05 %    |
| Total expenses  | <u>280,841</u>          | <u>293,845</u>    | <u>37,447</u>            | <u>34,413</u>     | <u>318,288</u>           | <u>328,258</u>    | <u>(9,970)</u>    | (3.04)%   |
| Change in net assets before capital contributions and transfers | 11,565                  | (14,440)          | (12,033)                 | (9,478)           | (468)                    | (23,918)          | 23,450            | (98.04)%  |
| Transfers   | (4,970)                 | (15,212)          | 4,970                    | 15,212            | -                        | -                 | -                 | - %       |
| Change in net assets  | <u>6,595</u>            | <u>(29,652)</u>   | <u>(7,063)</u>           | <u>5,734</u>      | <u>(468)</u>             | <u>(23,918)</u>   | <u>23,450</u>     | (98.04)%  |
| Net position, beginning   | 302,087                 | 331,723           | 111,847                  | 106,114           | 413,934                  | 437,837           | (23,903)          | (5.46)%   |
| Adjustments to beginning net position                           | (2,683)                 | 16                | -                        | -                 | (2,683)                  | 16                | (2,699)           | (16.869)% |
| Net position, ending  | <u>\$ 305,999</u>       | <u>\$ 302,087</u> | <u>\$ 104,784</u>        | <u>\$ 111,848</u> | <u>\$ 410,783</u>        | <u>\$ 413,935</u> | <u>\$ (3,152)</u> | (0.76)%   |

\*Prior period adjustments were made to correct the presentation of various assets in accordance with current generally accepted accounting principles. See Note 18 for further explanation.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal year 2014.

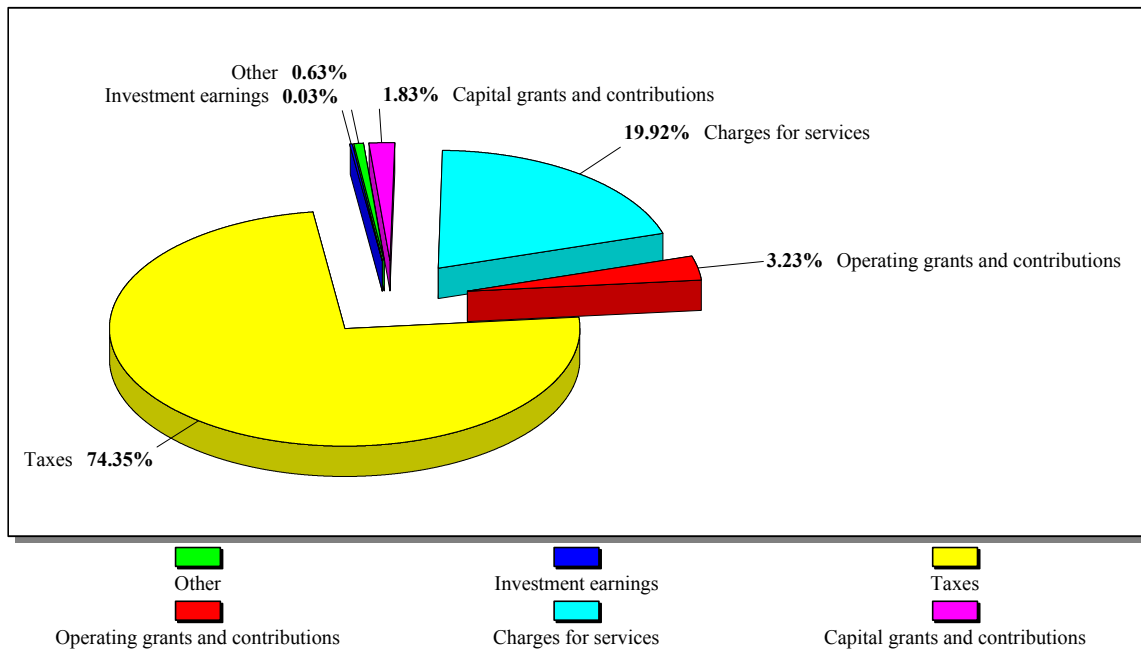
### GOVERNMENTAL REVENUES

2014



### GOVERNMENTAL REVENUES

2013

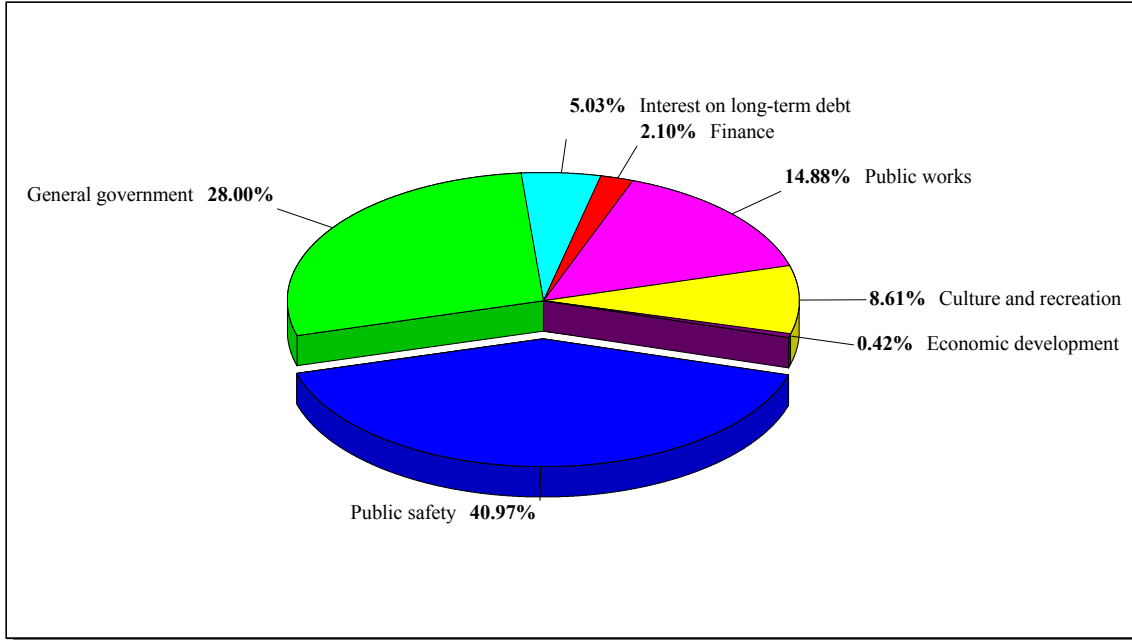


As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 74.24% and 74.35% of the City's total governmental revenues in fiscal years 2014 and 2013, respectively.



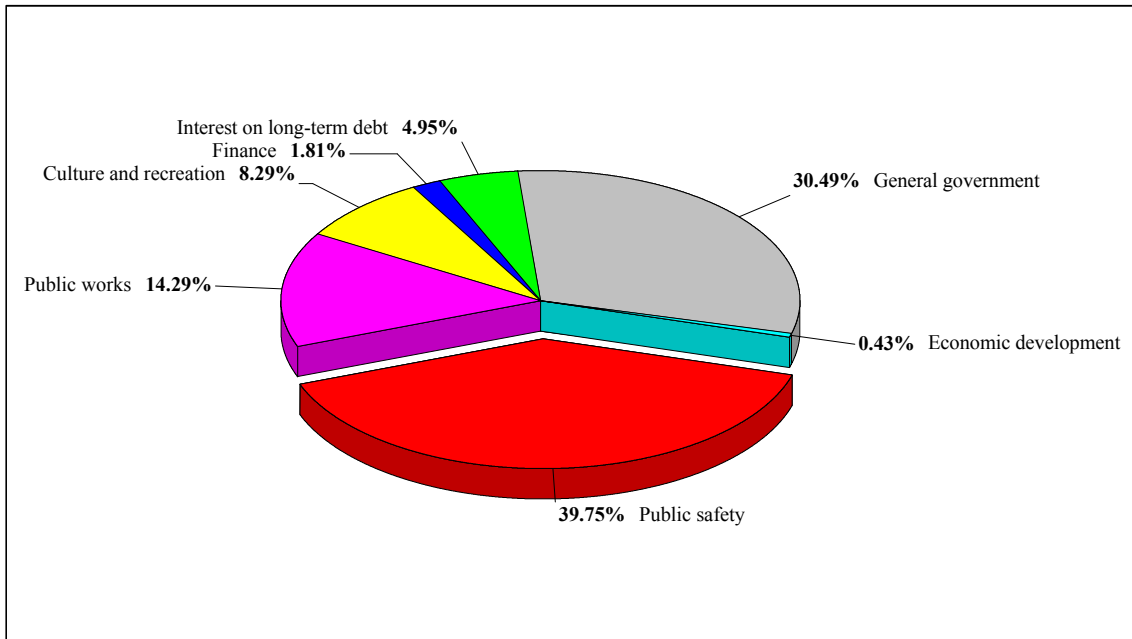
## GOVERNMENTAL FUNCTIONAL EXPENSES

2014



## GOVERNMENTAL FUNCTIONAL EXPENSES

2013



See the following page for discussion of these graphs.

## **Governmental activities**

Governmental activities increased the City's net assets by \$6.6 million. The key elements of this change are as follows:

- Excess expenses over revenue for governmental activities amounted to \$213.4 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$72,025 which was a decrease of \$21,988 from the prior year.
- Tax revenues amounted to \$217.1 million which was an increase of 4.5% over the prior year and was due primarily to improved economic conditions and increased collection enforcement.
- Other revenue amounted to \$7.5 million.
- Transfers out of governmental activities totaled \$5.0 million.

Governmental activity expenses increased from the prior year. Of the \$280.8 million of governmental activity expenses, public safety was the largest operating cost, at 41.0% of total costs in 2014. For the government-wide full accrual statements, capital outlay expenses were eliminated and capital assets were reported.

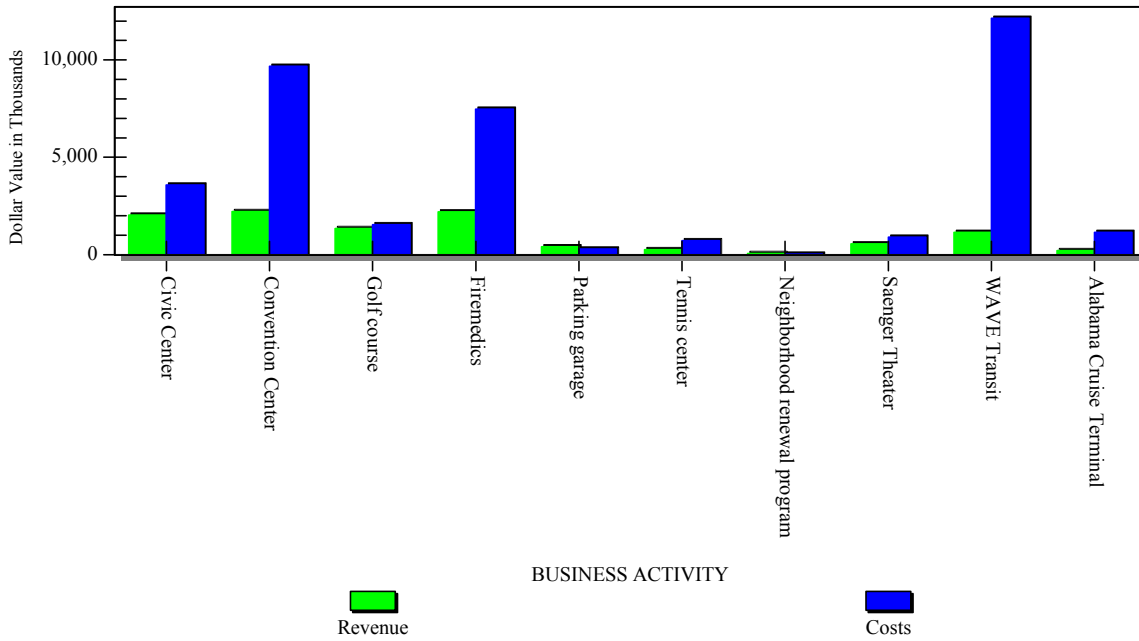
## **Business-type activities**

Business-type activities decreased the City's total net assets by \$7.1 million. Business-type activities are shown comparing costs to revenues generated by related services. The parking garage and neighborhood renewal program business-type activities are self-supporting with user charges and other revenues designed to recover costs. The civic center, the convention center, firemedics, WAVE Transit, tennis center, golf course, the Saenger Theater and cruise terminal provided services with user charges that did not recover costs in the current year. The convention center receives a portion of the room and food tax by ordinance to help cover their expenses. The civic center, firemedics, WAVE Transit, cruise terminal, golf course, Saenger Theater and tennis center activities required subsidization by the City.

Please turn to the following page for graphs which illustrate the business-type activities results of operations.

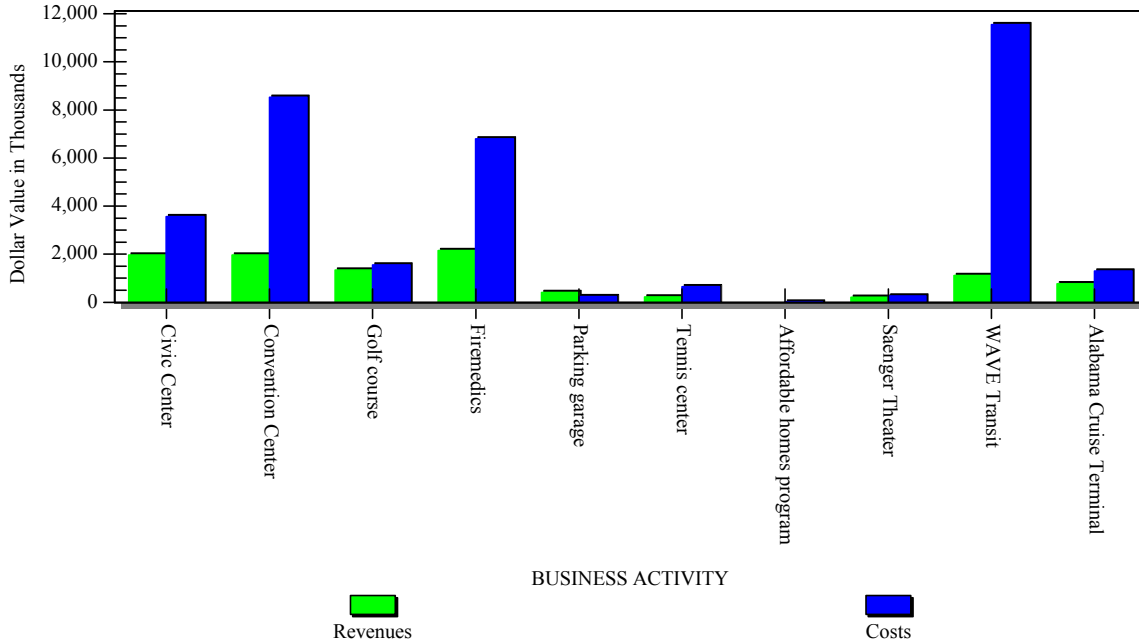
## BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2014



## BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2013



## THE CITY'S FUNDS

### Governmental Funds

The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of expendable resources. Such information is useful in comparing the City's resources at the end of the year with upcoming financing requirements. Governmental funds reported ending fund balance of \$90.4 million, of which \$14.9 million is unassigned. The nonspendable fund balance is \$2.3 million and stems from inventory and prepaid expenses. Restricted fund balance is \$18.0 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$8.6 million and comprises funds with constraints imposed by formal action of the City Council. Finally assigned fund balance is \$46.5 million and comprises funds constrained by the City's intent to be used for a specific purpose.

The total ending fund balances of governmental funds show a \$17.2 million increase from the prior year. This increase is primarily due to a \$19.4 million increase in the fund balance of the General Fund. This was primarily due to cost saving measures in departments and cost centers as well as revenues performing above budget estimates. City management made intentional efforts to re-establish general fund reserves after declines in recent years.

#### Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance in the General Fund increased by approximately \$19.4 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$34.2 million which includes a net decrease of \$1.4 million. The decrease is primarily due to current year project expenditures in this fund.

### Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status.

#### Enterprise Funds

The City's enterprise funds consist of the Alabama Cruise Terminal, the Mobile Civic Center, the Municipal Parking Garage, the Azalea City Golf Course, Firemedics, Mobile Convention Center, the Tennis Center, Neighborhood Renewal Program, Saenger Theater and WAVE Transit. The total net position of the Enterprise Funds decreased by \$7.1 million during the current fiscal year. This decrease is due primarily to a \$3.2 million net loss in the WAVE Transit, a \$1.0 million transfer out of the Municipal Parking Garage to the General Fund, and net losses in the Civic Center, Convention Center, Cruise Terminal, and other non-major enterprise funds totaling \$2.9 million.

#### Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City's three internal service funds include the Motor Pool Fund, Insurance Fund and Employee Health Fund. The net assets of the funds increased by \$0.9 million from the prior year, primarily due to increases in transfers to the funds.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The excess of revenues over expenditures on a budgetary basis during the year was \$15.3 million. The following are the main components of the excess:

- Tax revenue was over expected budgeted amounts by \$5.1 million.
- Departmental expenditures were under budget by \$7.6 million. This was due primarily to cost savings in departments and cost centers during the year.
- Nondepartmental expenditures which include mandated activities, joint ventures, agencies, employee cost, state and federal projects, etc. were under budget by \$0.5 million.

During Fiscal Year 2014, the City's general fund budget was amended to repair the unassigned fund balance deficit and to restore a surplus. All revenues, departmental expenditures, and cost center expenditures were revised to align with the estimated actuals. The amended general fund expenditures budget for fiscal year 2014 was approximately \$200.6 million. This was an increase of \$7 million over the prior year amended budget.

Total revenues were approximately \$6.0 million over budget while expenditures were \$8.0 million under budget. This was due primarily to cost savings in departments and cost centers during the year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2014, the City's net investment in capital assets for governmental and business-type activities was \$372.0 million and \$98.0 million, respectively. The decrease was \$1.6 million from 2013 for the City as a whole. See Note 7 for additional information about changes in capital assets during the fiscal year and construction commitments outstanding at the end of the year.

|                                 | <b>Capital Assets</b>                  |                   |                                 |                   |                   |                   | Total<br>%<br>Change |
|---------------------------------|--|-------------------|---------------------------------|-------------------|-------------------|-------------------|----------------------|
|                                 | <b>Net of Accumulated Depreciation</b> |                   |                                 |                   | <b>Total</b>      |                   |                      |
|                                 | <b>Governmental Activities</b>         |                   | <b>Business-type Activities</b> |                   |                   |                   |                      |
|                                 | <u>2014</u>                            | <u>2013</u>       | <u>2014</u>                     | <u>2013</u>       | <u>2014</u>       | <u>2013</u>       |                      |
| Non-depreciable capital assets: |  |                   |                                 |                   |                   |                   |                      |
| Land                            | \$ 27,259                              | \$ 27,478         | \$ 10,675                       | \$ 10,616         | \$ 37,934         | \$ 38,094         | (0.42)%              |
| Infrastructure-in-progress      | 10,366                                 | 19,981            | -                               | -                 | 10,366            | 19,981            | (48.12)%             |
| Construction-in-progress        | 58,431                                 | 62,636            | 1,896                           | 1,750             | 60,327            | 64,386            | (6.30)%              |
| Intangible assets               | 4,116                                  | 3,944             | -                               | -                 | 4,116             | 3,944             | 4.36 %               |
| Depreciable capital assets, net |  |                   |                                 |                   |                   |                   |                      |
| Buildings                       | 41,282                                 | 42,398            | 71,538                          | 73,863            | 112,820           | 116,261           | (2.96)%              |
| Improvements                    | 64,170                                 | 67,695            | 8,729                           | 10,357            | 72,899            | 78,052            | (6.60)%              |
| Vehicular equip                 | 21,824                                 | 21,570            | 4,017                           | 5,006             | 25,841            | 26,576            | (2.77)%              |
| Other equip                     | 13,979                                 | 8,994             | 1,109                           | 156               | 15,088            | 9,150             | 64.90 %              |
| Infrastructure                  | <u>400,297</u>                         | <u>386,581</u>    | <u>-</u>                        | <u>-</u>          | <u>400,297</u>    | <u>386,581</u>    | 3.55 %               |
| Total capital assets, net       | <u>\$ 641,724</u>                      | <u>\$ 641,277</u> | <u>\$ 97,964</u>                | <u>\$ 101,748</u> | <u>\$ 739,688</u> | <u>\$ 743,025</u> | (0.45)%              |



## Long-Term Debt

As of September 30, 2014, the City had \$284.9 million of long-term debt outstanding, including bonds and warrants payable, notes payable, obligations under capital leases, and deferred amount on refunding. In the current fiscal year, the City retired principal on long-term debt (bonds, warrants, and notes) in the amount of \$11.5 million and made payments of \$0.9 million for capital lease obligations. Interest payments on long-term debt totaled \$13.8 million. More information on long-term debt activity can be found in the Notes to the Financial Statements in Note 8 - Long Term Debt. The following table summarizes the City's long-term debt:

|                                  | <b>Outstanding Long-term Debt</b> |                   |                                 |               |                   |                   |                               |
|----------------------------------|-----------------------------------|-------------------|---------------------------------|---------------|-------------------|-------------------|-------------------------------|
|                                  | <u>Governmental Activities</u>    |                   | <u>Business-type Activities</u> |               | <u>Total</u>      |                   | <u>Total<br/>%<br/>Change</u> |
|                                  | <u>2014</u>                       | <u>2013</u>       | <u>2014</u>                     | <u>2013</u>   | <u>2014</u>       | <u>2013</u>       |                               |
| Bonds/warrants, net              | \$ 279,122                        | \$ 289,598        | \$ -                            | \$ -          | \$ 279,122        | \$ 289,598        | (3.62)%                       |
| Notes payable                    | 3,380                             | 3,785             | -                               | -             | 3,380             | 3,785             | (10.70)%                      |
| Obligations under capital leases | 2,424                             | 3,346             | -                               | 185           | 2,424             | 3,531             | (31.35)%                      |
| Total long-term debt             | <u>\$ 284,926</u>                 | <u>\$ 296,729</u> | <u>\$ -</u>                     | <u>\$ 185</u> | <u>\$ 284,926</u> | <u>\$ 296,914</u> | (4.04)%                       |

Most of the City's general obligation bond issues are insured and as a result, carry the highest ratings from Standard & Poor's Corporation (AAA) and Moody's Investor Services (Aaa). The uninsured ratings for the City are AA- (stable) from Standard and Poors and Aa2 from Moodys. Under current State of Alabama statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 20 percent of total assessed value of real and personal property. As of September 30, 2014, the City's permissible debt limit exceeded actual debt by approximately \$269.4 million.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

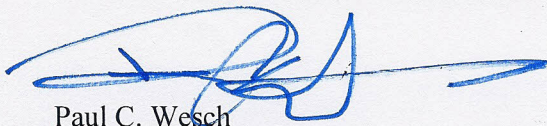
A temporary one-cent sales tax was implemented November 1, 2012 and will remain in effect until September 30, 2018.

The City continues to explore options for the continued use of the cruise terminal.

In July 2012, it was announced that Airbus planned to construct a \$600 million aircraft assembly plant in Mobile at the Brookley Aeroplex and will assemble A320 aircraft and will employ approximately 1,000 full-time workers at full-capacity. The construction phase of the project is well under way and nearing completion.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need any additional financial information, please contact the Executive Director of Finance's office at 205 Government Street, Suite 530, Mobile, Alabama. This report is also available online at [www.cityofmobile.org](http://www.cityofmobile.org).



Paul C. Wesch  
Executive Director of Finance

**BASIC  
FINANCIAL STATEMENTS**



**CITY OF MOBILE, ALABAMA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

|  | Primary Government         |                             |                      | Component<br>Units |
|--|----------------------------|-----------------------------|----------------------|--------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total                |                    |
| <b>ASSETS</b>  |                            |                             |                      |                    |
| Cash, equity in pooled cash and investments              | \$ 90,253,972              | \$ 11,750,141               | \$ 102,004,113       | \$ 3,776,094       |
| Restricted cash - capital purchases                      | 83,419                     | -                           | 83,419               | -                  |
| Receivables (net)  | 28,460,527                 | 2,335,912                   | 30,796,439           | 312,033            |
| Internal balances  | (127,640)                  | 127,640                     | -                    | -                  |
| Inventories  | 2,301,354                  | 354,526                     | 2,655,880            | -                  |
| Other assets   | 10,000                     | 358,738                     | 368,738              | -                  |
| P&F Pension - negative net pension obligation<br>(asset) | 75,600,575                 | -                           | 75,600,575           | -                  |
| Nondepreciable capital assets                            | 100,172,065                | 12,571,049                  | 112,743,114          | -                  |
| Depreciable capital assets, net                          | 541,551,921                | 85,393,010                  | 626,944,931          | 1,258,974          |
| Total assets   | <u>838,306,193</u>         | <u>112,891,016</u>          | <u>951,197,209</u>   | <u>5,347,101</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    |                            |                             |                      |                    |
| Deferred amount on refunding                             | 4,854,604                  | -                           | 4,854,604            | -                  |
| Total deferred outflows of resources                     | <u>4,854,604</u>           | <u>-</u>                    | <u>4,854,604</u>     | <u>-</u>           |
| <b>LIABILITIES</b>                                       |                            |                             |                      |                    |
| Accounts payable and accrued liabilities                 | 21,639,892                 | 1,935,588                   | 23,575,480           | 574,493            |
| Unearned revenue   | 453,400                    | 571,592                     | 1,024,992            | -                  |
| Pension employer contribution payable                    | 12,408,124                 | 1,213,150                   | 13,621,274           | -                  |
| Long-term liabilities:                                   |                            |                             |                      |                    |
| Due within 1 year:                                       |                            |                             |                      |                    |
| Bonds and warrants payable                               | 13,403,711                 | -                           | 13,403,711           | -                  |
| Notes payable  | 430,000                    | -                           | 430,000              | -                  |
| Capital lease obligations                                | 950,961                    | -                           | 950,961              | -                  |
| Compensated absences                                     | 1,783,062                  | 89,583                      | 1,872,645            | 35,388             |
| Insurance claims   | 5,414,867                  | -                           | 5,414,867            | -                  |
| Landfill postclosure liability                           | 46,111                     | -                           | 46,111               | -                  |
| Due in more than 1 year:                                 |                            |                             |                      |                    |
| Bonds and warrants payable                               | 270,573,038                | -                           | 270,573,038          | -                  |
| Notes payable  | 2,950,000                  | -                           | 2,950,000            | -                  |
| Capital lease obligations                                | 1,473,283                  | -                           | 1,473,283            | -                  |
| Compensated absences                                     | 11,554,172                 | 329,712                     | 11,883,884           | 500,386            |
| Self-insured liability - legal                           | 717,256                    | -                           | 717,256              | 8,291,648          |
| Insurance claims   | 10,619,852                 | -                           | 10,619,852           | -                  |
| Landfill postclosure liability                           | 719,629                    | -                           | 719,629              | -                  |
| Postemployment benefits                                  | 182,025,000                | -                           | 182,025,000          | -                  |
| Total liabilities  | <u>537,162,358</u>         | <u>4,139,625</u>            | <u>541,301,983</u>   | <u>9,401,915</u>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                     |                            |                             |                      |                    |
| Deferred service concession arrangement receipts         | -                          | 3,966,837                   | 3,966,837            | -                  |
| Total deferred inflows of resources                      | <u>-</u>                   | <u>3,966,837</u>            | <u>3,966,837</u>     | <u>-</u>           |
| <b>NET POSITION</b>                                      |                            |                             |                      |                    |
| Net investment in capital assets                         | 372,032,993                | 97,964,060                  | 469,997,053          | 1,258,974          |
| Restricted for:  |                            |                             |                      |                    |
| Police and Fire Pension                                  | 75,600,575                 | -                           | 75,600,575           | -                  |
| Capital projects   | 8,437,825                  | -                           | 8,437,825            | -                  |
| Debt Service   | 719,022                    | -                           | 719,022              | -                  |
| Economic development                                     | 8,529,434                  | -                           | 8,529,434            | -                  |
| Grant programs   | 1,930,590                  | -                           | 1,930,590            | -                  |
| Unrestricted (deficit)                                   | <u>(161,252,000)</u>       | <u>6,820,494</u>            | <u>(154,431,506)</u> | <u>(5,313,788)</u> |
| Total net position                                       | <u>305,998,439</u>         | <u>104,784,554</u>          | <u>410,782,993</u>   | <u>(4,054,814)</u> |

**See Accompanying Notes to the Financial Statements.**



**CITY OF MOBILE, ALABAMA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|                                  | Expenses             | Program Revenues     |                                    |                                  |
|----------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|
|                                  |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| <b>Primary Government:</b>       |                      |                      |                                    |                                  |
| Governmental Activities:         |                      |                      |                                    |                                  |
| General government               | \$ 78,626,293        | \$ 51,222,299        | \$ 5,153,243                       | \$ 208,713                       |
| Economic development             | 1,175,960            | -                    | -                                  | 1,654,757                        |
| Public safety                    | 115,054,082          | 5,841,687            | 1,712,554                          | -                                |
| Public works                     | 41,782,266           | 430,550              | -                                  | 661,845                          |
| Culture and recreation           | 24,192,649           | 437,059              | 71,442                             | -                                |
| Finance                          | 5,886,971            | -                    | -                                  | -                                |
| Interest on long-term debt       | 14,123,164           | -                    | -                                  | -                                |
| Total governmental activities    | <u>280,841,385</u>   | <u>57,931,595</u>    | <u>6,937,239</u>                   | <u>2,525,315</u>                 |
| Business-Type Activities:        |                      |                      |                                    |                                  |
| Alabama Cruise Terminal          | 1,143,905            | 206,892              | -                                  | -                                |
| Civic Center                     | 3,581,709            | 2,031,222            | -                                  | -                                |
| Convention Center                | 9,674,772            | 2,204,743            | -                                  | -                                |
| Golf course                      | 1,533,543            | 1,344,965            | 2,875                              | -                                |
| Firemedics                       | 7,477,075            | 2,189,244            | -                                  | -                                |
| Parking garage                   | 285,324              | 400,957              | -                                  | -                                |
| Tennis Center                    | 707,450              | 261,450              | -                                  | -                                |
| Neighborhood renewal program     | 18,987               | 53,884               | -                                  | -                                |
| Saenger Theater                  | 889,736              | 542,724              | -                                  | -                                |
| WAVE Transit                     | 12,134,216           | 1,136,104            | 3,409,341                          | 848,317                          |
| Total business-type activities   | <u>37,446,717</u>    | <u>10,372,185</u>    | <u>3,412,216</u>                   | <u>848,317</u>                   |
| Total primary government         | <u>318,288,102</u>   | <u>68,303,780</u>    | <u>10,349,455</u>                  | <u>3,373,632</u>                 |
| <b>Component units:</b>          |                      |                      |                                    |                                  |
| Mobile Public Library            | 9,779,426            | 770,470              | 453,435                            | 3,573                            |
| Public Park and Recreation Board | 1,045,220            | 1,053,911            | -                                  | -                                |
| Solid Waste Disposal Authority   | 10,048,281           | 227,756              | -                                  | -                                |
| Total component units            | <u>\$ 20,872,927</u> | <u>\$ 2,052,137</u>  | <u>\$ 453,435</u>                  | <u>\$ 3,573</u>                  |

**General Revenues:**

Taxes:

Real and personal property tax

Sales tax

Gasoline tax

Room tax

Beer and liquor tax

Rental and leasing tax

Cigarette stamp tax

Other tobacco tax

Financial excise tax

Other tax revenue

Grants and contributions not restricted to specific programs

Investment earnings

Other

**Transfers**

Total general revenues and transfers

Change in net position

Net position - beginning of year

Adjustment to beginning net position

Net position - end of year

**See Accompanying Notes to the Financial Statements.**

Net (Expense) Revenue and  
Changes in Net Position

| Governmental<br>Activities | Business-Type<br>Activities | Totals                | Component<br>Units     |
|----------------------------|-----------------------------|-----------------------|------------------------|
| \$ (22,042,038)            | \$ -                        | \$ (22,042,038)       | \$ -                   |
| 478,797                    | -                           | 478,797               | -                      |
| (107,499,841)              | -                           | (107,499,841)         | -                      |
| (40,689,871)               | -                           | (40,689,871)          | -                      |
| (23,684,148)               | -                           | (23,684,148)          | -                      |
| (5,886,971)                | -                           | (5,886,971)           | -                      |
| (14,123,164)               | -                           | (14,123,164)          | -                      |
| <u>(213,447,236)</u>       | <u>-</u>                    | <u>(213,447,236)</u>  | <u>-</u>               |
| -                          | \$ (937,013)                | (937,013)             | -                      |
| -                          | (1,550,487)                 | (1,550,487)           | -                      |
| -                          | (7,470,029)                 | (7,470,029)           | -                      |
| -                          | (185,703)                   | (185,703)             | -                      |
| -                          | (5,287,831)                 | (5,287,831)           | -                      |
| -                          | 115,633                     | 115,633               | -                      |
| -                          | (446,000)                   | (446,000)             | -                      |
| -                          | 34,897                      | 34,897                | -                      |
| -                          | (347,012)                   | (347,012)             | -                      |
| -                          | (6,740,454)                 | (6,740,454)           | -                      |
| -                          | <u>(22,813,999)</u>         | <u>(22,813,999)</u>   | <u>-</u>               |
| <u>(213,447,236)</u>       | <u>(22,813,999)</u>         | <u>(236,261,235)</u>  | <u>-</u>               |
| -                          | -                           | -                     | \$ (8,551,948)         |
| -                          | -                           | -                     | 8,691                  |
| -                          | -                           | -                     | <u>(9,820,525)</u>     |
| -                          | -                           | -                     | <u>\$ (18,363,782)</u> |
| 17,130,837                 | -                           | 17,130,837            | -                      |
| 171,549,434                | 8,985,838                   | 180,535,272           | -                      |
| 9,474,098                  | -                           | 9,474,098             | -                      |
| 5,389,031                  | 1,790,951                   | 7,179,982             | -                      |
| 2,025,855                  | -                           | 2,025,855             | -                      |
| 8,497,843                  | -                           | 8,497,843             | -                      |
| 1,815,029                  | -                           | 1,815,029             | -                      |
| 442,344                    | -                           | 442,344               | -                      |
| 399,417                    | -                           | 399,417               | -                      |
| 366,789                    | -                           | 366,789               | -                      |
| 348,437                    | -                           | 348,437               | 9,891,906              |
| 72,025                     | 4,829                       | 76,854                | 72,213                 |
| 7,500,929                  | -                           | 7,500,929             | -                      |
| <u>(4,969,603)</u>         | <u>4,969,603</u>            | <u>-</u>              | <u>-</u>               |
| <u>220,042,465</u>         | <u>15,751,221</u>           | <u>235,793,686</u>    | <u>9,964,119</u>       |
| 6,595,229                  | (7,062,778)                 | (467,549)             | (8,399,663)            |
| 302,087,065                | 111,847,332                 | 413,934,397           | 4,096,624              |
| <u>(2,683,855)</u>         | <u>-</u>                    | <u>(2,683,855)</u>    | <u>248,225</u>         |
| <u>\$ 305,998,439</u>      | <u>\$ 104,784,554</u>       | <u>\$ 410,782,993</u> | <u>\$ (4,054,814)</u>  |

**See Accompanying Notes to the Financial Statements.**

## **GOVERNMENTAL FUNDS**

Governmental funds are those through which most governmental functions of the City are financed.

General Fund  
Capital Improvements Fund

**CITY OF MOBILE, ALABAMA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014**

|   | General Fund  | Capital<br>Improvements<br>Fund |
|---|---------------|---------------------------------|
| <b>ASSETS</b>                               |               |                                 |
| Cash, equity in pooled cash and investments | \$ 14,025,728 | \$ 33,453,945                   |
| Restricted cash - capital purchases         | -             | -                               |
| Receivables (net)                           | 20,560,027    | 4,635,610                       |
| Due from other funds                        | 65,000        | 100,000                         |
| Inventories                                 | 2,301,354     | -                               |
| Other assets                                | 10,000        | -                               |
| Total assets                                | \$ 36,962,109 | \$ 38,189,555                   |
| <b>LIABILITIES</b>                          |               |                                 |
| Accounts payable and accrued liabilities    | \$ 16,718,789 | \$ 3,814,615                    |
| Unearned revenue                            | -             | 143,928                         |
| Due to other funds                          | 298,937       | -                               |
| Compensated absences - terminated employees | 297,177       | -                               |
| Insurance claims payable                    | 417,064       | -                               |
| Escrowed funds liability                    | 140           | -                               |
| Total liabilities                           | 17,732,107    | 3,958,543                       |
| <b>FUND BALANCES</b>                        |               |                                 |
| Nonspendable                                | 2,311,354     | -                               |
| Restricted                                  | -             | -                               |
| Committed                                   | -             | -                               |
| Assigned                                    | 1,992,313     | 34,231,012                      |
| Unassigned                                  | 14,926,335    | -                               |
| Total fund balances                         | 19,230,002    | 34,231,012                      |
| Total liabilities and fund balances         | \$ 36,962,109 | \$ 38,189,555                   |

See Accompanying Notes to the Financial Statements.

| Governmental<br>Funds - Non<br>Major | Total<br>Governmental<br>Funds |
|--------------------------------------|--------------------------------|
| \$ 39,316,082                        | \$ 86,795,755                  |
| 83,419                               | 83,419                         |
| 2,519,840                            | 27,715,477                     |
| 106,297                              | 271,297                        |
| -                                    | 2,301,354                      |
| -                                    | 10,000                         |
| \$ 42,025,638                        | \$ 117,177,302                 |
| \$ 4,557,467                         | \$ 25,090,871                  |
| 453,400                              | 597,328                        |
| 100,000                              | 398,937                        |
| -                                    | 297,177                        |
| -                                    | 417,064                        |
| 11,026                               | 11,166                         |
| 5,121,893                            | 26,812,543                     |
| -                                    | 2,311,354                      |
| 18,024,769                           | 18,024,769                     |
| 8,581,543                            | 8,581,543                      |
| 10,308,654                           | 46,531,979                     |
| (11,221)                             | 14,915,114                     |
| 36,903,745                           | 90,364,759                     |
| \$ 42,025,638                        | \$ 117,177,302                 |

**See Accompanying Notes to the Financial Statements.**

**CITY OF MOBILE, ALABAMA**  
**RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2014**

|  |                      |                       |
|--|----------------------|-----------------------|
| Total fund balances - governmental funds   |                      | \$ 90,364,759         |
| Amounts reported for governmental activities in the Statement of Net Position are different because:   |                      |                       |
| Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.   |                      |                       |
| Governmental capital assets  | \$ 888,384,427       |                       |
| Less accumulated depreciation  | <u>(254,090,745)</u> | 634,293,682           |
| Other assets and deferred inflows used in governmental activities are not financial resources and therefore are not reported in the governmental funds.  |                      |                       |
| Police & Fire Pension negative net pension obligation  |                      | 75,600,575            |
| Long-term notes receivable   |                      | 730,000               |
| Deferred amount on refunding   |                      | 4,854,604             |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.  |                      |                       |
| Accrued interest payable   | (1,704,306)          |                       |
| Pension employer contribution payable  | (6,867,161)          |                       |
| Bonds and warrants payable   | (283,976,749)        |                       |
| Notes payable  | (3,380,000)          |                       |
| Capital lease obligations  | (1,699,994)          |                       |
| Compensated absences   | (13,040,057)         |                       |
| Insurance claims payable   | (13,253,155)         |                       |
| Landfill postclosure liability   | (765,740)            |                       |
| OPEB liability   | <u>(182,025,000)</u> | (506,712,162)         |
| Deferred revenue in governmental funds is susceptible to full accrual accounting in the government-wide financial statements.  |                      |                       |
| Revenue that is deferred because it is not available to finance current expenditures.  |                      | 143,928               |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities. |                      | <u>6,723,053</u>      |
| Total net position - governmental activities   |                      | <u>\$ 305,998,439</u> |

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | <u>General Fund</u>  | <u>Capital<br/>Improvements<br/>Fund</u> |
|---|----------------------|--|
| <b>Revenues</b>                                   |                      |  |
| Taxes   | \$ 158,457,909       | \$ 41,383,505                            |
| Licenses and permits                              | 36,380,782           | -  |
| Intergovernmental                                 | 65,645               | -  |
| Charges for services                              | 8,257,636            | -  |
| Fines and forfeitures                             | 3,106,672            | -  |
| State and federal assistance                      | 175,710              | 348,437                                  |
| Assessments                                       | -                    | 3,944                                    |
| Interest  | 57,279               | -  |
| Other revenue                                     | 1,384,507            | 5,573,409                                |
| Total revenues                                    | <u>207,886,140</u>   | <u>47,309,295</u>                        |
| <b>Expenditures</b>                               |                      |  |
| Current:  |                      |  |
| General government                                | 15,910,198           | -  |
| Economic development                              | 854,155              | -  |
| Public safety                                     | 79,698,315           | -  |
| Public works                                      | 34,013,827           | -  |
| Culture and recreation                            | 13,321,383           | -  |
| Finance   | 5,028,125            | -  |
| Nondepartmental                                   | 43,620,850           | -  |
| Capital outlay                                    | -                    | 15,302,522                               |
| Debt service:                                     |                      |  |
| Principal payments                                | -                    | 693,302                                  |
| Interest and fee payments                         | 45,333               | 82,496                                   |
| Total expenditures                                | <u>192,492,186</u>   | <u>16,078,320</u>                        |
| Excess (deficiency) of revenues over expenditures | <u>15,393,954</u>    | <u>31,230,975</u>                        |
| <b>Other financing sources (uses)</b>             |                      |  |
| Transfers in                                      | 27,584,645           | 215,638                                  |
| Transfers out                                     | (23,574,026)         | (32,869,104)                             |
| Proceeds from disposal of assets                  | 7,124                | -  |
| Total other financing sources (uses)              | <u>4,017,743</u>     | <u>(32,653,466)</u>                      |
| Net change in fund balance                        | 19,411,697           | (1,422,491)                              |
| Fund balances - beginning of year                 | 3,258,018            | 35,653,503                               |
| Adjustment to beginning fund balance              | (3,439,713)          | -  |
| Fund balances - end of year                       | <u>\$ 19,230,002</u> | <u>\$ 34,231,012</u>                     |

See Accompanying Notes to the Financial Statements.

| Governmental<br>Funds - Non<br>Major | Total<br>Governmental<br>Funds |
|--------------------------------------|--------------------------------|
| \$ 17,249,263                        | \$ 217,090,677                 |
| 3,145,144                            | 39,525,926                     |
| -                                    | 65,645                         |
| 209,088                              | 8,466,724                      |
| 1,280,057                            | 4,386,729                      |
| 8,624,999                            | 9,149,146                      |
| -                                    | 3,944                          |
| 14,746                               | 72,025                         |
| 601,603                              | 7,559,519                      |
| <u>31,124,900</u>                    | <u>286,320,335</u>             |
| 5,715,661                            | 21,625,859                     |
| -                                    | 854,155                        |
| 2,801,382                            | 82,499,697                     |
| -                                    | 34,013,827                     |
| -                                    | 13,321,383                     |
| -                                    | 5,028,125                      |
| 3,240,310                            | 46,861,160                     |
| 8,590,910                            | 23,893,432                     |
| 11,439,674                           | 12,132,976                     |
| 13,405,941                           | 13,533,770                     |
| <u>45,193,878</u>                    | <u>253,764,384</u>             |
| <u>(14,068,978)</u>                  | <u>32,555,951</u>              |
| 26,589,958                           | 54,390,241                     |
| (13,349,829)                         | (69,792,959)                   |
| -                                    | 7,124                          |
| <u>13,240,129</u>                    | <u>(15,395,594)</u>            |
| (828,849)                            | 17,160,357                     |
| 34,292,881                           | 73,204,402                     |
| 3,439,713                            | -                              |
| <u>\$ 36,903,745</u>                 | <u>\$ 90,364,759</u>           |

**See Accompanying Notes to the Financial Statements.**



**CITY OF MOBILE, ALABAMA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|  |                     |                     |
|--|---------------------|---------------------|
| Net change in fund balances - total governmental funds   |                     | \$ 17,160,357       |
| Amounts reported for governmental activities in the statement of activities are different because:   |                     |                     |
| Governmental funds report the acquisition of capital assets as expenditures. However, in the statement of activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.  |                     |                     |
| Expenditures for capital assets  | \$ 20,168,284       |                     |
| Less accumulated depreciation  | <u>(19,586,408)</u> | 581,876             |
| Contributions of capital assets are not reported as income in governmental funds   |                     | 661,845             |
| Change in deferred revenue   |                     | 2,354               |
| Change in P&F Pension negative net pension obligation  |                     | (509,116)           |
| Change in long-term notes receivable   |                     | (70,000)            |
| Proceeds from debt obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. |                     |                     |
| Principal payments - capital lease obligations   | 693,302             |                     |
| Principal payments - bonds and notes payable   | <u>11,509,674</u>   | 12,202,976          |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.  |                     |                     |
| Amortization of deferred amount on refunding   | (919,247)           |                     |
| Amortization of current year bond premium  | 309,301             |                     |
| Amortization of current year bond discount   | (19,306)            |                     |
| Change in long-term compensated absences   | 727,332             |                     |
| Change in long-term insurance claims   | (2,573,817)         |                     |
| Change in long-term landfill postclosure liability   | 44,337              |                     |
| Change in accrued interest   | 62,330              |                     |
| Change in pension contribution payable   | 4,432,004           |                     |
| Change in OPEB liability   | (26,182,000)        |                     |
| Gain (loss) on disposal of capital assets  | <u>(236,908)</u>    | (24,355,974)        |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.   |                     | <u>920,911</u>      |
| Change in net position of governmental activities  |                     | <u>\$ 6,595,229</u> |

**See Accompanying Notes to the Financial Statements.**

## **PROPRIETARY FUNDS**

Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector.

- Mobile Civic Center
- Mobile Convention Center
- WAVE Transit
- Municipal Parking Garage
- Alabama Cruise Terminal

**CITY OF MOBILE, ALABAMA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2014**

|  | <u>Mobile Civic<br/>Center</u> | <u>Mobile<br/>Convention<br/>Center</u> | <u>WAVE Transit</u>  |
|--|--------------------------------|---|----------------------|
| <b>ASSETS</b>                                      |                                |   |                      |
| Current assets:                                    |                                |   |                      |
| Cash, equity in pooled cash and investments        | \$ 323,923                     | \$ 9,103,666                            | \$ 163,112           |
| Receivables (net)                                  | 78,147                         | 1,163,785                               | 414,024              |
| Due from other funds                               | -                              | -                                       | 295,581              |
| Other assets                                       | 4,062                          | 11,602                                  | 331,330              |
| Inventories  | 26,390                         | 55,943                                  | 156,657              |
| Total current assets                               | <u>432,522</u>                 | <u>10,334,996</u>                       | <u>1,360,704</u>     |
| Capital assets:                                    |                                |   |                      |
| Non-depreciable capital assets                     | 224,350                        | 6,889,276                               | 2,103,993            |
| Depreciable capital assets, net                    | 6,699,433                      | 37,143,467                              | 15,685,673           |
| Total capital assets                               | <u>6,923,783</u>               | <u>44,032,743</u>                       | <u>17,789,666</u>    |
| Total assets                                       | <u>7,356,305</u>               | <u>54,367,739</u>                       | <u>19,150,370</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                                |   |                      |
|  | <u>-</u>                       | <u>-</u>                                | <u>-</u>             |
| <b>LIABILITIES</b>                                 |                                |   |                      |
| Current liabilities:                               |                                |   |                      |
| Accounts payable and accrued liabilities           | 275,028                        | 692,380                                 | 312,595              |
| Unearned revenue                                   | 286,305                        | 80,157                                  | -                    |
| Employer pension contributions payable             | -                              | -                                       | 529,532              |
| Capital lease obligations - current portion        | -                              | -                                       | -                    |
| Compensated absences - current portion             | -                              | -                                       | 89,583               |
| Insurance claims payable                           | -                              | -                                       | -                    |
| Due to other funds                                 | -                              | -                                       | 167,941              |
| Total current liabilities                          | <u>561,333</u>                 | <u>772,537</u>                          | <u>1,099,651</u>     |
| Long-term liabilities:                             |                                |   |                      |
| Capital lease obligations - net of current portion | -                              | -                                       | -                    |
| Compensated absences - net of current portion      | -                              | -                                       | 329,712              |
| Self-insured liability - legal                     | -                              | -                                       | -                    |
| Total noncurrent liabilities                       | <u>-</u>                       | <u>-</u>                                | <u>329,712</u>       |
| Total liabilities                                  | <u>561,333</u>                 | <u>772,537</u>                          | <u>1,429,363</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                                |   |                      |
| Deferred service concession arrangement receipts   | <u>-</u>                       | <u>-</u>                                | <u>-</u>             |
| <b>NET POSITION</b>                                |                                |   |                      |
| Net investment in capital assets                   | 6,923,783                      | 44,032,743                              | 17,789,666           |
| Unrestricted (deficit)                             | (128,811)                      | 9,562,459                               | (68,659)             |
| Total net position                                 | <u>\$ 6,794,972</u>            | <u>\$ 53,595,202</u>                    | <u>\$ 17,721,007</u> |

See Accompanying Notes to the Financial Statements.

|                             |                            |                              |                       | Governmental<br>Activities |
|-----------------------------|----------------------------|------------------------------|-----------------------|----------------------------|
| Municipal<br>Parking Garage | Alabama Cruise<br>Terminal | Other<br>Enterprise<br>Funds | Totals                | Internal Service<br>Funds  |
| \$ 994,722                  | \$ -                       | \$ 1,164,718                 | \$ 11,750,141         | \$ 3,458,218               |
| 235,000                     | 11,674                     | 433,282                      | 2,335,912             | 15,050                     |
| -                           | -                          | -                            | 295,581               | -                          |
| -                           | 11,203                     | 541                          | 358,738               | -                          |
| -                           | -                          | 115,536                      | 354,526               | -                          |
| <u>1,229,722</u>            | <u>22,877</u>              | <u>1,714,077</u>             | <u>15,094,898</u>     | <u>3,473,268</u>           |
| 1,895,790                   | -                          | 1,457,640                    | 12,571,049            | -                          |
| <u>3,898,445</u>            | <u>16,961,819</u>          | <u>5,004,173</u>             | <u>85,393,010</u>     | <u>7,430,304</u>           |
| <u>5,794,235</u>            | <u>16,961,819</u>          | <u>6,461,813</u>             | <u>97,964,059</u>     | <u>7,430,304</u>           |
| <u>7,023,957</u>            | <u>16,984,696</u>          | <u>8,175,890</u>             | <u>113,058,957</u>    | <u>10,903,572</u>          |
| -                           | -                          | -                            | -                     | -                          |
| -                           | 48,209                     | 1,290,994                    | 2,619,206             | 374,513                    |
| -                           | 13,100                     | 192,030                      | 571,592               | -                          |
| -                           | -                          | -                            | 529,532               | -                          |
| -                           | -                          | -                            | -                     | 234,984                    |
| -                           | -                          | -                            | 89,583                | -                          |
| -                           | -                          | -                            | -                     | 2,364,500                  |
| -                           | -                          | -                            | 167,941               | -                          |
| <u>-</u>                    | <u>61,309</u>              | <u>1,483,024</u>             | <u>3,977,854</u>      | <u>2,973,997</u>           |
| -                           | -                          | -                            | -                     | 489,266                    |
| -                           | -                          | -                            | 329,712               | -                          |
| -                           | -                          | -                            | -                     | 717,256                    |
| -                           | -                          | -                            | 329,712               | 1,206,522                  |
| <u>-</u>                    | <u>61,309</u>              | <u>1,483,024</u>             | <u>4,307,566</u>      | <u>4,180,519</u>           |
| <u>3,966,837</u>            | <u>-</u>                   | <u>-</u>                     | <u>3,966,837</u>      | <u>-</u>                   |
| 5,794,235                   | 16,961,820                 | 6,461,813                    | 97,964,060            | 6,706,054                  |
| (2,737,115)                 | (38,433)                   | 231,053                      | 6,820,494             | 16,999                     |
| <u>\$ 3,057,120</u>         | <u>\$ 16,923,387</u>       | <u>\$ 6,692,866</u>          | <u>\$ 104,784,554</u> | <u>\$ 6,723,053</u>        |

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|  | Mobile Civic<br>Center | Mobile<br>Convention<br>Center | WAVE Transit         |
|--|------------------------|--------------------------------|----------------------|
| <b>OPERATING REVENUES</b>                              |                        |                                |                      |
| Facility rent  | \$ 423,129             | \$ 591,566                     | \$ -                 |
| Sales revenue  | -                      | -                              | -                    |
| Parking fees   | 345,563                | 142,150                        | -                    |
| User charges   | 820,992                | 201,184                        | 1,010,893            |
| Concessions  | 251,889                | 1,163,569                      | -                    |
| Retiree drug subsidy                                   | -                      | -                              | -                    |
| Miscellaneous revenue                                  | 189,649                | 86,374                         | 125,211              |
| Cost reimbursement                                     | -                      | 19,900                         | -                    |
| Total operating revenues                               | <u>2,031,222</u>       | <u>2,204,743</u>               | <u>1,136,104</u>     |
| <b>OPERATING EXPENSES</b>                              |                        |                                |                      |
| Personnel services                                     | 1,914,201              | 2,136,748                      | 6,615,565            |
| Commodities  | 70,804                 | 948,670                        | 2,303,119            |
| Utilities  | 651,306                | 563,229                        | 196,863              |
| Cost of goods sold                                     | -                      | -                              | -                    |
| Professional and technical                             | 297,870                | 2,857,844                      | 295,175              |
| Architectural  | -                      | 19,550                         | -                    |
| Maintenance and repairs                                | 16,648                 | 149,778                        | -                    |
| Printing and reproduction                              | 2,329                  | 1,587                          | -                    |
| Insurance payments                                     | 101,744                | 379,256                        | 719,044              |
| Increase (decrease) in provision for self-insured loss | -                      | -                              | -                    |
| Event expenses   | 36,138                 | 105,413                        | -                    |
| Other charges  | 79,180                 | 1,007,792                      | 529,644              |
| Depreciation   | 406,499                | 1,262,011                      | 1,473,162            |
| Capital outlay   | -                      | 242,895                        | -                    |
| Total operating expenses                               | <u>3,576,719</u>       | <u>9,674,773</u>               | <u>12,132,572</u>    |
| Operating income (loss)                                | <u>(1,545,497)</u>     | <u>(7,470,030)</u>             | <u>(10,996,468)</u>  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                |                        |                                |                      |
| Taxes  | -                      | 10,776,789                     | -                    |
| Investment income                                      | -                      | -                              | 200                  |
| Interest and fee payments                              | -                      | -                              | (7,067)              |
| Gain (loss) on disposal of capital assets              | (4,990)                | -                              | 5,423                |
| Federal grants   | -                      | -                              | 3,409,341            |
| Damaged vehicles reimbursement                         | -                      | -                              | -                    |
| Net nonoperating revenues (expenses)                   | <u>(4,990)</u>         | <u>10,776,789</u>              | <u>3,407,897</u>     |
| Net income (loss) before contributions and transfers   | (1,550,487)            | 3,306,759                      | (7,588,571)          |
| Capital grants and contributions                       | -                      | -                              | 848,317              |
| Transfers in   | 1,209,312              | -                              | 7,255,976            |
| Transfers out  | -                      | (4,154,016)                    | (3,759,062)          |
| Change in net position                                 | <u>(341,175)</u>       | <u>(847,257)</u>               | <u>(3,243,340)</u>   |
| Net position - beginning of year                       | 7,136,147              | 54,442,459                     | 20,964,347           |
| Net position - end of year                             | <u>\$ 6,794,972</u>    | <u>\$ 53,595,202</u>           | <u>\$ 17,721,007</u> |

See Accompanying Notes to the Financial Statements.

|                             |                            |                              |                       | Governmental<br>Activities |
|-----------------------------|----------------------------|------------------------------|-----------------------|----------------------------|
| Municipal<br>Parking Garage | Alabama Cruise<br>Terminal | Other<br>Enterprise<br>Funds | Totals                | Internal Service<br>Funds  |
| \$ 400,957                  | \$ 174,617                 | \$ 170,934                   | \$ 1,761,203          | \$ -                       |
| -                           | -                          | 217,253                      | 217,253               | -                          |
| -                           | 20,905                     | -                            | 508,618               | -                          |
| -                           | 11,370                     | 3,847,668                    | 5,892,107             | 24,288,374                 |
| -                           | -                          | 73,364                       | 1,488,822             | -                          |
| -                           | -                          | -                            | -                     | 214,561                    |
| -                           | -                          | 75,342                       | 476,576               | 8,411                      |
| -                           | -                          | 7,706                        | 27,606                | -                          |
| <u>400,957</u>              | <u>206,892</u>             | <u>4,392,267</u>             | <u>10,372,185</u>     | <u>24,511,346</u>          |
| -                           | 148,439                    | 7,934,439                    | 18,749,392            | 110,497                    |
| 47,276                      | 8,859                      | 1,043,940                    | 4,422,668             | 2,540,654                  |
| -                           | 153,215                    | 353,299                      | 1,917,912             | 35,238                     |
| -                           | 74,940                     | 119,529                      | 194,469               | -                          |
| -                           | 93,650                     | 398,124                      | 3,942,663             | 1,429,620                  |
| -                           | -                          | -                            | 19,550                | -                          |
| -                           | 27,649                     | 39,267                       | 233,342               | 5,929                      |
| -                           | 274                        | 9,197                        | 13,387                | -                          |
| -                           | 95,804                     | 68,948                       | 1,364,796             | 27,367,560                 |
| -                           | -                          | -                            | -                     | 609,710                    |
| -                           | -                          | -                            | 141,551               | -                          |
| 36,405                      | 134,214                    | 313,092                      | 2,100,327             | 810,639                    |
| 201,644                     | 406,861                    | 343,381                      | 4,093,558             | 1,190,486                  |
| -                           | -                          | -                            | 242,895               | -                          |
| <u>285,325</u>              | <u>1,143,905</u>           | <u>10,623,216</u>            | <u>37,436,510</u>     | <u>34,100,333</u>          |
| <u>115,632</u>              | <u>(937,013)</u>           | <u>(6,230,949)</u>           | <u>(27,064,325)</u>   | <u>(9,588,987)</u>         |
| -                           | -                          | -                            | 10,776,789            | -                          |
| 4,631                       | -                          | -                            | 4,831                 | -                          |
| -                           | -                          | -                            | (7,067)               | (22,472)                   |
| -                           | -                          | (3,573)                      | (3,140)               | 46,402                     |
| -                           | -                          | 2,875                        | 3,412,216             | -                          |
| -                           | -                          | -                            | -                     | 52,853                     |
| <u>4,631</u>                | <u>-</u>                   | <u>(698)</u>                 | <u>14,183,629</u>     | <u>76,783</u>              |
| <u>120,263</u>              | <u>(937,013)</u>           | <u>(6,231,647)</u>           | <u>(12,880,696)</u>   | <u>(9,512,204)</u>         |
| -                           | -                          | -                            | 848,317               | -                          |
| -                           | 413,323                    | 5,004,070                    | 13,882,681            | 10,433,115                 |
| (1,000,000)                 | -                          | -                            | (8,913,078)           | -                          |
| (879,737)                   | (523,690)                  | (1,227,577)                  | (7,062,776)           | 920,911                    |
| <u>3,936,857</u>            | <u>17,447,077</u>          | <u>7,920,443</u>             | <u>111,847,330</u>    | <u>5,802,142</u>           |
| <u>\$ 3,057,120</u>         | <u>\$ 16,923,387</u>       | <u>\$ 6,692,866</u>          | <u>\$ 104,784,554</u> | <u>\$ 6,723,053</u>        |

**See Accompanying Notes to the Financial Statements.**

**CITY OF MOBILE, ALABAMA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | Mobile Civic<br>Center | Mobile<br>Convention<br>Center | WAVE Transit       |
|---|------------------------|--------------------------------|--------------------|
| <b>Cash flows from operating activities</b>                     |                        |                                |                    |
| Cash received from:   |                        |                                |                    |
| User charges  | \$ 820,992             | \$ 201,184                     | \$ 1,127,726       |
| Sales revenue   | -                      | -                              | -                  |
| Internal billings   | -                      | -                              | -                  |
| Employee contributions  | -                      | -                              | -                  |
| Facility rent   | 395,011                | 447,154                        | -                  |
| Parking fees  | 345,563                | 142,150                        | -                  |
| Concessions   | 251,889                | 1,163,569                      | -                  |
| Miscellaneous   | 330,263                | 106,274                        | -                  |
| Cash payments for insurance claims                              | -                      | -                              | -                  |
| Cash payments for operating expenses                            | (1,161,966)            | (6,002,313)                    | (4,397,612)        |
| Cash payments for internal services                             | (12,092)               | (15,937)                       | -                  |
| Cash payments to employees for services                         | (2,011,712)            | (2,128,429)                    | (6,500,978)        |
| Net cash provided (used) by operating activities                | <u>(1,042,052)</u>     | <u>(6,086,348)</u>             | <u>(9,770,864)</u> |
| <b>Cash flows from non-capital financing activities</b>         |                        |                                |                    |
| Taxes   | -                      | 10,602,939                     | -                  |
| Non-capital grants and contributions                            | -                      | -                              | 6,044,972          |
| Transfers in from other funds                                   | 1,209,312              | -                              | 7,349,240          |
| Transfers out to other funds                                    | -                      | (4,154,017)                    | (4,165,454)        |
| Retiree drug subsidy  | -                      | -                              | -                  |
| Net cash provided by non-capital financing activities           | <u>1,209,312</u>       | <u>6,448,922</u>               | <u>9,228,758</u>   |
| <b>Cash flows from capital and related financing activities</b> |                        |                                |                    |
| Interest payments   | -                      | -                              | (7,722)            |
| Acquisition of capital assets                                   | -                      | (319,613)                      | (117,725)          |
| Proceeds from sale of capital assets                            | -                      | -                              | 5,423              |
| Reimbursement for damaged vehicles                              | -                      | -                              | -                  |
| Payments on capital leases                                      | -                      | -                              | (184,751)          |
| Capital grants and contributions                                | -                      | -                              | 823,955            |
| Net cash used by capital and related financing activities       | <u>-</u>               | <u>(319,613)</u>               | <u>519,180</u>     |
| <b>Cash flows from investing activities</b>                     |                        |                                |                    |
| Investment income received                                      | -                      | -                              | 200                |
| Net cash flows provided by investing activities                 | <u>-</u>               | <u>-</u>                       | <u>200</u>         |
| Net increase (decrease) in pooled cash and investments          | 167,260                | 42,961                         | (22,726)           |
| Pooled cash and investments - beginning of the year             | 156,663                | 9,060,705                      | 185,838            |
| Pooled cash and investments - end of the year                   | <u>\$ 323,923</u>      | <u>\$ 9,103,666</u>            | <u>\$ 163,112</u>  |

See Accompanying Notes to the Financial Statements.

|                             |                            |                              |                      | Governmental<br>Activities |
|-----------------------------|----------------------------|------------------------------|----------------------|----------------------------|
| Municipal<br>Parking Garage | Alabama Cruise<br>Terminal | Other<br>Enterprise<br>Funds | Totals               | Internal Service<br>Funds  |
| \$ -                        | \$ 10,937                  | \$ 4,570,571                 | \$ 6,731,410         | \$ 1,206,873               |
| -                           | -                          | 160,119                      | 160,119              | -                          |
| -                           | -                          | -                            | -                    | 18,755,781                 |
| -                           | -                          | -                            | -                    | 4,321,872                  |
| 298,916                     | 173,867                    | 161,578                      | 1,476,526            | -                          |
| -                           | 20,905                     | -                            | 508,618              | -                          |
| -                           | -                          | 73,364                       | 1,488,822            | -                          |
| -                           | -                          | 278,225                      | 714,762              | 7,145                      |
| -                           | -                          | -                            | -                    | (27,634,567)               |
| (83,680)                    | (479,461)                  | (1,965,048)                  | (14,090,080)         | (5,192,940)                |
| -                           | -                          | (596,315)                    | (624,344)            | -                          |
| -                           | (139,571)                  | (7,384,042)                  | (18,164,732)         | (111,235)                  |
| <u>215,236</u>              | <u>(413,323)</u>           | <u>(4,701,548)</u>           | <u>(21,798,899)</u>  | <u>(8,647,071)</u>         |
| -                           | -                          | -                            | 10,602,939           | -                          |
| -                           | -                          | 2,875                        | 6,047,847            | -                          |
| -                           | 413,323                    | 5,004,070                    | 13,975,945           | 10,433,115                 |
| (1,000,000)                 | -                          | -                            | (9,319,471)          | -                          |
| -                           | -                          | -                            | -                    | 214,561                    |
| <u>(1,000,000)</u>          | <u>413,323</u>             | <u>5,006,945</u>             | <u>21,307,260</u>    | <u>10,647,676</u>          |
| -                           | -                          | -                            | (7,722)              | (22,472)                   |
| -                           | -                          | -                            | (437,338)            | (1,006,292)                |
| -                           | -                          | 3,067                        | 8,490                | 173,294                    |
| -                           | -                          | -                            | -                    | 52,853                     |
| -                           | -                          | -                            | (184,751)            | (228,776)                  |
| -                           | -                          | -                            | 823,955              | -                          |
| <u>-</u>                    | <u>-</u>                   | <u>3,067</u>                 | <u>202,634</u>       | <u>(1,031,393)</u>         |
| 4,631                       | -                          | -                            | 4,831                | -                          |
| <u>4,631</u>                | <u>-</u>                   | <u>-</u>                     | <u>4,831</u>         | <u>-</u>                   |
| (780,133)                   | -                          | 308,464                      | (284,174)            | 969,212                    |
| 1,774,855                   | -                          | 856,254                      | 12,034,315           | 2,489,006                  |
| <u>\$ 994,722</u>           | <u>\$ -</u>                | <u>\$ 1,164,718</u>          | <u>\$ 11,750,141</u> | <u>\$ 3,458,218</u>        |

See Accompanying Notes to the Financial Statements.



**CITY OF MOBILE, ALABAMA**  
**STATEMENT OF CASH FLOWS (CONT'D)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | <u>Mobile Civic<br/>Center</u> | <u>Mobile<br/>Convention<br/>Center</u> | <u>WAVE Transit</u>   |
|---|--------------------------------|---|-----------------------|
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                                |   |                       |
| Operating income (loss)   | \$ (1,545,497)                 | \$ (7,470,030)                          | \$ (10,996,468)       |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities  |                                |   |                       |
| Depreciation  | 406,499                        | 1,262,011                               | 1,473,162             |
| Noncash expense included in operating income  | -                              | -                                       | -                     |
| Non-capital financing cash flow included in operating income  | -                              | -                                       | -                     |
| Change in assets and liabilities -  |                                |   |                       |
| Decrease (increase) in:   |                                |   |                       |
| Accounts receivable   | (28,118)                       | (137,526)                               | (296,168)             |
| Materials and supplies  | (12,635)                       | (11,199)                                | 2,057                 |
| Prepaid expenses  | (1,340)                        | (440)                                   | 23,782                |
| Increase (decrease) in:   |                                |   |                       |
| Accounts payable  | (25,110)                       | 269,403                                 | (91,816)              |
| Accrued liabilities   | -                              | -                                       | (89,898)              |
| Payroll payable   | 23,535                         | 8,319                                   | -                     |
| Pension liability   | -                              | -                                       | 204,485               |
| Insurance claims payable  | -                              | -                                       | -                     |
| Self-insured liability - legal  | -                              | -                                       | -                     |
| Advance collections   | 140,614                        | (6,886)                                 | -                     |
| Total adjustments   | <u>503,445</u>                 | <u>1,383,682</u>                        | <u>1,225,604</u>      |
| Net cash provided (used) by operating activities  | <u>\$ (1,042,052)</u>          | <u>\$ (6,086,348)</u>                   | <u>\$ (9,770,864)</u> |

See Accompanying Notes to the Financial Statements.

|                             |                            |                              |                        | Governmental<br>Activities |
|-----------------------------|----------------------------|------------------------------|------------------------|----------------------------|
| Municipal<br>Parking Garage | Alabama Cruise<br>Terminal | Other<br>Enterprise<br>Funds | Totals                 | Internal Service<br>Funds  |
| \$ 115,632                  | \$ (937,013)               | \$ (6,230,949)               | \$ (27,064,325)        | \$ (9,588,987)             |
| 201,644                     | 406,861                    | 343,381                      | 4,093,558              | 1,190,486                  |
| -                           | 115,964                    | -                            | 115,964                | -                          |
| -                           | -                          | -                            | -                      | (214,561)                  |
| -                           | (433)                      | 657,415                      | 195,170                | 127,622                    |
| -                           | -                          | (28,428)                     | (50,205)               | -                          |
| -                           | 6,608                      | (541)                        | 28,069                 | -                          |
| -                           | (13,428)                   | 256,221                      | 395,270                | (360,404)                  |
| -                           | -                          | -                            | (89,898)               | (738)                      |
| -                           | 8,868                      | 110,323                      | 151,045                | -                          |
| -                           | -                          | -                            | 204,485                | -                          |
| -                           | -                          | -                            | -                      | 607,100                    |
| -                           | -                          | -                            | -                      | (407,589)                  |
| (102,040)                   | (750)                      | 191,030                      | 221,968                | -                          |
| 99,604                      | 523,690                    | 1,529,401                    | 5,265,426              | 941,916                    |
| <u>\$ 215,236</u>           | <u>\$ (413,323)</u>        | <u>\$ (4,701,548)</u>        | <u>\$ (21,798,899)</u> | <u>\$ (8,647,071)</u>      |

**See Accompanying Notes to the Financial Statements.**

## **COMPONENT UNITS**

Mobile Public Library  
The Public Park and Recreation Board  
Solid Waste Disposal Authority

**CITY OF MOBILE, ALABAMA  
STATEMENT OF NET POSITION  
COMPONENT UNITS  
SEPTEMBER 30, 2014**

|  | <u>Mobile Public<br/>Library</u> | <u>Public Park and<br/>Recreation<br/>Board</u> | <u>Solid Waste<br/>Disposal<br/>Authority</u> | <u>Total</u>          |
|--|----------------------------------|---|---|-----------------------|
| <b>ASSETS</b>  |                                  |   |   |                       |
| Cash and cash equivalents  | \$ 3,279,732                     | \$ 361,873                                      | \$ 134,489                                    | \$ 3,776,094          |
| Receivables:   |                                  |   |   |                       |
| Accounts, notes and other - net                                  | 84,741                           | 227,292   | -   | 312,033               |
| Depreciable capital assets, net                                  | <u>860,406</u>                   | <u>150,343</u>                                  | <u>248,225</u>                                | <u>1,258,974</u>      |
| Total assets   | <u>\$ 4,224,879</u>              | <u>\$ 739,508</u>                               | <u>\$ 382,714</u>                             | <u>\$ 5,347,101</u>   |
| <b>LIABILITIES</b>   |                                  |   |   |                       |
| Current liabilities:   |                                  |   |   |                       |
| Accounts payable and accrued liabilities<br>Due within one year: | \$ 219,573                       | \$ 220,431                                      | \$ 134,489                                    | \$ 574,493            |
| Compensated absences - current portion                           | 35,388                           | -   | -   | 35,388                |
| Due after one year:  |                                  |   |   |                       |
| Compensated absences - net of current<br>portion                 | 500,386                          | -   | -   | 500,386               |
| Self-insured liability - legal                                   | <u>-</u>                         | <u>-</u>  | <u>8,291,648</u>                              | <u>8,291,648</u>      |
| Total liabilities  | <u>755,347</u>                   | <u>220,431</u>                                  | <u>8,426,137</u>                              | <u>9,401,915</u>      |
| <b>NET POSITION</b>  |                                  |   |   |                       |
| Net investment in capital assets                                 | 860,406                          | 150,343   | 248,225                                       | 1,258,974             |
| Unrestricted (deficit)   | <u>2,609,126</u>                 | <u>368,734</u>                                  | <u>(8,291,648)</u>                            | <u>(5,313,788)</u>    |
| Total net position   | <u>\$ 3,469,532</u>              | <u>\$ 519,077</u>                               | <u>\$ (8,043,423)</u>                         | <u>\$ (4,054,814)</u> |

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA  
STATEMENT OF ACTIVITIES  
COMPONENTS UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | <u>Expenses</u>   | <u>Program Revenues</u>     |   |   |
|---|-------------------|-----------------------------|---|---|
|   |                   | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| <b>Mobile Public Library</b>            |                   |                             |   |   |
| Culture and recreation                  | \$ 9,779,426      | \$ 770,470                  | \$ 453,435                                | \$ 3,573                                |
| Total Mobile Public Library             | <u>9,779,426</u>  | <u>770,470</u>              | <u>453,435</u>                            | <u>3,573</u>                            |
| <b>Public Park and Recreation Board</b> |                   |                             |   |   |
| Culture and recreation                  | 1,045,220         | 1,053,911                   | -   | -                                       |
| Total Public Park and Recreation Board  | <u>1,045,220</u>  | <u>1,053,911</u>            | <u>-</u>                                  | <u>-</u>                                |
| <b>Solid Waste Disposal Authority</b>   |                   |                             |   |   |
| Public works                            | 10,048,281        | 227,756                     | -   | -                                       |
| Total Solid Waste Disposal Authority    | <u>10,048,281</u> | <u>227,756</u>              | <u>-</u>                                  | <u>-</u>                                |
| Total component units                   | <u>20,872,927</u> | <u>2,052,137</u>            | <u>453,435</u>                            | <u>3,573</u>                            |

**General Revenues:**

Payment from City of Mobile  
 Payment from Mobile County  
 Payment from City of Saraland  
 Grants, entitlements and contributions not restricted to specific programs  
 Interest income  
     Total general revenues  
     Change in net position  
 Net position - beginning of year  
 Adjustment to beginning net position  
 Net position - end of year

Net (Expenses) Revenue and  
Changes in Net Position

| Public<br>Library     | Public Park<br>and Recreation<br>Board | Solid Waste<br>Disposal Authority | Totals                |
|-----------------------|--|-----------------------------------|-----------------------|
| <u>\$ (8,551,948)</u> |  |                                   | <u>\$ (8,551,948)</u> |
| <u>(8,551,948)</u>    |  |                                   | <u>(8,551,948)</u>    |
|                       | <u>\$ 8,691</u>                        |                                   | <u>8,691</u>          |
|                       | <u>8,691</u>                           |                                   | <u>8,691</u>          |
|                       |  | <u>\$ (9,820,525)</u>             | <u>(9,820,525)</u>    |
| -                     | -                                      | <u>(9,820,525)</u>                | <u>(9,820,525)</u>    |
| <u>(8,551,948)</u>    | <u>8,691</u>                           | <u>(9,820,525)</u>                | <u>(18,363,782)</u>   |
| 6,597,319             | -                                      | 1,528,877                         | 8,126,196             |
| 1,238,342             | -                                      | -                                 | 1,238,342             |
| 171,000               | -                                      | -                                 | 171,000               |
| 356,368               | -                                      | -                                 | 356,368               |
| <u>72,213</u>         | <u>-</u>                               | <u>-</u>                          | <u>72,213</u>         |
| <u>8,435,242</u>      | <u>-</u>                               | <u>1,528,877</u>                  | <u>9,964,119</u>      |
| (116,706)             | 8,691                                  | (8,291,648)                       | (8,399,663)           |
| 3,586,238             | 510,386                                | -                                 | 4,096,624             |
| -                     | -                                      | <u>248,225</u>                    | <u>248,225</u>        |
| <u>\$ 3,469,532</u>   | <u>\$ 519,077</u>                      | <u>\$ (8,043,423)</u>             | <u>\$ (4,054,814)</u> |

See Accompanying Notes to the Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The more significant of the government's accounting policies are described below.

**Basis of Presentation - Government-wide and Fund Accounting**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The focus is on either the City as a whole or major individual funds. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables, long-term debt and obligations, and deferred inflows and deferred outflows of resources. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public works, public safety, etc.) which are otherwise being supported by general government revenues (taxes, licenses and permits, etc.). The Statement of Activities reduces gross expenses, including depreciation, by related program revenues (charges for services, operating and capital grants, and contributions). The program revenues must be directly associated with a function or a business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Direct expenses are not eliminated from the various functional categories. The City does not allocate indirect expenses. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The governmental funds financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the governmental fund statements to the government-wide statements' governmental column.

The focus of this reporting model is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

In the fund financial statements, the City's accounting records are organized and operated on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on the specific activities or attaining certain objectives, in accordance with special regulations, restrictions or limitations.



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The types of funds used in accounting for the financial operations of the City and their nature and purpose are as follows:

**Governmental Funds** - Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental funds:

**General Fund** - The General Fund is the general operating fund of the City and is considered a major governmental fund. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds, are paid from the General Fund.

**Special Revenue Funds** - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Special Revenue Funds are considered non-major governmental funds. Special Revenue Funds used by the City are as follows:

- Four-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay for street resurfacing.
- Five-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of construction, improvement, maintenance and supervision of highways, bridges and streets, including the retirement of bonds for the payment of which such revenues have been or may hereafter be pledged.
- Seven-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of electricity for street lights and the cost of operating the concrete and storm sewer maintenance, street sweeping, street repair, ditch cleaning, pipe-laying and heavy equipment departments.
- Fuel Inspection Fees - This fund accounts for a special inspection fee levied by the State of Alabama to be used for street improvements and City planning purposes.
- Economic Development - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning.
- Tax Increment - This fund is used to account for revenues generated by tax collections under the Tax Increment Financing Plan and used to pay for redevelopment projects in the downtown area.
- General Activities Grants - This fund is used to account for activities funded by federal, state, local, and private grants received which are not related to public safety or received from the U.S. Department of Housing and Urban Development. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Housing and Urban Development Grants - This fund is used to account for activities funded by grants from the U.S. Department of Housing and Urban Development. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

- Public Safety Grants - This fund is used to account for public safety related activities funded by federal, state, local, and private grants. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

- Drug Enforcement Fund - This fund is used to account for federal, state, and local equitable sharing funds which are required to be segregated and used for a law enforcement purpose. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current fiscal year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

- Court Referral Officers Program Fund - This fund is used to account for activities funded by state grants and user fees related to the Court Referral Officers Program. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current fiscal year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting. .

- Municipal Court Judicial Administration Fund - This fund is used to account for activities funded by dedicated revenues established by State statute which are required to be used for the judicial administration of the Municipal Court. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current fiscal year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

**Debt Service Funds** - These funds are non-major governmental funds used to account for assets held for the repayment of principal and interest on the City's outstanding bond issues. Debt service funds used by the City are as follows:

- 2001 General Obligation Refunding and School Warrants - This fund is used to service the remaining debt outstanding on the 2001 General Obligation Refunding and School Warrants.

- Bank Service Charges - Various Issues - This fund is used to pay agent and trustee fees for defeased debt.

- 2002 Limited Obligation Tax Increment Warrants - This fund is used to service the remaining debt outstanding on the 2002 Limited Obligation Tax Increment Warrants.

- 2006 General Obligation Refunding and Improvement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Refunding and Improvement Warrants.

- 2006 General Obligation Private Placement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Private Placement Warrants.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- 2008 General Obligation Capital Improvement Warrants - This fund is used to service the debt outstanding on the 2008 General Obligation Capital Improvement Warrants.
- 2008B & C General Obligation Refunding and Capital Improvement Warrants - This fund is used to service the debt outstanding on both 2008B and 2008C General Obligation Refunding and Capital Improvement Warrants.
- 2009A General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the 2009A General Obligation Refunding Warrants.
- 2009B General Obligation BAB Capital Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Build America Warrants Series 2009B (Taxable).
- 2009C General Obligation ARRA Capital Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Recovery Zone Economic Development Warrants Series 2009C (Taxable).
- Small Issue Warrants - This fund is used to service the remaining debt outstanding on the General Obligation Taxable Build America Warrant, Series 2010.
- 2011 General Obligation Private Placement Warrants - This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2011.
- 2012 General Obligation Private Placement Warrants - This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2012

**Capital Projects Funds** - These funds are used to account for financial resources for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types). Capital Projects Funds used by the City are as follows:

- Capital Improvements - This fund is considered a major governmental fund and is used to provide for necessary capital improvements and is financed by a portion of the sales tax.
- Strategic Plan - This fund is used to provide for several special projects. The majority of this fund is financed by a portion of the gasoline tax and sales tax.
- 1995 Capital Projects - This fund is used to provide for several projects: the closure of Bates Field Landfill, the upgrading of Azalea City Golf Course facilities, engineering for Magnolia Grove Road, a tennis court parking lot, purchase of the Touchdown building and improvements to Airport Boulevard and the garage work area. This fund was financed by the 1995 General Obligation Capital Improvement Warrants.
- 1996 General Obligation Capital Projects - This fund is used to provide for several projects; the renovation of Ladd Memorial Stadium, several drainage projects, street improvements, and water quality studies. This fund was financed by the 1996 General Obligation Capital Improvement Warrants.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- 1998 General Obligation Capital Projects - This fund is used to provide for several projects including modular buildings at Strickland Youth Center and the construction and installation of certain improvements to the City's storm water drainage system.
- 1998 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects, including addition to Public Library, Fine Arts Museum, GM&O Terminal renovations, Public Safety buildings, and City/County Misdemeanor facility.
- 1999 General Obligation Private Placement (I.P.S.C.O.) - This fund is to provide for site and infrastructure improvements to be constructed and installed by the Industrial Development Board of Mobile County at the site of a facility that produces and manufactures steel products by I.P.S.C.O.
- 2000 Capital Projects - This fund is used to provide for improvements to the City's parks and recreational facilities and for storm water drainage and sewer improvements.
- 2002 Limited Obligation Tax Increment Capital Projects - This fund is used to acquire certain land and finance, construct and install certain public improvements located within the Tax Increment District.
- Flood Management - This fund is used to hold funds collected from developers to help defray the cost of future drainage in an area. This fund was established by ordinance passed by the City Council.
- 2006 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects of the City. This fund was financed by the 2006 General Obligation Refunding and Capital Warrants.
- 2008 General Capital Improvements Projects - This fund is used to provide for certain capital improvement projects of the City.
- 2008-B General Obligation Capital Improvement Projects - This fund is used for certain capital improvement projects of the City.
- 2009B General Obligation Capital Project - BAB 2009 Taxable Warrants - This fund, the General Obligation Build America Warrants Series 2009B (Taxable) is used to provide for the Gulfquest Maritime Museum, a future parking garage, and a fire station.
- 2009C General Obligation Capital Project - ARRA 2009 Taxable Warrants - This fund, the General Obligation Recovery Zone Economic Development Warrants Series 2009C (Taxable) is used to provide for the Gulfquest Maritime Museum, a future parking garage, and a fire station.
- Small Issue General Obligation Warrants (2010) - This fund is used to purchase pumper trucks for the City's fire department.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- 2011 General Obligation Private Placement Capital Improvements - This fund is used to refund the 2001 General Obligation Refunding Warrants and to finance a portion of the costs of the completion of construction and installation of a maritime museum to be located at Mobile Landing.
- 2012 General Obligation Private Placement Capital Improvements - This fund is used to purchase police, fire and public service equipment.

**Proprietary Funds** - Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is based upon determination of net income. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Operating revenues shown for proprietary operations generally result from producing or providing goods and services. Operating expenses for these operations include all costs related to providing the service or product. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The City's proprietary funds are as follows:

Enterprise Funds - The City has the following enterprise funds to account for activities whose operations are financed and operated in a manner similar to private business operations where the intent of the City is that the costs of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges. The City has determined that periodic determination of revenues earned, expenses incurred and net income is appropriate for capital maintenance, public policy, management control and accountability.

- Mobile Civic Center - This major enterprise fund is used to account for the operations of the Mobile Civic Center which include activities such as sporting events, social events, musical performances, and theatrical performances.
- Mobile Convention Center - This major enterprise fund is used to account for the operations of the Mobile Convention Center which includes activities such as business conventions and social events.
- WAVE Transit - This major enterprise fund is used to account for the operations of the City's public transportation system which derives the majority of its income from passenger fare revenues and various government subsidies.
- Alabama Cruise Terminal - This major enterprise fund is used to account for the operations of the Alabama Cruise Terminal, a cruise ship homeport, which includes an arrival and departure terminal facility and secured parking facilities.
- Municipal Parking Garage - This major enterprise fund is used to account for the operations of the Municipal Parking Garage which is rented to the general public on a daily basis.
- Azalea City Golf Course - This fund is used to account for the operations of the Azalea City Golf Course which derives revenues from course and cart rental.
- Firemedics - This fund is used to account for the operations of the firemedics division which provides ambulance services to the general public.
- Tennis Center - This fund is used to account for the operations of the Tennis Center which derives the majority of its income from tennis court rentals.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Saenger Theater - This fund is used to account for the operations of the Saenger Theater which include activities such as social events, musical performances, and theatrical performances.
- Neighborhood Renewal Program - This fund is used to account for the operations of the Neighborhood Renewal Program which derives the majority of its income from the sale of real property inventory.

Internal Service Funds - These funds are used to account for the financing of goods or services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The internal service funds are included in governmental activities for government-wide reporting purposes. The excess revenue or expenses for the funds are allocated to the appropriate functional activity (governmental activities). Excess amounts have not been allocated to any business-type activity since these amounts would be insignificant. The City's internal service funds are as follows:

- Motor Pool - This fund is used to account for vehicles and equipment provided and maintained by the Motor Pool for other departments of the City.
- Insurance Fund - This fund is used to account for automobile and general liability claims and expenses paid for other departments of the City.
- Employee Health Fund - This fund is used to account for assets held in trust by the City for the payment of health insurance claims.

**Basis of Accounting** - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The government-wide financial statements, as well as the proprietary funds, apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

**Estimates** - The preparation of financial statements in conformity with GAAP requires the use of certain estimates by management.

**Government-wide Financial Statements**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, liabilities, and deferred inflows and deferred outflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fund Financial Statements**

Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both "measurable and available" to finance current expenditures. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities (the City considers revenue available if it is collected within 60 days after year end). Selective sales and use taxes are considered available and measurable when the underlying exchange has occurred (i.e., September sales taxes are recorded as revenue in September even though the taxpayers remit the taxes in October) and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Property taxes are recognized as revenue when the enforceable legal claim has occurred. Grant revenues are recognized when all eligibility requirements have been met.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

Expenditures (including capital outlay) are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on general long-term debt are exceptions to this rule and are recognized when due. Also, expenditures related to insurance claims, employee pension liability, compensated absences and the sinking fund are recognized when payable from expendable available financial resources.

Proprietary Funds

Proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when a liability is incurred, regardless of the timing of related cash flows.

**Budgets and Budgetary Accounting** - The City follows these procedures in establishing the budgetary data presented in the accompanying financial statements:

- Prior to August 20, the Mayor submits to the City Council a proposed current revenue and expenditure budget for the general operations of the City government for the fiscal year beginning October 1, which constitutes the General Fund Budget, a Capital Budget and a budget message. However, a legally adopted budget is only required for the General Fund. By law, expenditures may not exceed revenues and surplus available, if any.
- A public hearing is held to obtain final taxpayer input, and necessary revisions are made not later than September 30.
- The budget is adopted by a majority vote of the City Council, and any required revenue measures are legally enacted through passage of an ordinance.
- Changes or amendments to budgeted expenditures of the City at the departmental and fund level must be approved by the City Council.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Departmental expenditures may not legally exceed budgetary appropriations for the General Fund. Accordingly, the legal level of budgetary control is established within the General Fund at the departmental level. Management may amend the budget at the object level within departments without City Council approval. All unencumbered balances lapse at year-end.

**Revenue Recognition** - Ad valorem taxes are assessed on property valuations and statutory liens are attached to such properties as of October 1st each year. These taxes are due October 1st, but do not become delinquent until December 31st, after which penalty fees are levied. If taxes and penalties are not paid by June 30th of the following year, the property is then sold for taxes due and remittance is made at this time by the Mobile County Tax Collector to the City of Mobile. All tax levies are collected and remitted to the City of Mobile by the end of the City's fiscal year; consequently, the financial statements do not have accounts receivable or allowance for uncollected tax levies.

Other material revenue which is susceptible to accrual includes sales tax, interest income and state-shared revenue. Revenue which is not both available and measurable and is thus not susceptible to accrual includes property and franchise taxes and business licenses.

**Unearned Revenue** - The fund financial statements include both unearned revenue and revenue that is not considered available to finance current expenditures. The government-wide financial statements include only unearned revenue.

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the General Fund and Capital Projects Funds. Encumbrances outstanding at year-end for specific purposes are included within restricted, committed, or assigned fund balance as appropriate. For budgetary purposes, current year encumbrances are treated as expenditures and any unencumbered balances lapse at year-end. Encumbrances have been recorded in the General Fund and Capital Projects Funds.

**Pooled Cash and Investments** - Pooled cash and investments consist of cash, government securities, certificates of deposit, and repurchase agreements. Cash balances and the requirements of all funds are considered in determining the amount to be invested. Interest earned on pooled cash and investments is recorded as General Fund revenue and allocated between funds based upon balances (see Note 3). The City reports its money market investments and investments in short-term debt securities that have remaining maturities of one year or less at amortized cost.

**Inventories** - All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories held by the General Fund consist principally of traffic engineering, municipal garage, public buildings, electrical, mechanical maintenance, public works, police and fire department supplies. Inventories are stated at average or weighted average cost. Appropriate allowances have been recorded for obsolete and surplus items.



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Interfund Transactions** - On fund financial statements, receivables and payables resulting from outstanding balances are classified as "interfund receivables/payables" (See Note 6). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Flow of cash or goods from one fund to another without a requirement for repayment is reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. The government-wide statements eliminate interfund transfers and receivables/payables as reported within the segregated governmental and business-type activities column. Only transfers and receivables/payables between the two columns appear in this statement, which zero in total. Interfund services provided and used are not eliminated in the process of consolidation.

**Capital Assets** - The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements

In the government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Donated capital assets are valued at their estimated fair market value on the date donated. The City capitalizes assets with a unit cost of \$5,000 or more as purchase and construction outlays occur.

Infrastructure has been capitalized retroactively to 1980 using estimated historical costs.

Intangible assets are those that lack physical substance, are non-financial in nature and the initial useful life extends beyond a single reporting period. In accordance with GASB Statement No. 51, the City began capitalizing and reporting intangible assets in the fiscal year that ended September 30, 2010. Those intangible assets consist of easements with indefinite useful lives and are not amortized. The easements were valued based on fair value associated with land. According to Statement 51, retroactive reporting of intangible assets considered to have indefinite useful lives as of the effective date of the statement, is not required but is permitted. The City has elected not to retroactively report such assets.

Depreciation is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

| <u>Types of Assets</u>  | <u>Estimated Useful Life</u> |
|---|------------------------------|
| Buildings   | 25-60 years                  |
| Improvements  | 20 years                     |
| Infrastructure (Drainage, Streets,<br>Bridges, Sidewalks and Docking) | 50 years                     |
| Infrastructure (Utilities and<br>Landscaping)                         | 25 years                     |
| Machinery and equipment   | 5-10 years                   |
| Automotive equipment  | 3-15 years                   |
| Office equipment  | 6 years                      |

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

**Bond Discounts, Premiums and Issuance Costs** - In the governmental funds, bond discounts, premiums and issuance costs are treated as period costs in the year of issue.

In the government-wide financial statements, bond discounts and premiums are deferred and amortized over the term of the bonds using the bonds outstanding method which approximates the effective interest method. Bond discounts/premiums are presented as a reduction/addition to the face amount of the bonds payable. Bond issuance costs are treated as period costs in the year of issue except for the portion, if any, related to prepaid insurance costs. Prepaid insurance costs are reported as an asset and recognized as an expense over the duration of the related debt.

**Compensated Absences** - The GASB requires that accrued liabilities for future vacations and sick leave be recorded if, (1) the employees' rights to receive compensation are attributable to services already rendered, and (2) it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

The current portion of this debt is estimated based on historical trends. In the enterprise funds, the compensated absences liability is presented in the balance sheet, and is classified as current and non-current. In the governmental fund financial statements, amounts that would normally be paid with expendable available financial resources once the liability has matured, for example as a result of employee resignations and retirements, are recorded in the General Fund, and the amounts considered noncurrent are not reported in the fund financial statements. Amounts paid or payable within 60 days are deemed to be payable from expendable financial resources.

**Equity Classifications**

Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds and mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) the City's own laws through its enabling legislation and other provisions of its laws and regulations (See Note 10).
- Unrestricted net position - All other net position which does not meet the definition of "restricted" or "net investment in capital assets."

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Fund Financial Statements

On December 13, 2011, The City Council of the City of Mobile adopted Resolution 60-609 to establish a Fund Balance Policy consistent with the Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

The fund equity of the governmental fund financial statements is classified as fund balance.

GASB Statement No. 54 provided new reporting categories for fund balance in governmental funds. The categories and descriptions are as follows:

Non-spendable Fund Balance - Inventory, prepaid expenditures and other similar assets not in a spendable form that are contractually required to be maintained intact are classified as non-spendable fund balance.

Restricted Fund Balance - Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts formally designated by City Council through equally binding ordinances or resolutions for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

Assigned Fund Balance - Amounts constrained by City Council or the Executive Director of Finance for a specific purpose normally through the appropriations process in establishing and amending budgets. Furthermore, funds in special revenue, capital project, and permanent fund are by their nature assigned to the purpose for which the resources are collected. The policy used by the governing body to authorize the assignment of fund balance was passed by the City Council in Resolution 60-609 on December 13, 2011.

Unassigned Fund Balance - Amounts that may be used for any governmental purpose.

When an expenditure qualifies to be used from more than one fund balance classification identified above, it is the City's policy to use resources in the following order: restricted, committed, assigned, and then unassigned.

The fund equity of the proprietary fund financial statements is classified in the same manner as the government-wide financial statements.

**Statement of Cash Flows** - For the purposes of the Statement of Cash Flows, the proprietary funds consider cash and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Adoption of new GASB pronouncements:**

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Issued March 2012, this Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The City implemented GASB Statement No. 65 in the current fiscal year resulting in a prior period adjustment to write off the beginning balance of unamortized bond issuance costs which are now required to be expensed in the period incurred. These amounts were previously capitalized and amortized over the term of the debt. This adjustment reduced beginning government-wide net position by \$2,435,630. See Note 17 for details on the adjustment to beginning net position.

GASB Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. Issued March 2012, the objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The provisions of this Statement were effective for financial statements for periods beginning after December 15, 2012.

GASB Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. Issued June 2012, the objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement was effective for financial statements for fiscal years beginning after June 15, 2013.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Issued April 2013, this Statement establishes accounting and financial reporting standards related to nonexchange financial guarantees. Some governments extend financial guarantees for the obligations of another entity without receiving equal or approximately equal value in exchange. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. This statement is effective for fiscal years beginning after June 15, 2013. The City does not currently have any nonexchange financial guarantees.

**Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2014:**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB No. 27*. Issued June 2012, the primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement is effective for fiscal years beginning after June 15, 2014. The City is currently evaluating the impact, that GASB 68 will have on its financial statements.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*

Issued January 2013, this Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement is effective for fiscal years beginning after December 15, 2013. The City is currently evaluating the impact, if any, that GASB 69 will have on its financial statements.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*

Issued November 2013, this Statement addresses an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement is effective for fiscal years beginning after June 15, 2014. The City is currently evaluating the impact, if any, that GASB 71 will have on its financial statements.

The City of Mobile will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The City has not yet determined if the above listed new GASB pronouncements will have a significant financial impact to the City or in issuing its financial statements.

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY**

**Organization**

The City of Mobile, Alabama (the City) was incorporated on January 20, 1814 under the provisions of Act 1911, No. 281, page 330; Code 1940. The City operates under a mayor-council form of government. The City engages in a comprehensive range of municipal services, including public safety, street and drainage, sanitation, health and social services, culture and recreation, public improvements, public transportation, planning and zoning, and general administrative services.

**Reporting Entity**

The financial statements of the City have been prepared in conformity with the accounting principles generally accepted in the United States as specified by the Governmental Accounting Standards Board (GASB).

As required by accounting principles generally accepted in the United States, these financial statements present the primary government (the City) and its discretely presented component units. Each discretely presented component unit has a September 30 fiscal year-end. These component units are reported in a separate column(s) to emphasize that they are separate legal entities from the primary government and are governed by separate boards. Financial accountability for component units as defined by GASB Statement No. 61 does not imply that the City is legally responsible for the obligations of the discretely presented component units.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)**

Discretely Presented Component Units

• **Mobile Public Library** - The Library is an agency or instrumentality of the City of Mobile. All of the members of the board of the Library are appointed by the City Council. The Library's other sources of revenue come from State and Federal financial assistance, other municipalities, Mobile County and user fees. Complete financials of the library can be obtained directly from their administrative office at:

Mobile Public Library  
700 Government Street  
Mobile, AL 36602

• **The Public Park and Recreation Board (Ladd - Peebles Stadium)** - The City appropriates funds to the Public Park and Recreation Board for operational and capital outlay purposes. All of the members of the Board are appointed by the City Council. The Board's other sources of revenue come from the rental of Ladd – Peebles Stadium to third parties. Complete financial statements of the Public Park and Recreation Board can be obtained directly from their administrative offices as provided below.

The Public Park and Recreation Board  
(Ladd-Peebles Stadium)  
P.O. Box 66721  
Mobile, Alabama 36660

• **The Solid Waste Disposal Authority** – The Solid Waste Disposal Authority was incorporated on May 7, 1985. As authorized by Ordinance 65-002, the City of Mobile conveyed to the Authority by statutory warranty deed dated July 28, 1993, its landfills, equipment used to operate the landfills, and the City solid waste stream. By agreement dated March 29, 1994, between the Authority and the City of Mobile, the City agreed to pay the Authority a tipping fee for each ton of solid waste delivered by the City to the landfill and the Hickory Street Transfer Station, and the Authority agreed to remit to the City the royalties, in the amount of 5% of the gross revenue received from solid waste deposited at the landfill, paid to the Authority by the Contractor operating the landfill.

The City is authorized by State statute, ALA CODE Sec 11-89A-15(a), to lend or donate money to the Authority to perform services on behalf of the City. As so authorized, the City pays on a voluntary basis the incidental expenses of the Authority out of the general fund. The contractor that operates the Chastang landfill accepts waste from other sources. The landfill is not devoted exclusively to the waste stream of the City of Mobile. All of the members of the Board are appointed by the City Council. The Authority does not issue separate financial statements.

**Related Organizations**

The City's officials are also responsible for appointing the members of the boards of other organizations. However, the City has no financial burden or benefit from these organizations, nor do they have the power to impose their will upon the members of their boards. Therefore, these organizations are not considered component units of the City.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)**

The City's related organizations are as follows:

- **Board of Water and Sewer Commissioners of the City of Mobile (BWSC)** – BWSC is a separate governmental unit granted independent authority by the State of Alabama General Statutes. All of the five board members are appointed by the Council of the City of Mobile. BWSC has the ability to issue its own debt, and its operations are financed through water and sewer usage fees.
- **Mobile Housing Board** - The Mayor appoints members to the governing board and can remove members for cause. The Housing Board has complete legislative and administrative authority. The Housing Board's primary revenues come from rents and monies received from the Federal government.
- **Mobile Airport Authority** - The Mayor appoints members to the governing board and can remove members for cause. The Airport Authority has complete legislative and administrative authority and has the ability to issue its own debt. Its operations are financed through aviation revenues and monies received from the Federal government.

Joint Ventures

The City is a participant with other local governments in joint ventures to operate the following organizations:

- **Mobile Board of Health** - The Mayor and the Council of the City of Mobile do not appoint the board members for the Mobile Board of Health. The City is legally required to contribute financial support to the Board of Health on an annual basis. The City contributed \$600,000 to the Mobile Board of Health during the fiscal year ended September 30, 2014. The Mobile Board of Health receives contributions from other municipalities included within Mobile County as well as from Mobile County. Of the contributing entities, not one entity has unilateral control over the operations of the Mobile Board of Health. In addition, the Mobile Board of Health receives State and Federal financial assistance. The City has no equity interest in the Mobile Board of Health. Complete financial statements for the Mobile Board of Health may be obtained from their administrative office at 251 North Bayou Street, Mobile, Alabama 36601.
- **Mobile Emergency Management** - The board members for Mobile Emergency Management are the mayors for the municipalities in Mobile County and the President of the Mobile County Commission or their appointees. The City is legally required to contribute financial support to Mobile Emergency Management on an annual basis. The City contributed \$436,107 to Mobile Emergency Management during the fiscal year ended September 30, 2014. Mobile Emergency Management receives contributions from other municipalities included within Mobile County as well as State and Federal financial assistance. The City has no equity interest in Mobile Emergency Management. Complete financial statements for Mobile Emergency Management may be obtained from their administrative office at 348 North McGregor Avenue, Mobile, Alabama 36618.
- **Mobile Personnel Board** - The five board members are appointed by a supervisory committee. The supervisory committee consists of the mayors for all cities in Mobile County, the County Sheriff, the County License Commissioner, the County Revenue Commissioner and various county judges. The City is legally required to contribute financial support to the Personnel Board on an annual basis. The City contributed \$1,248,069 to the Mobile Personnel Board during the fiscal year ended September 30, 2014. The Mobile Personnel Board also receives contributions from all municipalities included within Mobile County as well as from Mobile County. The City has no equity interest in the Mobile Personnel Board. Complete financial statements for the Mobile Personnel Board may be obtained from their administrative office at P.O. Box 66794, Mobile, Alabama 36660-1794.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)**

• **Juvenile Court and Youth Center** - An act was adopted by the Alabama Legislature in 1919 which directs the City to pay one-half of all expenses within thirty days after receiving the bill. During the fiscal year ended September 30, 2014 the City contributed \$2,897,798 to the Juvenile Court and Youth Center. It is funded by Mobile County, the City of Mobile, the Department of Youth Services and various grants from the State of Alabama.

**NOTE 3 - CASH, EQUITY IN POOLED CASH AND INVESTMENTS**

**Deposits**

Cash balances available for investment by most City funds are maintained in pooled cash and investment accounts to improve investment opportunities. The equity in pooled cash and investment balances in the accompanying combined balance sheet represents the undivided interest of each respective fund in pooled accounts.

Included as deposits are bank accounts and certificates of deposit. Each of the banks holding the City's unrestricted deposits, as well as those of the Component Units, is a certified participant in the Security for Alabama Funds Enhancement (SAFE) program. Through the SAFE program, all public funds are protected through a collateral pool administered by the Alabama State Treasury.

The City's primary government deposits and City's restricted cash were fully insured or collateralized at September 30, 2014. At year-end, the carrying amount of the City's deposits was \$102,087,532 and the bank balance was \$102,913,213. Included in the bank balances are certificates of deposit totaling \$9,362,379. Of the total bank balance, \$3,840,686 was covered by Federal Depository Insurance and \$99,072,527 was covered under the SAFE program.

**Investments**

The City is restricted by State statute to investments in U.S. Government Treasury and Agency securities, certificates of deposit and money market accounts, repurchase agreements and reverse repurchase agreements, banker's acceptances and commercial paper. In each case, all funds must be fully insured or collateralized by the pledge of securities. Securities allowed as collateral include U.S. Government Treasury and Agency securities, State of Alabama Obligations and City of Mobile Obligations. As of September 30, 2014, the City had the following investments:

| <u>Investment Type</u>  | <u>Fair Value</u>    | <u>Weighted Average<br/>Maturity (Years)</u> |
|-------------------------|----------------------|--|
| Money market funds      | \$ 49,245,059        | 0.0027                                       |
| Sweep accounts          | 195,000              | 0.0027                                       |
| Certificates of deposit | 9,362,379            | 0.0822                                       |
|                         | <u>\$ 58,802,438</u> |  |



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 3 - CASH, EQUITY IN POOLED CASH AND INVESTMENTS (continued)**

Credit Risk and Concentration of Credit Risk

The City's investment policy prohibits the purchase of debt securities rated below AA. As of September 30, 2014, the City's investments in money market accounts are under the SAFE program. The investment policy also requires diversification of the City's investment portfolio by security type and institution. With the exception of U.S. Treasury Securities, the City will allow no more than 65% of its investment portfolio to be invested in single security types.

Custodial Credit Risk

The City's investment policy includes a requirement that City funds be collateralized at 102%. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the City's name.

Interest Rate Risk

The City has an investment policy that limits the maturities on individual investments to no more than one year.

**NOTE 4 - RECEIVABLES**

Receivables at September 30, 2014 consist of the following:

|                              | <u>Governmental<br/>Activities</u> | <u>Business-<br/>type<br/>Activities</u> | <u>Total Primary<br/>Government</u> |
|------------------------------|------------------------------------|--|-------------------------------------|
| <b>Receivables</b>           |                                    |  |                                     |
| Taxes                        | \$ 17,570,999                      | \$ 970,360                               | \$ 18,541,359                       |
| Customers and other          | 7,273,216                          | 9,465,290                                | 16,738,506                          |
| Other governmental units     | <u>6,935,939</u>                   | <u>102,941</u>                           | <u>7,038,880</u>                    |
| <b>Gross receivables</b>     | 31,780,154                         | 10,538,591                               | 42,318,745                          |
| Allowance for uncollectables | <u>(3,319,627)</u>                 | <u>(8,202,679)</u>                       | <u>(11,522,306)</u>                 |
| <b>Net receivables</b>       | <u>\$ 28,460,527</u>               | <u>\$ 2,335,912</u>                      | <u>\$ 30,796,439</u>                |

Substantially all receivables are due in fiscal year 2014, except Capital Projects Funds assessments receivable for public improvements of \$143,928.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 5 - INTERFUND TRANSFERS**

Transfers within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs. Interfund transfers for the year ended September 30, 2014, are as follows:

|                                 | <b>Transfer In</b>   | <b>Transfer Out</b>  |
|---------------------------------|----------------------|----------------------|
| Major Governmental Funds        |                      |                      |
| General Fund                    |                      |                      |
| Capital Improvements Fund       | \$ 17,923,603        | \$ 215,638           |
| Other Governmental Funds        | 5,656,118            | 2,294,897            |
| Internal Service Funds          | -                    | 10,433,115           |
| Mobile Civic Center             | -                    | 1,209,312            |
| Cruise Terminal                 | -                    | 413,323              |
| Parking Garage                  | 1,000,000            | -                    |
| WAVE Transit                    | 3,004,924            | 6,755,976            |
| Other Enterprise Funds          | -                    | <u>3,780,642</u>     |
| Total General Fund              | <u>27,584,645</u>    | <u>25,102,903</u>    |
| Capital Improvements Fund       |                      |                      |
| General Fund                    | 215,638              | 17,923,603           |
| Other Governmental Funds        | -                    | 14,245,501           |
| WAVE Transit                    | -                    | 500,000              |
| Other Enterprise Funds          | -                    | <u>200,000</u>       |
| Total Capital Improvements Fund | <u>215,638</u>       | <u>32,869,104</u>    |
| Other Governmental Funds        |                      |                      |
| General Fund                    | 2,294,897            | 5,656,118            |
| Capital Improvements Fund       | 14,245,501           | -                    |
| Other Governmental Funds        | 6,670,283            | 6,670,283            |
| Mobile Convention Center        | 4,154,016            | -                    |
| WAVE Transit                    | 754,138              | -                    |
| Other Enterprise Funds          | -                    | <u>1,023,428</u>     |
| Total Other Governmental Funds  | <u>28,118,835</u>    | <u>13,349,829</u>    |
| Internal Service Funds          |                      |                      |
| General Fund                    | <u>10,433,115</u>    | -                    |
| Total Internal Service Funds    | <u>10,433,115</u>    | <u>-</u>             |
| Major Enterprise Funds          |                      |                      |
| Mobile Civic Center             |                      |                      |
| General Fund                    | <u>1,209,312</u>     | -                    |
| Total Mobile Civic Center       | <u>1,209,312</u>     | <u>-</u>             |
| Mobile Convention Center        |                      |                      |
| Other Governmental Funds        | -                    | 4,154,016            |
| Total Mobile Convention Center  | <u>-</u>             | <u>4,154,016</u>     |
| WAVE Transit                    |                      |                      |
| General Fund                    | 6,755,976            | 3,004,924            |
| Capital Improvements Fund       | 500,000              | -                    |
| Other Governmental Funds        | -                    | 754,138              |
| Total WAVE Transit              | <u>7,255,976</u>     | <u>3,759,062</u>     |
| Municipal Parking Garage        |                      |                      |
| General Fund                    | -                    | <u>1,000,000</u>     |
| Total Municipal Parking Garage  | <u>-</u>             | <u>1,000,000</u>     |
| Alabama Cruise Terminal         |                      |                      |
| General Fund                    | <u>413,323</u>       | -                    |
| Total Alabama Cruise Terminal   | <u>413,323</u>       | <u>-</u>             |
| Other Enterprise Funds          |                      |                      |
| General Fund                    | 3,780,642            | -                    |
| Capital Improvements Fund       | 200,000              | -                    |
| Other Governmental Funds        | 1,023,428            | -                    |
| Total Other Enterprise Funds    | <u>5,004,070</u>     | <u>-</u>             |
|                                 | <u>\$ 80,234,914</u> | <u>\$ 80,234,914</u> |

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Generally, outstanding balances between funds reported as "due to/from other funds" include subsidy commitments outstanding at year-end and other miscellaneous receivables/payables between funds.

Interfund receivables and payables at September 30, 2014, are as follows:

|                                 | <u>Due To Other<br/>Funds</u> | <u>Due From Other<br/>Funds</u> |
|---------------------------------|-------------------------------|---------------------------------|
| Major Governmental Funds        |                               |                                 |
| General Fund                    |                               |                                 |
| Other Governmental Funds        | \$ 3,356                      | \$ -                            |
| WAVE Transit                    | 295,581                       | 65,000                          |
| Total General Fund              | <u>298,937</u>                | <u>65,000</u>                   |
| Capital Improvements Fund       |                               |                                 |
| Other Governmental Funds        | <u>-</u>                      | <u>100,000</u>                  |
| Total Capital Improvements Fund | <u>-</u>                      | <u>100,000</u>                  |
| Other Governmental Funds        |                               |                                 |
| General Fund                    | -                             | 3,356                           |
| Capital Improvements Fund       | 100,000                       | -                               |
| WAVE Transit                    | <u>-</u>                      | <u>102,941</u>                  |
| Total Other Governmental Funds  | <u>100,000</u>                | <u>106,297</u>                  |
| Major Enterprise Funds          |                               |                                 |
| WAVE Transit                    |                               |                                 |
| General Fund                    | 65,000                        | 295,581                         |
| Other Governmental Funds        | <u>102,941</u>                | <u>-</u>                        |
| Total WAVE Transit              | <u>167,941</u>                | <u>295,581</u>                  |
|                                 | <u>\$ 566,878</u>             | <u>\$ 566,878</u>               |

Substantially all interfund balances are expected to be repaid within one year except \$100,000 due to the Capital Improvements Fund from the Strategic Plan Fund.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 7 - CAPITAL ASSETS**

Governmental Activities

The following is a summary of changes in capital assets for the year ended September 30, 2014:

|                          | Capital Assets, Not Depreciated |                          |                            |                     | Capital Assets, Depreciated |                                   |                      |                      |                       |                       |
|--------------------------|---------------------------------|--------------------------|----------------------------|---------------------|-----------------------------|-----------------------------------|----------------------|----------------------|-----------------------|-----------------------|
|                          | Land                            | Construction in Progress | Infrastructure in Progress | Intangible Assets   | Buildings                   | Improvements Other Than Buildings | Vehicular Equipment  | Other Equipment      | Infrastructure        | Totals                |
| Balance, 10/1/13         | \$ 27,478,237                   | \$ 62,636,461            | \$ 19,981,413              | \$ 3,943,624        | \$ 71,499,933               | \$ 111,496,755                    | \$ 63,878,904        | \$ 44,887,824        | \$ 498,869,018        | \$ 904,672,169        |
| Additions                | 14,099                          | 3,404,489                | 13,445,194                 | 172,755             | -                           | 1,454,764                         | 3,898,628            | 6,431,984            | 23,722,473            | 52,544,386            |
| Deductions               | (233,702)                       | (7,609,886)              | (23,060,620)               | -                   | (53,500)                    | -                                 | (1,792,306)          | (477,746)            | -                     | (33,227,760)          |
| Balance, 9/30/14         | <u>27,258,634</u>               | <u>58,431,064</u>        | <u>10,365,987</u>          | <u>4,116,379</u>    | <u>71,446,433</u>           | <u>112,951,519</u>                | <u>65,985,226</u>    | <u>50,842,062</u>    | <u>522,591,491</u>    | <u>923,988,795</u>    |
| Accumulated Depreciation |                                 |                          |                            |                     |                             |                                   |                      |                      |                       |                       |
| Balance, 10/1/13         | -                               | -                        | -                          | -                   | 29,102,321                  | 43,801,809                        | 42,309,308           | 35,894,277           | 112,287,966           | 263,395,681           |
| Additions                | -                               | -                        | -                          | -                   | 1,063,288                   | 4,979,818                         | 3,362,320            | 1,364,784            | 10,006,684            | 20,776,894            |
| Deductions               | -                               | -                        | -                          | -                   | (1,161)                     | -                                 | (1,510,577)          | (396,028)            | -                     | (1,907,766)           |
| Balance, 9/30/14         | -                               | -                        | -                          | -                   | <u>30,164,448</u>           | <u>48,781,627</u>                 | <u>44,161,051</u>    | <u>36,863,033</u>    | <u>122,294,650</u>    | <u>282,264,809</u>    |
| Capital Assets, Net      | <u>\$ 27,258,634</u>            | <u>\$ 58,431,064</u>     | <u>\$ 10,365,987</u>       | <u>\$ 4,116,379</u> | <u>\$ 41,281,985</u>        | <u>\$ 64,169,892</u>              | <u>\$ 21,824,175</u> | <u>\$ 13,979,029</u> | <u>\$ 400,296,841</u> | <u>\$ 641,723,986</u> |

Construction in progress consists of the following:

|   | Balance<br>October 1, 2013 | Additions           | Deductions            | Balance<br>September 30,<br>2014 |
|---|----------------------------|---------------------|-----------------------|----------------------------------|
| Waterfront Development                          | \$ 54,248,446              | \$ 2,058,746        | \$ -                  | \$ 56,307,192                    |
| Kidd Park Improvements                          | 15,928                     | -                   | (15,928)              | -                                |
| Police-Renovate 850 St. Anthony Bldg            | 143,327                    | 1,318               | -                     | 144,645                          |
| Bienville Park Restrooms                        | 78,695                     | 902                 | (79,597)              | -                                |
| Theodore Area Park                              | 98,631                     | 275                 | (98,906)              | -                                |
| Metro 800 MHZ Emergency Radios                  | 5,943,156                  | 211,966             | (6,155,122)           | -                                |
| Parks - Ballfield Lighting Baumhauer Randle Pk  | -                          | 65,193              | (65,193)              | -                                |
| Parks - Ballfield Lighting Herndon Park         | -                          | 22,259              | (22,259)              | -                                |
| Parks - Ballfield Lighting Dog River Park       | -                          | 23,811              | (23,811)              | -                                |
| Parks - Ballfield Lighting Langan Park          | -                          | 15,897              | (15,897)              | -                                |
| Parks - Herndon Park Improvements               | -                          | 56,653              | -                     | 56,653                           |
| Parks - James Seals Park Improvements           | -                          | 359,569             | -                     | 359,569                          |
| Mob Regional Senior Comm Center Flooring        | -                          | 49,215              | (49,215)              | -                                |
| Parks - Mardi Gras Park                         | 1,327                      | (1,327)             | -                     | -                                |
| Ft. Conde Welcome Center-Roof Repairs           | 446,176                    | 135,651             | -                     | 581,827                          |
| Parks - Annexed Areas                           | 714,730                    | 81,577              | (796,307)             | -                                |
| Parks - Copeland/Cox Tennis Center Improvements | 177,333                    | 174,926             | -                     | 352,259                          |
| Parks - Public Safety-Skateboard Park           | 23,873                     | 2,397               | -                     | 26,270                           |
| African American Archives HVAC Replace.         | -                          | 40,895              | (40,895)              | -                                |
| Hurtel Street Armory - New Fire Alarm Syst.     | -                          | 27,969              | -                     | 27,969                           |
| ERP System - MUNIS                              | -                          | 62,747              | -                     | 62,747                           |
| Ladd Peebles Stadium Renovation                 | 303,919                    | -                   | -                     | 303,919                          |
| CDBG 2011 - Harmon Park Rec Center Impr.        | 58,981                     | -                   | (58,981)              | -                                |
| CDBG 2011 - Trinity Gardens Park                | 40,152                     | (1,237)             | (38,915)              | -                                |
| CDBG 2011 - PFC Howard Johnson Park Impr        | 44,617                     | 1,850               | (46,467)              | -                                |
| CDBG 2011 - Maitre Park Improvements            | 102,393                    | -                   | (102,393)             | -                                |
| CDBG 2012 - Theodore Park Improvements          | 194,777                    | 13,237              | -                     | 208,014                          |
| <b>Total</b>                                    | <u>\$ 62,636,461</u>       | <u>\$ 3,404,489</u> | <u>\$ (7,609,886)</u> | <u>\$ 58,431,064</u>             |

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 7 - CAPITAL ASSETS (continued)**

As of September 30, 2014, commitments to contractors on capital projects totaled approximately \$15.0 million. Budgeted costs to complete projects in progress totaled approximately \$30.1 million.

Depreciation expense was charged to governmental activities as follows:

|                            |                      |
|----------------------------|----------------------|
| General government         | \$ 14,373,786        |
| Economic development       | 2,450                |
| Public safety              | 2,116,394            |
| Public works               | 965,336              |
| Culture and recreation     | 2,125,670            |
| Finance                    | 2,772                |
| Total depreciation expense | <u>\$ 19,586,408</u> |

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2014:

|                                 | Capital Assets, Not Depreciated |                          | Capital Assets, Depreciated |                                   |                     |                     | Totals               |
|---------------------------------|---------------------------------|--------------------------|-----------------------------|-----------------------------------|---------------------|---------------------|----------------------|
|                                 | Land                            | Construction in Progress | Buildings                   | Improvements Other than Buildings | Vehicular Equipment | Other Equipment     |                      |
| Balance, 10/1/13                | \$ 10,615,755                   | \$ 1,749,895             | \$ 126,750,424              | \$ 17,554,026                     | \$ 13,823,234       | \$ 6,756,496        | \$ 177,249,830       |
| Additions                       | 59,052                          | 262,311                  | -                           | -                                 | -                   | 115,975             | 437,338              |
| Deductions                      | -                               | (115,964)                | -                           | -                                 | (256,724)           | (116,295)           | (488,983)            |
| Balance, 9/30/14                | <u>10,674,807</u>               | <u>1,896,242</u>         | <u>126,750,424</u>          | <u>17,554,026</u>                 | <u>13,566,510</u>   | <u>6,756,176</u>    | <u>177,198,185</u>   |
| <i>Accumulated Depreciation</i> |                                 |                          |                             |                                   |                     |                     |                      |
| Balance, 10/1/13                | -                               | -                        | 52,887,683                  | 8,275,121                         | 8,815,907           | 5,523,248           | 75,501,959           |
| Additions                       | -                               | -                        | 2,325,320                   | 549,986                           | 989,925             | 228,327             | 4,093,558            |
| Deductions                      | -                               | -                        | -                           | -                                 | (256,725)           | (104,666)           | (361,391)            |
| Balance, 9/30/14                | <u>-</u>                        | <u>-</u>                 | <u>55,213,003</u>           | <u>8,825,107</u>                  | <u>9,549,107</u>    | <u>5,646,909</u>    | <u>79,234,126</u>    |
| Capital Assets, Net             | <u>\$ 10,674,807</u>            | <u>\$ 1,896,242</u>      | <u>\$ 71,537,421</u>        | <u>\$ 8,728,919</u>               | <u>\$ 4,017,403</u> | <u>\$ 1,109,267</u> | <u>\$ 97,964,059</u> |

Approximately \$5.8 million (cost of \$12.0 million and accumulated depreciation of \$6.2 million) of the Municipal Parking Garage property is leased to others as of September 30, 2014. (See Note 11)

Depreciation expense was charged to business-type activities as follows:

|                              |                     |
|------------------------------|---------------------|
| Civic center                 | \$ 406,499          |
| Convention center            | 1,262,011           |
| Cruise Terminal              | 406,861             |
| WAVE Transit                 | 1,473,162           |
| Parking garage               | 201,644             |
| Golf course                  | 145,285             |
| Firemedics                   | 5,680               |
| Tennis center                | 3,887               |
| Saenger Theater              | 188,529             |
| Neighborhood renewal program | -                   |
| Total depreciation expense   | <u>\$ 4,093,558</u> |

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 8 - LONG-TERM DEBT**

The general and limited obligation bonds/warrants and notes of the City include the following at September 30, 2014:

|   |                              |
|---|------------------------------|
| \$10,655,000; 2002 Limited Obligation Tax Increment Warrants; due annually with interest payable semi-annually at rates ranging from 3.75% to 5.50% per annum; maturing February 15, 2023             | \$ 6,505,000                 |
| \$63,410,000; 2006 General Obligation Refunding and Improvement Warrants; due annually with interest payable semi-annually at rates ranging from 4.38% to 5.00% per annum; maturing February 15, 2030 | 45,300,000                   |
| \$3,100,000; 2006 General Obligation Private Placement Warrants; due semi-annually with interest payable semi-annually at a rate of 4.50% per annum; maturing August 15, 2016                         | 745,000                      |
| \$57,000,000; 2008 General Obligation Refunding and Improvement Warrants, due semi-annually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2030          | 57,000,000                   |
| \$69,295,000; 2008B General Obligation Refunding and Improvement Warrants, due semi-annually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2020         | 55,435,000                   |
| \$22,095,000; 2008C (AMT) General Obligation Refunding and Improvement Warrants, due semi-annually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2030   | 19,860,000                   |
| \$56,380,000; 2009A General Obligation Refunding Warrants; due semi-annually with interest payable at 3.00% to 6.00% per annum; maturing February 15, 2028  | 55,910,000                   |
| \$16,765,000; 2009B G.O. Build America Bond Warrants; due semi-annually with interest payable at 6.085% per annum; maturing February 15, 2030   | 16,765,000                   |
| \$6,430,000; 2009C General Obligation Recovery Zone Economic Development Warrants; due semi-annually with interest payable at 6.085% per annum; maturing February 15, 2030                            | 6,430,000                    |
| \$2,000,000; 2010 General Obligation Build America Bond (Equipment); due semi-annually with interest payable at 4.230% per annum; maturing February 15, 2015  | 218,714                      |
| \$13,715,000; 2011 General Obligation Private Placement Warrants, due annually with interest payable semi-annually 2.84% per annum; maturing February 12, 2026  | 13,715,000                   |
| \$5,100,000; 2012 General Obligation Private Placement Warrants, due semi-annually with interest payable semi-annually 1.53% per annum; maturing August 15, 2017                                      | 3,092,697                    |
| Total bonds/warrants payable  | <u><u>\$ 280,976,411</u></u> |
| <br>  |                              |
| \$1,275,000; note payable to JPMorgan Chase, annual principal payments ranging from \$40,000 to \$115,000 through August 2022, semi-annual interest payments at 2.77%                                 | \$ 730,000                   |
| \$1,410,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$30,000 to \$135,000 through August 2017, semi-annual interest payments at 3.22%                        | 380,000                      |
| \$1,440,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$30,000 to \$140,000 through August 2018, semi-annual interest payments at 3.56%                        | 500,000                      |
| \$2,695,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$105,000 to \$200,000 through August 2025, semi-annual interest payments at 2.70%                       | 1,770,000                    |
| Total notes payable   | <u><u>\$ 3,380,000</u></u>   |

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 8 - LONG-TERM DEBT (continued)**

The principal maturities and related interest requirements for the bonds, warrants and notes payable for the next five fiscal years and thereafter are as follows:

| Bonds/Warrants Payable             | Fiscal Year Ending September 30 | Governmental Activities |                       |                       |
|------------------------------------|---------------------------------|-------------------------|-----------------------|-----------------------|
|                                    |                                 | Principal               | Interest              | Total                 |
| 2015                               |                                 | \$ 13,403,711           | \$ 13,105,070         | \$ 26,508,781         |
| 2016                               |                                 | 13,740,736              | 12,558,301            | 26,299,037            |
| 2017                               |                                 | 15,511,854              | 11,958,565            | 27,470,419            |
| 2018                               |                                 | 13,950,110              | 11,309,030            | 25,259,140            |
| 2019                               |                                 | 14,590,000              | 10,622,059            | 25,212,059            |
| 2020-2024                          |                                 | 83,360,000              | 41,651,435            | 125,011,435           |
| 2025-2029                          |                                 | 103,125,000             | 19,493,840            | 122,618,840           |
| 2030                               |                                 | 23,295,000              | 606,244               | 23,901,244            |
| Subtotals                          |                                 | 280,976,411             | 121,304,544           | 402,280,955           |
| Plus: Bond Premium                 |                                 | 3,254,593               | (3,254,593)           | -                     |
| Less: Deferred Bond Discount       |                                 | (254,255)               | 254,255               | -                     |
| Less: Deferred amount on refunding |                                 | (4,854,604)             | 4,854,604             | -                     |
| Totals                             |                                 | <u>\$ 279,122,145</u>   | <u>\$ 123,158,810</u> | <u>\$ 402,280,955</u> |
| Notes Payable                      |                                 |                         |                       |                       |
| 2015                               |                                 | \$ 430,000              | \$ 150,634            | \$ 580,634            |
| 2016                               |                                 | 455,000                 | 138,125               | 593,125               |
| 2017                               |                                 | 485,000                 | 124,128               | 609,128               |
| 2018                               |                                 | 375,000                 | 108,155               | 483,155               |
| 2019                               |                                 | 250,000                 | 92,764                | 342,764               |
| 2020-2024                          |                                 | 1,185,000               | 247,297               | 1,432,297             |
| 2025                               |                                 | 200,000                 | 11,480                | 211,480               |
| Totals                             |                                 | <u>\$ 3,380,000</u>     | <u>\$ 872,583</u>     | <u>\$ 4,252,583</u>   |

The City has entered into capital leases for various items including an aerial ladder truck, garbage trucks and cans, fire trucks, heavy equipment for the motor pool, police cars, heavy equipment for public works and services. Future debt service payments under these governmental activity capital leases are as follows:

| Fiscal Year Ending September 30 | Present Value of Net Minimum Lease Payments | Amount Representing Interest | Total Minimum Future Lease Payments |
|---------------------------------|---|------------------------------|-------------------------------------|
| 2015                            | 950,961                                     | 66,020                       | 1,016,981                           |
| 2016                            | 980,764                                     | 36,217                       | 1,016,981                           |
| 2017                            | 492,519                                     | 9,977                        | 502,496                             |
| Totals                          | <u>\$ 2,424,244</u>                         | <u>\$ 112,214</u>            | <u>\$ 2,536,458</u>                 |

Generally, the capital leases provide for bargain purchase options or options to purchase at prices representing the expected fair value of the property.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 8 - LONG-TERM DEBT (continued)**

The following is an analysis of the leased property under capital leases by major classes:

|                                | Governmental<br>Activities |
|--------------------------------|----------------------------|
| Vehicles                       | \$ 5,544,896               |
| Equipment                      | 128,360                    |
| Other                          | 88,858                     |
|                                | 5,762,114                  |
| Less: Accumulated amortization | 1,972,633                  |
|                                | \$ 3,789,481               |

The following is a summary of the changes in liabilities reported in the Statement of Net Position for the year ended September 30, 2014:

|  | Balance<br>October 1 | Additions     | Deductions    | Balance<br>September 30 | Due Within<br>One Year |
|--|----------------------|---------------|---------------|-------------------------|------------------------|
| <u>Governmental Activities</u>                         |                      |               |               |                         |                        |
| General and limited obligation                         |                      |               |               |                         |                        |
| bonds/warrants   | \$ 292,081,085       | \$ -          | \$ 11,104,674 | \$ 280,976,411          | \$ 13,403,711          |
| Plus: Bond premium                                     | 3,563,894            | -             | 309,301       | 3,254,593               | -                      |
| Less: Bond discount                                    | (273,561)            | -             | (19,306)      | (254,255)               | -                      |
| Less: Deferred amount on<br>refunding                  | (5,773,851)          | -             | (919,247)     | (4,854,604)             | -                      |
| Total general and limited<br>obligation bonds/warrants | 289,597,567          | -             | 10,475,422    | 279,122,145             | 13,403,711             |
| Notes payable  | 3,785,000            | -             | 405,000       | 3,380,000               | 430,000                |
| Obligations under capital leases                       | 3,346,323            | -             | 922,079       | 2,424,244               | 950,961                |
| Compensated absences                                   | 14,127,908           | 992,388       | 1,783,062     | 13,337,234              | 1,783,062              |
| Self-insured legal liability                           | 1,124,845            | 729,584       | 1,197,173     | 657,256                 | -                      |
| Insurance claims                                       | 13,101,221           | 33,819,636    | 30,886,138    | 16,034,719              | 5,414,867              |
| Landfill postclosure liability                         | 810,077              | -             | 44,337        | 765,740                 | 46,111                 |
| OPEB liability   | 155,843,000          | 26,182,000    | -             | 182,025,000             | -                      |
| Total governmental<br>activities                       | 481,735,941          | 61,723,608    | 45,713,211    | 497,746,338             | 22,028,712             |
| <u>Business-type Activities</u>                        |                      |               |               |                         |                        |
| Obligations under capital leases                       | 184,751              | -             | 184,751       | -                       | -                      |
| Compensated absences                                   | 435,693              | 557,494       | 573,892       | 419,295                 | 89,583                 |
| Total business-type<br>activities                      | 620,444              | 557,494       | 758,643       | 419,295                 | 89,583                 |
| Total primary government                               | \$ 482,356,385       | \$ 62,281,102 | \$ 46,471,854 | \$ 498,165,633          | \$ 22,118,295          |

Repayment of principal and interest maturities is made from sales taxes. Also, for governmental activities, compensated absences, pension obligations, and net other postemployment benefit obligations are generally liquidated by the general fund.

Under State law, the City's legal debt may not exceed 20% of the total assessed value of real and personal property within the City. At September 30, 2014, the permissible debt limit exceeded actual debt by approximately \$269.4 million.



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS**

The City contributes to three retirement plans covering substantially all of its employees. Contributions by the City to the three plans during the year are summarized as follows:

|  |                             |
|--|-----------------------------|
| Employees' Retirement System of Alabama (ERSA)         | \$ 4,851,645                |
| Police and Firefighters Retirement Plan (PFFRP)        | 14,950,855                  |
| General Municipal Employee Pension Trust Fund (GMEPTF) | <u>9,632</u>                |
| Total  | <u><u>\$ 19,812,132</u></u> |

In addition to the above, the City has entered into an agreement and declaration of trust with Transit Management of Mobile, Inc. (the contracted operator), which contractually obligates the City (as plan sponsor) to reimburse the contracted Operator for payment of any pension plan or other employee benefits. This plan is discussed on pages 68-69.

Employees' Retirement System of Alabama - All of the City's employees, other than sworn police and certified fire-rescue employees, participate in ERSA, an agent multiple-employer, defined benefit pension plan. ERSA provides retirement and other benefits for state employees, state police, and, on an elective basis, to employees of all cities, counties, towns and quasi-public organizations.

The ERSA issues a stand-alone financial report which may be obtained by contacting The Retirement Systems of Alabama at 135 South Union Street, Montgomery, AL 36130-2150.

The plan provides retirement benefits as well as death and disability benefits. Members are classified as Tier 1 or Tier 2 employees with different benefits and contribution rates. Employees having any ERSA service prior to January 1, 2013 are classified as Tier 1 participants. Employees hired on or after January 1, 2013 with no previous creditable retirement service are classified as Tier 2 participants.

Tier 1 and Tier 2 participants vest after 10 years of service. Members may not convert unused sick leave to retirement credit in order to meet the minimum 10 years of service required for vesting.

For Tier 1 participants, a member attaining the earlier of age 60 with 10 years of creditable service or after completing 25 or more creditable years of service are entitled to an annual retirement benefit, payable monthly for life. Eligible members may convert unused sick leave days to service credit to meet the minimum requirement for service retirement.

For Tier 2 participants, a member is eligible to retire the first day of the month following attainment of age 62 with 10 years of creditable service and are entitled to an annual retirement benefit, payable monthly, for life. Members can only retire on the first day of any month they are eligible.

For both Tier 1 and Tier 2 participants, service retirement benefits are calculated by three methods with the members receiving payments under the method which yields the highest monthly benefit: (1) minimum guaranteed, (2) money purchase, or (3) formula. Under the formula method, members are allowed 2.0125% of their final average salary (best 3 of the last 10 years) for each year of service. Active employees who become disabled receive disability benefits which are calculated in the same manner as those used for service retirement benefits. These benefits are paid until the earlier of death or recovery from disability.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

If an active employee dies, his/her designated beneficiary receives payments, not to exceed the balance of his/her vested contributions plus the member's annual earnings from the previous fiscal year at date of death. The beneficiary has the option of receiving an initial lump sum or to receive monthly payments until the designated amount is paid in full.

If a member's employment is terminated before the member is eligible for any other benefits under the Employees' Retirement System of Alabama, the member shall receive a refund of his/her member contribution plus interest credited at 4% per year compounded annually, based upon the following years of service:

| <u>Service</u>    | <u>Interest credit</u>  |
|-------------------|-------------------------|
| Less than 3 years | None                    |
| 3 - 15 years      | 50% of interest earned  |
| 16 - 20 years     | 60% of interest earned  |
| 21 - 25 years     | 70 % of interest earned |

Tier 1 employees participating in the plan are required to contribute 5% of their earnable compensation to the plan. Tier 2 employees participating in the plan are required to contribute 6% of their earnable compensation to the plan. Earnable compensation cannot exceed 120% of base pay for Tier 1 and 125% of base pay for Tier 2 participants. Member contributions are not accessible to the employee unless he or she should terminate employment and apply for a refund of contributions and eligible interest.

Tier 1 employer contributions during fiscal 2014 were based on 11.07% of salaries. Tier 2 employer contributions during during fiscal 2014 were based on 8.77% of salaries. Employer contributions required to support the benefits of the system are determined using a level funding approach and consist of a normal contribution, determined using the "entry age normal" method, and an unfunded accrued liability determined by subtracting the present value of prospective employer normal contributions and member contributions together with the current assets held from the present value of total expected benefits to be paid from the system.

Total contributions to the pension plan in fiscal 2014 amounted to \$7,103,446 of which \$4,851,645 and \$2,251,801 were made by the City of Mobile and its employees respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of September 30, 2013.

The authority to establish or amend the Plan's funding policy is granted under Provisions of Act 515, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specified benefits for state employees, state police, and, on an elective basis, all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of the employee retirement system is vested in the Board of Control. Benefit provisions are established by the Code of Alabama 1975, Sections 36-27-1 through 36-27-103, as amended, sections 36-27-120 through 36-27-139, as amended, and sections 36-27B-1 through 36-27B-6.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

Additional information:

|                               |                         |
|-------------------------------|-------------------------|
| Valuation date                | 9/30/13                 |
| Actuarial cost method         | Entry Age               |
| Amortization method           | Level percent open      |
| Remaining amortization period | 30 years                |
| Asset valuation method        | 5-year smoothed market* |
| Actuarial assumptions         |                         |
| Investment rate of return**   | 8.00%                   |
| Projected salary increases**  | 3.75 - 7.25%            |
| **Includes inflation at       | 3.00%                   |
| Cost-of-living adjustments    | None                    |

Trend information for the Plan:

| <u>Fiscal Year Ended</u> | <u>Annual Pension Cost<br/>(APC)</u> | <u>Percentage of APC<br/>Contributed</u> | <u>Net Pension<br/>Obligation</u> |
|--------------------------|--------------------------------------|--|-----------------------------------|
| September 30, 2011       | \$ 4,616,105                         | 100%                                     | -                                 |
| September 30, 2012       | \$ 3,886,077                         | 100%                                     | -                                 |
| September 30, 2013       | \$ 4,190,154                         | 100%                                     | -                                 |
| September 30, 2014       | \$ 4,851,645                         | 100%                                     | -                                 |

The schedule of funding progress is as follows:

| Actuarial<br>Valuation Date | Actuarial Value of<br>Assets*<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>Entry Age <sup>1</sup><br>(b) | Unfunded AAL<br>(UAAL)<br>(b)-(a) | Funded Ratio<br>(a)/(b) | Covered Payroll<br>(c) | UAAL as a<br>% of<br>Covered<br>Payroll<br>((b-a)/c) |
|-----------------------------|--------------------------------------|---|-----------------------------------|-------------------------|------------------------|--|
| 9/30/2008                   | \$ 135,296,628                       | \$ 163,728,994  | \$ 28,432,366                     | 82.6 %                  | \$ 44,651,914          | 63.7 %   |
| 9/30/2009                   | \$ 135,094,757                       | \$ 172,880,100  | \$ 37,785,343                     | 78.1 %                  | \$ 50,662,843          | 74.6 %   |
| 9/30/2010 <sup>2</sup>      | \$ 131,909,321                       | \$ 179,327,291  | \$ 47,417,970                     | 73.6 %                  | \$ 47,539,003          | 99.7 %   |
| 9/30/2011 <sup>4</sup>      | \$ 127,816,011                       | \$ 183,596,993  | \$ 55,780,982                     | 69.6 %                  | \$ 47,964,720          | 116.3 %  |
| 9/30/2012 <sup>5</sup>      | \$ 121,539,714                       | \$ 173,042,157  | \$ 51,502,443                     | 70.2 %                  | \$ 41,982,743          | 122.7 %  |
| 9/30/2013 <sup>6</sup>      | \$ 127,122,551                       | \$ 182,438,618  | \$ 55,316,067                     | 69.7 %                  | \$ 45,157,180          | 122.5 %  |
| 9/30/2013 <sup>3,6</sup>    | \$ 127,122,551                       | \$ 182,747,056  | \$ 55,624,505                     | 69.6 %                  | \$ 45,157,180          | 123.2 %  |

<sup>1</sup>Reflects liability for cost of living benefit increases granted on or after October 1, 1978.

<sup>2</sup>Reflects the impact of Act 2011-27, which closes the DROP program to new applicants after March 24, 2011.

<sup>3</sup>Reflects the impact of Act 2011-676, which increases the member contribution rates by 2.25% beginning October 1, 2011 and by an additional 0.25% beginning October 1, 2012

<sup>4</sup>Reflects changes in actuarial assumptions.

<sup>6</sup>Reflects changes to interest smoothing methodology

<sup>6</sup>Reflects implementation of Board Funding Policy

\*The actuarial value of assets was set equal to the market value of assets as of September 30, 2012.

Market value of Assets as of September 30, 2013: \$133,300,104

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

Police and Firefighters Retirement Plan - Every member of the police and fire departments of the City, except for civilian employees hired on or after April 15, 1985, certain civilian employees hired before April 15, 1985, and certain policemen and firemen who elected not to participate during a temporary period of discretionary participation, participates in the PFFRP, a single employer, defined-benefit pension plan. The PFFRP was established by an Act of the Alabama State Legislature. The Act requires that employees who have earned less than 30 years of service contribute 8% of their basic salary to the fund. The City is required to contribute an amount each plan year which, when added to the member contributions and other contributions for that plan year, is equal to the Minimum Required Contribution for that plan year. The City's contribution is determined as of each October 1 and the contribution must be made within 18 months of that October 1. Also contributed by the City are 5% of certain Municipal Court fines and 2% of the gross fire insurance premiums collected on policies which cover property within the City of Mobile limits and its police jurisdiction. The City reimburses the PFFRP for the liability for the pre-retirement lump sum death benefit equal to a match of the employee contributions up to \$5,000.

The PFFRP issues a stand-alone financial report which may be obtained by contacting the Mobile Police and Firefighters' Retirement Plan Board at Post Office Box 1827, Mobile, AL 36633-1827.

Participants in the PFFRP are entitled to certain benefits depending upon whether sufficient assets are in the fund to cover the benefits.

Participating members hired prior to March 28, 1990, attaining the earlier of age 50 and completing 20 or more years of service with the last ten years being consecutive are entitled to a monthly benefit of 2.5% of the member's final three years' average salary multiplied by the number of years in service and divided by twelve, not to exceed 75% of final average salary. Participating members hired on or after March 28, 1990, with 20 years of service (the last 10 years of which are consecutive) and who has attained 55 years of age, may retire and receive a monthly payment equal to 2.5% of the member's final average salary (average salary of the last five full years of active service) multiplied by the first 20 years of service, and 2.25% of the member's average salary for years of service in excess of 20 years, not to exceed 72.5% of final average salary. A member actively employed who is eligible for retirement may elect to remain employed by the City as an Eligible Employee and participate in the Deferred Retirement Option Plan for a period not to exceed 36 months, deferring receipt of retirement benefit until employment with the City is terminated. If a participating member of the police or fire department who has at least 15 years of service becomes permanently physically or mentally disabled other than while performing his/her duties as a uniformed officer, he/she shall be entitled to a disability pension equal to 2.5% of his/her final salary multiplied by his/her years of service, but not more than 60% of his/her final salary. If any participant becomes permanently physically or mentally disabled in the line of duty, he/she shall receive a monthly benefit equal to 45% of his/her final salary. If a member disabled in the line of duty can prove to the Board's satisfaction that he/she is totally disabled, he/she will be entitled to 60% of his /her final salary.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

If a member terminates his/her employment for reasons other than disability or death after completing more than 15 years of service but less than 20 years, the last 10 years being consecutive, he/she is entitled to receive a maximum monthly benefit equal to 2.5% of his/her final three years' average salary multiplied by his/her years' service beginning the later of his/her termination or his/her 65th birthday. If a member with less than 15 years terminates his/her employment for reasons other than disability or death, he/she shall receive a refund of his/her contributions to the Plan.

If a member eligible for retirement dies prior to his/her annuity starting date, his/her eligible family members shall receive a benefit equal to the greater of the 50% survivor's benefit, or a single sum equal to the lesser of twice the member's contributions to the Plan or the sum of the member's contributions plus \$5,000. If a member eligible for retirement dies prior to his/her annuity starting date who is not survived by an eligible family member, or if a member not eligible for retirement dies, the beneficiary shall receive a single sum equal to the lesser of twice the member's contributions to the Plan or the sum of the member's contributions plus \$5,000.

The PFFRP Board has the authority to establish and/or amend the obligations to contribute to the Plan of the Plan members and/or the Plan's sponsor with approval by a majority vote of the city council or like governing body of the City.

The minimum required contribution as determined by the Act is the sum of the following amounts:

- (a) the normal cost for the plan year (determined using the projected unit credit actuarial cost method);
- (b) the increasing 30-year amortization payment required to amortize the initial unfunded actuarial accrued liability determined as of October 1, 1996, which amortization payment is scheduled to increase at the rate of 4% per annum;
- (c) the level-dollar 30-year amortization payment required to amortize changes in the unfunded actuarial accrued liability due to plan changes;
- (d) the level-dollar 10-year amortization payment required to amortize changes in the unfunded actuarial accrued liability due to assumption and method changes; and
- (e) the level-dollar five-year amortization payment required to amortize changes in the unfunded actuarial accrued liability due to experience.

The significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the actuarial accrued liability. The required contribution percentages, developed in the most recent actuarial valuations for the plans, to cover minimum pension liabilities are:

Estimated contributions by source:

|                         | <u>% of Payroll</u> |                      |
|-------------------------|---------------------|----------------------|
| Employees               | 7.57 %              | \$ 2,726,891         |
| Fire insurance premiums | 2.00 %              | 720,204              |
| Municipal court fines   | 0.25 %              | 90,025               |
| City of Mobile          | <u>39.87 %</u>      | <u>14,358,909</u>    |
|                         | <u>49.69 %</u>      | <u>\$ 17,896,029</u> |

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

Trend information for the Annual Pension Cost of the Plan for the current and four previous years are as follows:

| <u>Fiscal Year Ended</u> | <u>Annual<br/>Required<br/>Contribution<br/>(ARC)</u> | <u>% Contrib.<br/>/APC</u> | <u>Annual<br/>Pension Cost<br/>(APC)</u> | <u>Percentage of<br/>APC<br/>Contributed</u> | <u>Net Pension<br/>Obligation</u> |
|--------------------------|---|----------------------------|--|--|-----------------------------------|
| September 30, 2010       | \$ 15,060,773   | 100 %                      | \$ 15,233,494                            | 99 %   | \$ (76,846,259)                   |
| September 30, 2011       | \$ 13,972,923   | 99 %                       | \$ 14,145,203                            | 98 %   | \$ (76,649,824)                   |
| September 30, 2012       | \$ 17,584,231   | 100 %                      | \$ 17,755,853                            | 99 %   | \$ (76,357,260)                   |
| September 30, 2013       | \$ 20,045,496   | 98 %                       | \$ 20,216,562                            | 97 %   | \$ (76,109,691)                   |
| September 30, 2014       | \$ 15,169,138   | 99 %                       | \$ 15,570,910                            | 96 %   | \$ (75,600,575)                   |

The schedule of funding progress is as follows:

| Actuarial<br>Valuation<br>Date | (1)<br>Actuarial Value<br>of Assets | (2)<br>Actuarial<br>Accrued<br>Liability (AAL) | (3)<br>Unfunded AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded<br>Ratio<br>(1)/(2) | (5)<br>Covered<br>Payroll | (6)<br>UAAL as a<br>% of<br>Covered<br>Payroll<br>(3)/(5) |
|--------------------------------|-------------------------------------|--|--|-----------------------------------|---------------------------|---|
| 10/1/2008                      | \$ 89,418,544                       | \$ 225,276,657                                 | \$ 135,858,113                           | 39.7 %                            | \$ 39,153,543             | 347.0 %   |
| 10/1/2009                      | \$ 98,525,321                       | \$ 225,176,329                                 | \$ 126,651,008                           | 43.8 %                            | \$ 37,828,223             | 334.8 %   |
| 10/1/2010                      | \$ 102,393,499                      | \$ 220,173,032                                 | \$ 117,779,533                           | 46.5 %                            | \$ 36,845,566             | 319.7 %   |
| 10/1/2011                      | \$ 103,134,597                      | \$ 231,927,460                                 | \$ 128,792,863                           | 44.5 %                            | \$ 36,829,749             | 349.7 %   |
| 10/1/2012                      | \$ 107,359,212                      | \$ 235,613,618                                 | \$ 128,254,406                           | 45.6 %                            | \$ 36,525,850             | 351.1 %   |
| 10/1/2013                      | \$ 138,907,354                      | \$ 261,454,954                                 | \$ 122,547,600                           | 53.1 %                            | \$ 36,010,184             | 340.3 %   |

**Additional Information:**

Valuation Date: October 1, 2013

Actuarial Cost Method: Projected Unit Credit

Amortization Method: Level dollar, closed

Remaining Amortization Period: 30 years

Asset Valuation Method: Five-year smoothed market value

Discount Rate: 7.00%

Projected Salary Increase Rate: 3.00%

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

*Development of the Net Pension Obligation (Asset):*

|   |                        |
|---|------------------------|
| Net Pension Obligation (Asset) as of September 30, 2013 | \$ (76,109,691)        |
| Annual Pension Cost                                     | 20,216,562             |
| Employer Contributions                                  | <u>(19,707,446)</u>    |
| Net Increase (Decrease) in NPO                          | 509,116                |
| Net Pension Obligation (Asset) as of September 30, 2014 | <u>\$ (75,600,575)</u> |

*Development of the Annual Required Contribution (ARC):*

|  |                      |
|--|----------------------|
| Normal Cost  | \$ 5,256,642         |
| Expense Allowance                                  | 90,025               |
| Expected Employee Contribution                     | (2,726,891)          |
| Amortization of the UAAL                           | 18,243,174           |
| Amortization of the Net Pension Obligation (Asset) | (5,693,812)          |
| Interest Adjustment                                | -                    |
| Annual Required Contribution (ARC)                 | <u>\$ 15,169,138</u> |

*Development of the Annual Pension Cost (APC):*

|  |                      |
|--|----------------------|
| Annual Required Contribution (ARC)             | 15,169,138           |
| Interest on the Net Pension Obligation (Asset) | (5,292,040)          |
| Adjustment to the ARC                          | <u>5,693,812</u>     |
| Annual Pension Cost (APC)                      | <u>\$ 15,570,910</u> |

As of the reporting date, the City has disclosed a negative net pension obligation (NPO), an asset. For the Police & Firefighters Pension Plan for the year ended September 30, 2014, the ARC was \$15,169,138, the interest on the NPO was \$5,292,040, the adjustment to the ARC was \$5,693,812. The net increase (decrease) in the NPO was \$509,116. The NPO at the reporting date was \$(75,600,575).

General Municipal Employee Pension Trust Fund - In 1968, a significant curtailment with respect to participation in the GMEPTF occurred, the effect of which rendered the plan virtually inactive. Participation in the pension fund by City employees hired after 1968 was ended. Eligible employees in 1968 were able to elect participation in the Employees' Retirement System of Alabama plus some combination of benefits under the GMEPTF.

The pension fund was insolvent at the date of the change in the plan. The City plans to fund benefits under the GMEPTF as they become due.

At September 30, 2014, the Fund had no assets; accordingly, the City will pay benefits as needed from the General Fund. Annually, the City reviews the plan for significant changes in actuarial assumptions. As a result of such a review as of September 30, 2014, the City has determined that an actuarial update is not required due to the discontinuance of participation in the plan, stable actuarial assumptions, the annual diminishment of the estimated pension liability resulting from benefit payments and the relative insignificance of the plan to the financial position and results of operation of the City. Benefits paid by the City under the GMEPTF during the year ended September 30, 2014 were \$9,632.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

Transit Workers Pension Plan (TWPP) - On June 30, 2003, the City entered into an agreement and declaration of trust (the trust agreement) with Transit Management of Mobile, Inc. (the contracted Operator), to be retroactively effective to July 1, 2002 which contractually obligated the City (as plan sponsor) to reimburse the contracted Operator for the payment of any pension plan or other employee benefits. The trust agreement establishes the TWPP, a single-employer defined benefit pension plan, for the purpose of providing pension benefits to participants, retired participants and beneficiaries that are equivalent to those benefits that were previously offered under the ERSA. The TWPP covers employees of the contracted Operator (former employees of the City) and was established under the Urban Mass Transportation Act which requires provisions for the preservation of rights, privileges and benefits, including the continuation of pension rights and benefits. All full-time employees of the contracted Operator, other than the general manager, are eligible to participate in the plan. The plan year begins July 1, and ends June 30.

The TWPP issues a stand-alone financial report which may be obtained by contacting the Board of Trustees of the TWPP at 1224 West I-65 Service Road South, Mobile, AL 36609.

The plan provides retirement benefits as well as death and disability benefits. Members vest after 5 years of service. Employees attaining the earlier of age 60 or completing 25 or more creditable years of service are entitled to an annual retirement benefit, payable monthly for life. Participants receive credited service for all periods of full-time covered employment as well as for the period during which the participant was a member of the ERSA, including periods of purchased creditable service under the ERSA, as well as for the period beginning with the date the participant was no longer an active member of ERSA and ending on June 30, 2002. Members receive payments based on 2.0125% of average monthly compensation (best 3 of the last 10 years) multiplied by credited service, offset by the monthly accrued benefit payable from the ERSA and attributable to service recognized as credited service under this plan. The plan permits early retirement at the age of 60 upon completion of 5 years of creditable service. Active employees who become disabled receive disability benefits which are calculated in the same manner as that used for service retirement benefits. These benefits are paid until the earlier of death or recovery from disability. If an active employee dies, his/her designated beneficiary receives payments, not to exceed the balance of his/her vested contributions plus the member's annual earnings from the previous fiscal year at date of death. The beneficiary has the option of receiving an initial lump sum or to receive monthly payments until the designated amount is paid in full.

If a member's employment is terminated before the member is eligible for any other benefits under the plan, the member shall receive a single lump sum payment equal to accumulated contributions plus interest credited at 4% per year compounded annually (for participants who have earned less than five years of credited service), or a monthly accrued benefit payable at normal retirement age calculated in the same manner as that used for service retirement benefits (for participants who have earned at least five years of credited service).



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

Employees participating in the plan are required to contribute 5% of their earnings to the plan, and the City contributes an actuarially determined amount. Employer contributions required to support the benefits of the system are determined using a level funding approach and consist of a normal contribution, determined using the unit credit cost method, and an unfunded accrued liability determined by subtracting the present value of prospective employer normal contributions and member contributions together with the current assets held from the present value of total expected benefits to be paid from the system.

Trend information for the Annual Required Contribution of the Plan for the current and five previous years are as follows:

| Plan Year Ended        | Annual<br>Required<br>Contribution | Percentage<br>Contributed | Net Pension<br>Obligation |
|------------------------|------------------------------------|---------------------------|---------------------------|
| June 30, 2009          | \$ 745,342                         | 100 %                     | -                         |
| June 30, 2010          | \$ 695,577                         | 100 %                     | -                         |
| June 30, 2011          | \$ 861,901                         | 100 %                     | -                         |
| June 30, 2012          | \$ 1,319,178                       | 100 %                     | -                         |
| June 30, 2013          | \$ 580,620                         | 100 %                     | -                         |
| June 30, 2014          | \$ 785,105                         | 100 %                     | -                         |
| Jul. 1 - Sep. 30, 2014 | \$ 75,000                          | 100 %                     | -                         |

The schedule of funding progress is as follows:

| Actuarial<br>Valuation<br>Date | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability<br>(AAL) | (3)<br>Unfunded<br>AAL (UAAL)<br>(2)-(1) | (4)<br>Funded Ratio<br>(1)/(2) | (5)<br>Covered<br>Payroll | (6)<br>UAAL as a %<br>of Covered<br>Payroll<br>(3)/(5) |
|--------------------------------|--|---|--|--------------------------------|---------------------------|--|
| 7/1/2008                       | \$ 2,793,191                           | \$ 5,037,031                                      | \$ 2,243,840                             | 55.45 %                        | \$ 3,468,543              | 64.69 %  |
| 7/1/2009                       | \$ 3,231,272                           | \$ 5,465,487                                      | \$ 2,234,315                             | 59.12 %                        | \$ 3,452,194              | 64.72 %  |
| 7/1/2010                       | \$ 4,212,251                           | \$ 6,703,998                                      | \$ 2,491,747                             | 62.83 %                        | \$ 3,671,711              | 67.86 %  |
| 7/1/2011                       | \$ 5,717,186                           | \$ 8,853,671                                      | \$ 3,136,485                             | 64.57 %                        | \$ 3,681,811              | 85.19 %  |
| 7/1/2012                       | \$ 7,051,895                           | \$ 7,199,676                                      | \$ 147,781                               | 97.95 %                        | \$ 3,650,777              | 4.05 %   |
| 7/1/2013                       | \$ 8,242,780                           | \$ 8,604,978                                      | \$ 362,198                               | 95.79 %                        | \$ 3,679,642              | 9.84 %   |

Additional information:

Valuation Date: July 1, 2013

Actuarial Cost Method: Unprojected Unit Credit

Amortization Method: Level percentage, closed

Remaining Amortization Period: 7 years

Asset Valuation Method: Market value

Investment Rate of Return: 5.88%

Salary Increase Rate: 4.00%

Cost of Living Adjustments: None

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

**Other Post-Employment Benefits (OPEBs)**

The City provides post-employment health care coverage, including dental benefits, and life insurance, as allowed by Alabama state laws, to eligible individuals on a pay-as-you-go basis. With respect to retirees, life insurance is equal to \$6,000 for former employees and \$2,000 for each covered dependent and is a fully-insured benefit provided by an insurance company selected periodically by the City. With respect to disabled employees for the first 12 months of disability prior to age 65, life insurance is equal to the lesser of two times annual salary or \$75,000 plus an accidental death and dismemberment benefit of the same amount. The cost of retiree health care, dental care and life insurance benefits is recognized as an expenditure as claims are paid. For fiscal year 2014, those costs totaled approximately \$6,884,859 and the liability for incurred and not paid claims totaled \$2,600,900.

*Eligible Individuals:*

Eligible individuals include all regular, full-time employees of the City and their spouses and dependent children who are covered on the date of the employee's retirement, disability, or death, as applicable. General employees must be age 60 with at least 10 years of service with the City out of the last 12 years of employment or any age with at least 25 years of service, of which at least the last 10 years were in active employment with the City and at least 20 years were under the Mobile County Merit System. Alternatively, general employees with at least 10 years of service who become eligible for a disability pension under the Retirement System of Alabama (RSA) will also be eligible for coverage. Police and fire employees must be age 50 (if hired prior to March 28, 1990) or age 55 (otherwise) with at least 20 years of service or must become eligible for a disability pension from the police and firefighter retirement plan sponsored by the City. Alternatively, police and fire employees who terminate their employment prior to retirement, but who have earned at least 20 years of service, will also be eligible for coverage, provided that they pay the COBRA premium during the deferral period prior to their retirement. All other employees who terminate their employment are eligible for COBRA coverage. Spouses of deceased employees or retirees are also eligible for COBRA coverage prior to age 65.

*Required Monthly Premium for Post-Employment Benefit Coverage:*

Retirees must pay the required monthly premium for either single or family coverage, as applicable. During fiscal year 2014, retirees have been assumed to make monthly contributions equal to \$54 for single coverage and \$140 for family coverage. COBRA contributions for the same period have been assumed to be \$373 per month for single coverage and \$864 per month for family coverage. Dependents of deceased retirees may pay the monthly retiree rate for up to 12 months after the retiree's death, but must pay the monthly COBRA premium thereafter. Dependents of employees who either have earned at least 10 years of service or die in the line of duty are eligible to pay the same premium. All other terminated employees and dependents must pay the COBRA premium for continued coverage.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

*Annual OPEB Cost and Net OPEB Obligation:*

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of time. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the OPEB Plan:

|  | As of<br>September 30, 2014 |
|--|-----------------------------|
| Annual OPEB Cost                       | \$ 34,655,000               |
| Employer Contributions                 | (8,308,000)                 |
| Interest on Employer Contributions     | (165,000)                   |
| Increase in the Net OPEB Obligation    | 26,182,000                  |
| Net OPEB Obligation, beginning of year | 155,843,000                 |
| Net OPEB Obligation, end of year       | \$ 182,025,000              |

*Development of the Annual OPEB Cost:*

|                                     |               |
|-------------------------------------|---------------|
| ARC                                 | \$ 41,899,000 |
| Interest on the Net OPEB Obligation | 6,234,000     |
| Adjustment to the ARC               | (13,478,000)  |
| Total Annual OPEB Cost              | \$ 34,655,000 |

Trend information for the OPEB Plan:

| Fiscal Year Ended  | Annual<br>Required<br>Contribution (ARC) | Percentage<br>Contributed | Annual OPEB<br>Cost | %<br>Contributed |
|--------------------|--|---------------------------|---------------------|------------------|
| September 30, 2012 | \$ 38,973,000                            | 19%                       | \$ 34,174,000       | 22%              |
| September 30, 2013 | \$ 40,337,000                            | 21%                       | \$ 34,293,000       | 25%              |
| September 30, 2014 | \$ 41,899,000                            | 20%                       | \$ 34,655,000       | 24%              |

*Funding Status and Funding Progress*

As of September 30, 2014, the actuarial accrued liability for benefits was \$304,313,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$87,883,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 346.3 percent.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, present trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The schedule of funding progress is as follows:

| Actuarial<br>Valuation Date | (1)<br>Actuarial<br>Value of<br>Assets | (2)<br>Actuarial<br>Accrued<br>Liability (AAL) | (3)<br>Unfunded AAL<br>(UAAL)<br>(2)-(1) | (4)<br>Funded Ratio<br>(1)/(2) | (5)<br>Covered<br>Payroll | (6)<br>Net OPEB<br>Obligation<br>(3)/(4) |
|-----------------------------|--|--|--|--------------------------------|---------------------------|--|
| October 1, 2009             | \$ -                                   | \$ 254,637,000                                 | \$ 254,637,000                           | 0%                             | \$ 93,574,000             | 272.1%                                   |
| October 1, 2011             | \$ -                                   | \$ 278,507,000                                 | \$ 278,507,000                           | 0%                             | \$ 90,791,000             | 306.8%                                   |
| October 1, 2013             | \$ -                                   | \$ 304,313,000                                 | \$ 304,313,000                           | 0%                             | \$ 87,883,000             | 346.3%                                   |

*Actuarial Methods and Assumptions:*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The City used the projected unit credit cost method to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement.

|                       |  |
|-----------------------|--|
| Valuation date        | October 1, 2013  |
| Actuarial cost method | Projected unit credit                                    |
| Amortization method   | 15 year open period;<br>level-dollar payment             |
| Investment return     | 4.0% per annum (includes<br>inflation at 2.5% per annum) |

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

| Healthcare cost trend rate(s): | <b>Medical</b>                                 | <b>Dental</b>  |
|--------------------------------|--|----------------|
| Select rates                   | 7% for 2013/2014 graded<br>to 5.5% for 2016/17 | Not applicable |
| Ultimate rate                  | 5.0% per annum                                 | 3.0% per annum |

Deferred Compensation Plans - The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. One of the plans is administered by a nongovernmental third party and the other by the Retirement Systems of Alabama. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the individuals who participate in the deferred compensation plan and are not subject to the claims of the City's general creditors.

**NOTE 10 - RESTRICTED NET POSITION**

The following is a summary of the restricted net position at September 30, 2014:

| Activity              | Restricted By        | Amount        |
|-----------------------|----------------------|---------------|
| Police & Fire Pension | Enabling Legislation | \$ 75,600,575 |
| Capital Projects      | Enabling Legislation | 1,110,084     |
| Capital Projects      | Legal Restriction    | 7,327,740     |
| Debt Service          | Legal Restriction    | 719,022       |
| Economic Development  | Enabling Legislation | 8,529,434     |
| Grant Programs        | Grant Agreements     | 1,930,590     |
|                       |                      | \$ 95,217,445 |

**NOTE 11 - SERVICE CONCESSION ARRANGEMENT**

Parking Garage

The City is lessor of a parking garage under a lease agreement effective August 17, 2004 for an initial term of 49 years. The lessee may, at its option, extend the initial term of the lease for two additional periods. The first extension shall be for a term of 15 years on the same terms and conditions of the initial term by giving written notice to the City at least 60 days prior to the end of the initial term. The second extension shall be for a term of 12 years and 2 days, terminating on August 19, 2080 on the same terms and conditions of the initial term by giving written notice to the City at least 60 days prior to the end of the first extension term.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 11 - SERVICE CONCESSION ARRANGEMENT (continued)**

This agreement meets the definition of a service concession arrangement under GASB Statement No. 60. The unamortized balance of the \$5,000,000 initial base payment at September 30, 2014 was \$3,966,837 and this amount is reported as a deferred inflow of resources related to deferred service concession arrangement receipts in the Enterprise Funds - Municipal Parking Garage fund.

The lessee paid a base amount of \$5,000,000 which constituted payment in full of all base rent due under the lease for the lease term; therefore the base rental amount is being recognized as revenue over a period of 49 years. The lease allows the lessee to pay all expenses associated with the operation of the parking garage from rentals received. A percentage of the balance remaining after payment of these expenses is to be remitted to the City at the end of each lease year commencing on October 1 of each year. Rental income of \$400,957 for fiscal year 2014 is included in the Enterprise Funds - Municipal Parking Garage fund. Also see Note 7 for additional information relating to leased property.

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

Joint Governmental Complex

On June 26, 1990, the City entered into an operating lease with the County of Mobile (The County) to lease space in a joint governmental complex. Lease payments for the City were \$1,370,613 for the year ended September 30, 2014.

The above referenced lease agreement is renewable annually and calls for the City to pay a minimum \$935,000 in lease payments for each full renewed lease year. The annual rent is adjusted once every two lease years by a factor based on the fee received by the City from the County for the City's collection of the County's sales tax.

Self-Insured Liability - Legal

The City of Mobile is a defendant in various suits and has been notified of claims against it, said suits and claims arising from alleged defects in sidewalks, streets, public drainage facilities and other public ways, or arising from alleged negligent operation of motor vehicles and other alleged tortuous misconduct on the part of City employees. The City attorney has reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible" and "remote" contingencies. According to the City attorney, loss contingencies categorized as "probable" range between \$717,256 and \$997,256. Consequently, the City has accrued at September 30, 2014, the lesser of the range equal to \$717,256. Loss contingencies categorized as "reasonably possible" range between \$736,843 and \$1,006,843.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)**

Governmental Funds Encumbrances

Major Governmental Funds:

|                                       |                     |
|---------------------------------------|---------------------|
| General Fund                          | \$ 1,008,876        |
| Capital Improvements Fund             | 3,817,527           |
| Governmental Funds - Non-Major        | <u>715,261</u>      |
| Total Governmental Funds Encumbrances | <u>\$ 5,541,664</u> |

Encumbrances for the year ended September 30, 2014 are disclosed for each major fund and for all other governmental funds in the aggregate.

**NOTE 13 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The claim liabilities are reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The City is self-insured for claims and judgments, general liability, and general automobile liability. As more fully discussed in Note 12, the City has determined and recorded an estimate of \$717,256 for loss contingencies relating to claims and judgments. Claim settlement and loss expenses are accrued for estimated reported claims. Past experience indicates that incurred but not reported claims, in aggregate, do not represent a material amount and, therefore, have not been accrued at year-end.

The City is also self-insured for workers' compensation claims up to \$500,000 per accident and for employee health insurance claims. An excess coverage insurance policy covers individual claims in excess of \$500,000 per accident for workers' compensation claims. The City has contracted with outside parties for claims administration. The estimated liability for workers' compensation claims as of September 30, 2014 is \$13,670,219.

The liability for employee health insurance claims includes an estimated amount for claims that have been incurred but have not been reported. The present value of the estimated liability for employee health claims as of September 30, 2014 is \$2,364,500.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 13 - RISK MANAGEMENT (continued)**

The schedule below presents the changes in claims liabilities for the past two years for the City's self-insured liabilities:

|  | <u>Beginning of<br/>Fiscal Year<br/>Liability</u> | <u>Current Year<br/>Claims and<br/>Changes in<br/>Estimates</u> | <u>Claim<br/>Payments</u> | <u>End of Fiscal<br/>Year Liability</u> |
|--|---|---|---------------------------|---|
| Claims and judgments, general liability and general and automotive liability |   |   |                           |   |
| 2012-2013  | \$ 1,245,300                                      | \$ 1,290,956  | \$ 1,411,411              | \$ 1,124,845                            |
| 2013-2014  | \$ 1,124,845                                      | \$ 789,584  | \$ 1,197,173              | \$ 717,256                              |
| Employee Health  |   |   |                           |   |
| 2012-2013  | \$ 2,069,187                                      | \$ 25,868,187   | \$ 26,179,974             | \$ 1,757,400                            |
| 2013-2014  | \$ 1,757,400                                      | \$ 27,974,660   | \$ 27,367,560             | \$ 2,364,500                            |
| Workers' Compensation  |   |   |                           |   |
| 2012-2013  | \$ 9,660,453                                      | \$ 4,674,634  | \$ 2,991,265              | \$ 11,343,822                           |
| 2013-2014  | \$ 11,343,822                                     | \$ 5,844,975  | \$ 3,518,578              | \$ 13,670,219                           |

**NOTE 14 - FUNDS DEFICITS OF NON-MAJOR FUNDS**

Deficits in net position/fund balance of non-major funds at September 30, 2014, are as follows:

|                                      |              |
|--------------------------------------|--------------|
| Non-major Special Revenue Fund       |              |
| 7-Cent Gasoline Tax                  | \$ 11,221    |
| Non-major Debt Service Fund          |              |
| 2012 G.O. Private Placement Warrants | \$ 77        |
| Internal Service Fund                |              |
| Employee Health Fund                 | \$ 2,583,301 |
| Non-Major Enterprise Fund            |              |
| Firemedics Fund                      | \$ 501,012   |



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 15 - MUNICIPAL SOLID WASTE LANDFILLS**

The City has in operation two solid waste landfills. The responsibility for annual operation and future closure and postclosure care costs of the Chastang landfill has been transferred to another the Solid Waste Disposal Authority. At September 30, 2014, the City believes that this entity is financially capable of meeting the closure and postclosure care obligations when they are due. Accordingly, a liability for such future costs has not been established.

The City owns a second landfill site which has reached full capacity. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The \$765,740 reported in the Statement of Net Position as a landfill postclosure liability at September 30, 2014 represents the estimated current cost of all postclosure care. However, due to changes in technology, laws or regulations, these costs may change in the future.

**NOTE 16 - IRREVOCABLE LETTER OF CREDIT**

The City entered into an Irrevocable Letter of Credit on May 14, 2002 with their 2002 Limited Obligation Tax Increment Warrants' Paying Agent in the amount of \$11,148,326 for the benefit of the holders of the \$10,655,000 City of Mobile, Alabama Limited Obligation Tax Increment Warrants, Series 2002 (Warrants) issued by the City pursuant to an Ordinance duly adopted by the City on May 7, 2002. The Letter of Credit can only be used by the City to make a drawing to pay the amount of principal and/or interest due on the Warrants or redemption premium of the Warrants. The Letter of Credit was renewed on August 28, 2014 with the terms and conditions requiring an annual renewal of the agreement.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 17 - FUND BALANCE**

The components of fund balance for the City's governmental funds as of September 30, 2014 are as follows:

|                              | General Fund         | Capital<br>Improvements<br>Fund | Special<br>Revenue<br>Funds - Non<br>Major | Debt Service<br>Funds - Non<br>Major | Capital<br>Projects<br>Fund - Non<br>Major | Total<br>Governmental<br>Funds |
|------------------------------|----------------------|---------------------------------|--|--------------------------------------|--|--------------------------------|
| <b>Nonspendable:</b>         |                      |                                 |  |                                      |  |                                |
| Inventory                    | \$ 2,301,354         | \$ -                            | \$ -                                       | \$ -                                 | \$ -                                       | \$ 2,301,354                   |
| Prepaid Items                | 10,000               | -                               | -  | -                                    | -  | 10,000                         |
| <b>Restricted for:</b>       |                      |                                 |  |                                      |  |                                |
| Grants                       | -                    | -                               | 1,930,590                                  | -                                    | -  | 1,930,590                      |
| Debt Service                 | -                    | -                               | -  | 719,022                              | -  | 719,022                        |
| Capital Projects             | -                    | -                               | -  | -                                    | 13,874,911                                 | 13,874,911                     |
| Road and Bridge Construction | -                    | -                               | 56,852                                     | -                                    | -  | 56,852                         |
| Road and Bridge Repair       | -                    | -                               | 1,058,928                                  | -                                    | -  | 1,058,928                      |
| Law Enforcement              | -                    | -                               | 384,466                                    | -                                    | -  | 384,466                        |
| <b>Committed for:</b>        |                      |                                 |  |                                      |  |                                |
| Tax Increment Program        | -                    | -                               | 8,497,657                                  | -                                    | -  | 8,497,657                      |
| Flood Management             | -                    | -                               | -  | -                                    | 83,886                                     | 83,886                         |
| <b>Assigned for:</b>         |                      |                                 |  |                                      |  |                                |
| Economic Development         | -                    | -                               | 31,777                                     | -                                    | -  | 31,777                         |
| Designated and Donated Funds | 931,962              | -                               | -  | -                                    | -  | 931,962                        |
| General Fund Encumbrances    | 1,008,876            | -                               | -  | -                                    | -  | 1,008,876                      |
| Athletic Fund                | 51,475               | -                               | -  | -                                    | -  | 51,475                         |
| Municipal Court              | -                    | -                               | 1,250,286                                  | -                                    | -  | 1,250,286                      |
| Capital Improvements Fund    | -                    | 34,231,012                      | -  | -                                    | -  | 34,231,012                     |
| Strategic Plan Fund          | -                    | -                               | -  | -                                    | 9,026,591                                  | 9,026,591                      |
| <b>Unassigned</b>            | <u>14,926,335</u>    | <u>-</u>                        | <u>(11,221)</u>                            | <u>-</u>                             | <u>-</u>                                   | <u>14,915,114</u>              |
| Total Fund Balance           | <u>\$ 19,230,002</u> | <u>\$ 34,231,012</u>            | <u>\$ 13,199,335</u>                       | <u>\$ 719,022</u>                    | <u>\$ 22,985,388</u>                       | <u>\$ 90,364,759</u>           |

**NOTE 18 - PRIOR PERIOD ADJUSTMENTS**

Statement of Net Position - Bond Issuance Costs

During the current year, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement requires that debt issuance costs be recognized as expense in the period incurred. Previously, debt issuance costs were capitalized by the City and amortized over the life of the associated debt. In accordance with GASB 65, a prior period adjustment reducing beginning net position of governmental activities by (\$2,435,630) was recorded by the City to remove the unamortized balance of debt issuance costs as of October 1, 2013.

Fund Financial Statements - Grant Related Special Revenue Funds

During the current year, the City determined that certain grant related activities which were previously reported in the General Fund are most appropriately reported in Special Revenue Funds to allow for multi-year comparability, accountability, and consistency in financial reporting. Therefore, the City established the following Special Revenue Funds: General Activities Grants, Housing and Urban Development Grants, Public Safety Grants, Drug Enforcement Fund, Court Referral Officers Program, and Municipal Court Judicial Admin Fund. The total net effect of this change on the beginning restricted fund balance of the General Fund was a reduction of \$2,468,988. The total net effect of this change on the beginning assigned fund balance of the General Fund was a reduction of \$970,725. The total reduction of beginning fund balance in the General Fund was \$3,439,713. Beginning fund balances of the newly established Special Revenue Funds is equal to this amount.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 18 - PRIOR PERIOD ADJUSTMENTS (continued)**

Component Unit - Solid Waste Disposal Authority

In the previous fiscal year, the Solid Waste Disposal Authority was classified as a blended component unit and reported in a special revenue fund. During the current year, the City determined that the Solid Waste Disposal Authority does not meet any of the three blending criteria for component units as set forth by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which became effective for the City's fiscal year end September 30, 2013. As such, in the current year, the Solid Waste Disposal Authority is reported as a discretely presented component unit. The related landfill asset with a book value of \$248,225 is now being reported in the discretely presented component unit fund and results in a decrease in the beginning net assets of governmental activities on the government-wide financial statements.

## **RSI - GENERAL FUND**

### Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual - General Fund

Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual - General Fund

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER THAN THE MD&A**

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | Budgeted Amounts   |                    | Actual<br>(Budgetary | Variance with<br>Final Budget<br>Positive/<br>Negative) |
|---|--------------------|--------------------|----------------------|---|
|   | Original           | Final              | Basis)               | (Negative)  |
| <b>Revenues</b>                         |                    |                    |                      |   |
| Taxes                                   | \$ 147,515,276     | \$ 153,402,879     | \$ 158,457,909       | \$ 5,055,030  |
| Licenses and permits                    | 33,960,323         | 35,540,815         | 36,380,782           | 839,967   |
| Intergovernmental                       | 110,000            | 108,000            | 65,645               | (42,355)  |
| Charges for services                    | 7,891,031          | 8,301,000          | 8,257,636            | (43,364)  |
| Fines and forfeitures                   | 3,499,540          | 3,332,000          | 3,106,672            | (225,328)   |
| State and federal assistance            | -                  | 60,000             | 175,710              | 115,710   |
| Interest                                | 230,860            | 60,000             | 57,279               | (2,721)   |
| Miscellaneous (other)                   | 50,000             | 1,050,000          | 1,384,507            | 334,507   |
| Total revenues                          | <u>193,257,030</u> | <u>201,854,694</u> | <u>207,886,140</u>   | <u>6,031,446</u>  |
| <b>Expenditures</b>                     |                    |                    |                      |   |
| <b>Departmental</b>                     |                    |                    |                      |   |
| <b>General government</b>               |                    |                    |                      |   |
| Administrative services                 | 248,207            | 480                | 29                   | 451   |
| Archives                                | 330,290            | 271,049            | 254,485              | 16,564  |
| City clerk                              | 627,605            | 564,151            | 493,575              | 70,576  |
| City council                            | 447,346            | 465,229            | 478,634              | (13,405)  |
| City hall overhead                      | 4,343,329          | 4,706,457          | 4,953,432            | (246,975)   |
| Geographical information system         | 773,000            | 726,266            | 696,343              | 29,923  |
| Legal                                   | 1,368,967          | 1,264,428          | 1,132,730            | 131,698   |
| Mayor's office                          | 750,436            | 845,725            | 735,282              | 110,443   |
| Mayor's office of strategic initiatives | 79,013             | 1,157              | 728                  | 429   |
| Municipal information technology        | 3,131,707          | 3,045,409          | 2,833,030            | 212,379   |
| Planning and development                | -                  | 210,732            | 152,518              | 58,214  |
| Telecommunications                      | 735,593            | 514,712            | 428,305              | 86,407  |
| Urban development                       | 4,677,342          | 4,301,608          | 3,804,890            | 496,718   |
| Total general government                | <u>17,512,835</u>  | <u>16,917,403</u>  | <u>15,963,981</u>    | <u>953,422</u>  |
| <b>Economic development</b>             |                    |                    |                      |   |
| Community affairs                       | -                  | -                  | 6,849                | (6,849)   |
| Historic development                    | 381,196            | 272,048            | 248,604              | 23,444  |
| Mobile film office                      | 160,582            | 166,147            | 159,089              | 7,058   |
| Special events                          | 556,495            | 454,244            | 445,784              | 8,460   |
| Total economic development              | <u>1,098,273</u>   | <u>892,439</u>     | <u>860,326</u>       | <u>32,113</u>   |
| <b>Public safety</b>                    |                    |                    |                      |   |
| Animal shelter                          | 883,249            | 890,737            | 805,865              | 84,872  |
| Fire                                    | 29,014,622         | 28,522,949         | 27,226,014           | 1,296,935   |
| Mobile metro jail                       | 7,625,000          | 8,300,000          | 8,039,329            | 260,671   |
| Municipal court                         | 2,848,653          | 2,218,224          | 1,977,265            | 240,959   |
| Police                                  | 47,948,707         | 42,456,714         | 41,333,673           | 1,123,041   |
| Public safety administration            | -                  | -                  | 33,647               | (33,647)  |
| Safety and performance                  | 270,179            | 332,296            | 265,057              | 67,239  |
| Total public safety                     | <u>88,590,410</u>  | <u>82,720,920</u>  | <u>79,680,850</u>    | <u>3,040,070</u>  |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONT'D)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | Budgeted Amounts  |                   | Actual            | Variance with                        |
|---|-------------------|-------------------|-------------------|--------------------------------------|
|   | Original          | Final             | (Budgetary Basis) | Final Budget Positive/<br>(Negative) |
| Departmental (Cont'd)                   |                   |                   |                   |                                      |
| Public works                            |                   |                   |                   |                                      |
| Administration                          | \$ 1,209,247      | \$ 907,269        | \$ 834,319        | \$ 72,950                            |
| Architectural engineering               | 1,454,782         | 1,326,805         | 1,199,776         | 127,029                              |
| Asphalt street repair                   | 1,310,647         | 759,451           | 623,138           | 136,313                              |
| Concrete and sidewalk repair            | 1,642,853         | 1,404,186         | 1,253,799         | 150,387                              |
| Dredge                                  | 917,982           | 734,395           | 705,035           | 29,360                               |
| Electrical                              | 2,134,573         | 2,073,504         | 1,848,946         | 224,558                              |
| Engineering                             | 1,840,356         | 1,865,822         | 1,602,247         | 263,575                              |
| Environmental services                  | 515,932           | 456,550           | 397,793           | 58,757                               |
| Flood control                           | 1,665,111         | 1,478,604         | 1,369,637         | 108,967                              |
| Keep mobile beautiful                   | 341,919           | 352,644           | 320,201           | 32,443                               |
| Landfill                                | 2,483,689         | 38,298            | 85,507            | (47,209)                             |
| Mechanical systems                      | 1,724,024         | 1,632,593         | 1,634,482         | (1,889)                              |
| Municipal enforcement                   | 375,391           | 414,315           | 310,362           | 103,953                              |
| Municipal garage                        | 11,536,576        | 10,896,714        | 9,039,125         | 1,857,589                            |
| Public buildings                        | 2,273,309         | 2,136,204         | 2,042,280         | 93,924                               |
| Public service administration           | 254,014           | 219,899           | 218,561           | 1,338                                |
| Real estate asset management            | 177,607           | 174,341           | 162,250           | 12,091                               |
| Real estate office                      | 234,281           | 231,357           | 227,186           | 4,171                                |
| Right-of-way maintenance                | 938,556           | 679,676           | 566,529           | 113,147                              |
| Street sweeping                         | 668,202           | 491,410           | 438,763           | 52,647                               |
| Storm drain & heavy equipment           | 1,435,664         | 1,073,801         | 1,037,131         | 36,670                               |
| Solid waste                             | 3,687,217         | 3,742,757         | 3,398,449         | 344,308                              |
| Traffic engineering                     | 1,359,594         | 1,345,426         | 1,278,916         | 66,510                               |
| Trash                                   | 3,486,192         | 3,654,079         | 3,450,121         | 203,958                              |
| Total public works                      | <u>43,667,718</u> | <u>38,090,100</u> | <u>34,044,553</u> | <u>4,045,547</u>                     |
| Culture and recreation                  |                   |                   |                   |                                      |
| Community activities                    | 98,420            | 805,871           | 249,344           | 556,527                              |
| History museum                          | 1,262,616         | 1,143,363         | 1,102,466         | 40,897                               |
| Mobile museum of art                    | 2,009,880         | 2,079,110         | 1,905,810         | 173,300                              |
| Mobile regional senior community center | 495,849           | 437,728           | 385,261           | 52,467                               |
| Parks and cemeteries                    | 2,004,304         | 2,161,419         | 2,171,569         | (10,150)                             |
| Parks and recreation director           | 160,103           | 159,960           | 137,513           | 22,447                               |
| Parks maintenance                       | 4,625,551         | 3,610,318         | 3,284,609         | 325,709                              |
| Recreation                              | 3,579,972         | 2,451,740         | 2,660,805         | (209,065)                            |
| Recreation - athletics                  | 875,584           | 853,382           | 779,488           | 73,894                               |
| Special activities                      | 726,010           | 752,347           | 673,976           | 78,371                               |
| Total culture and recreation            | <u>15,838,289</u> | <u>14,455,238</u> | <u>13,350,841</u> | <u>1,104,397</u>                     |
| Finance                                 |                   |                   |                   |                                      |
| Accounting                              | 849,419           | 780,192           | 702,893           | 77,299                               |
| Budget                                  | 287,660           | 242,471           | 234,135           | 8,336                                |
| Finance administration                  | 471,130           | 430,289           | 397,133           | 33,156                               |
| Human resources                         | 399,344           | 326,943           | 293,329           | 33,614                               |
| Inventory control                       | 462,102           | 453,128           | 431,912           | 21,216                               |
| Payroll                                 | 233,773           | 236,712           | 225,061           | 11,651                               |
| Police and fire pension                 | 197,717           | 219,406           | 212,600           | 6,806                                |
| Purchasing                              | 415,880           | 400,257           | 388,545           | 11,712                               |
| Revenue                                 | 2,225,817         | 2,006,923         | 1,802,135         | 204,788                              |
| Treasury                                | 348,350           | 340,243           | 319,534           | 20,709                               |
| Total finance                           | <u>5,891,192</u>  | <u>5,436,564</u>  | <u>5,007,277</u>  | <u>429,287</u>                       |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONT'D)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | Budgeted Amounts   |                    | Actual<br>(Budgetary) | Variance with<br>Final Budget<br>Positive/ |
|---|--------------------|--------------------|-----------------------|--|
|   | Original           | Final              | Basis)                | (Negative)                                 |
| Attrition savings                                 | \$ (17,387,273)    | \$ (1,901,574)     | \$ -                  | \$ (1,901,574)                             |
| Reserve for retirement                            | 1,300,000          | 1,800,000          | 1,951,989             | (151,989)                                  |
| Total departmental expenditures                   | <u>156,511,444</u> | <u>158,411,090</u> | <u>150,859,817</u>    | <u>7,551,273</u>                           |
| Nondepartmental                                   |                    |                    |                       |  |
| Mandated activities                               |                    |                    |                       |  |
| Board of health                                   | 600,000            | 600,000            | 600,000               | -  |
| Juvenile court and youth center                   | 2,730,000          | 3,250,000          | 2,897,798             | 352,202                                    |
| Personnel board                                   | 1,257,500          | 1,257,500          | 1,248,069             | 9,431                                      |
| Total mandated activities                         | <u>4,587,500</u>   | <u>5,107,500</u>   | <u>4,745,867</u>      | <u>361,633</u>                             |
| Joint activities                                  |                    |                    |                       |  |
| Board of equalization                             | 7,152              | 7,152              | 7,142                 | 10   |
| Emergency management                              | 432,876            | 432,876            | 436,107               | (3,231)                                    |
| Mobile legislative delegation                     | 9,972              | 9,972              | 4,578                 | 5,394                                      |
| Total joint activities                            | <u>450,000</u>     | <u>450,000</u>     | <u>447,827</u>        | <u>2,173</u>                               |
| Agencies  |                    |                    |                       |  |
| Solid waste disposal authority                    | -                  | 1,600,000          | 1,528,877             | 71,123                                     |
| Public library                                    | 6,597,319          | 6,597,319          | 6,597,319             | -  |
| Total agencies                                    | <u>6,597,319</u>   | <u>8,197,319</u>   | <u>8,126,196</u>      | <u>71,123</u>                              |
| Employee cost                                     |                    |                    |                       |  |
| Employee education                                | 120,000            | 120,000            | 93,200                | 26,800                                     |
| Employees' pension                                | 99,672             | 99,672             | 118,826               | (19,154)                                   |
| Police and firefighter's retirement               | 12,306,366         | 12,904,772         | 12,785,843            | 118,929                                    |
| Retired employees insurance                       | 4,200,000          | 4,808,380          | 4,865,941             | (57,561)                                   |
| Unemployment compensation                         | 125,000            | 125,000            | 83,090                | 41,910                                     |
| Workmen's compensation                            | 2,650,000          | 3,000,168          | 3,597,703             | (597,535)                                  |
| Total employee cost                               | <u>19,501,038</u>  | <u>21,057,992</u>  | <u>21,544,603</u>     | <u>(486,611)</u>                           |
| Other   |                    |                    |                       |  |
| Athletic fund                                     | 154,000            | 154,000            | 55,205                | 98,795                                     |
| Contractual                                       | 3,568,966          | 4,503,657          | 4,408,936             | 94,721                                     |
| Dues  | 374,925            | 374,925            | 396,086               | (21,161)                                   |
| Fire insurance                                    | 2,092,000          | 2,092,000          | 1,463,613             | 628,387                                    |
| General miscellaneous                             | 305,000            | 244,704            | 482,672               | (237,968)                                  |
| Interest payments                                 | -                  | -                  | 45,333                | (45,333)                                   |
| Total other                                       | <u>6,494,891</u>   | <u>7,369,286</u>   | <u>6,851,845</u>      | <u>517,441</u>                             |
| Total nondepartmental expenditures                | <u>37,630,748</u>  | <u>42,182,097</u>  | <u>41,716,338</u>     | <u>465,759</u>                             |
| Total expenditures                                | <u>194,142,192</u> | <u>200,593,187</u> | <u>192,576,155</u>    | <u>8,017,032</u>                           |
| Excess (deficiency) of revenues over expenditures | <u>(885,162)</u>   | <u>1,261,507</u>   | <u>15,309,985</u>     | <u>14,048,478</u>                          |



**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (CONT'D)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance with<br>Final Budget<br>Positive/<br>(Negative) |
|---|------------------|------------------|--------------------------------|--|
|   | Original         | Final            |                                |  |
| <b>Other financing sources (uses):</b>  |                  |                  |                                |  |
| Transfers in  | \$ 23,933,187    | \$ 26,313,010    | \$ 27,584,645                  | \$ 1,271,635   |
| Transfers out   | (19,627,661)     | (22,361,927)     | (23,574,026)                   | (1,212,099)  |
| Sales of general capital assets   | 2,400            | 1,000            | 7,124                          | 6,124  |
| Total other financing sources (uses)  | <u>4,307,926</u> | <u>3,952,083</u> | <u>4,017,743</u>               | <u>65,660</u>  |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses  | <u>3,422,764</u> | <u>5,213,590</u> | <u>19,327,728</u>              | <u>\$ 14,114,138</u>                                     |
| Fund balances   |                  |                  |                                |  |
| Beginning of year   |                  |                  | (1,106,602)                    |  |
| End of year   |                  |                  | <u>\$ 18,221,126</u>           |  |
| Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified accrual basis are as follows: |                  |                  |                                |  |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses  |                  |                  | \$ 19,327,728                  |  |
| Encumbrances outstanding at September 30, 2014  |                  |                  | 1,008,876                      |  |
| Encumbrances outstanding at September 30, 2013  |                  |                  | <u>(924,907)</u>               |  |
| Net change in fund balance per the statement of revenues, expenditures, and changes in fund balance   |                  |                  | <u>\$ 19,411,697</u>           |  |

**CITY OF MOBILE, ALABAMA  
NOTES TO  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1 - BUDGET RECONCILIATION**

The reported budgetary data represents the final appropriated budget after amendments adopted by the City Council. An appropriated budget was legally adopted for the General Fund on the same modified-accrual basis used to present actual revenue and expenditures, except, for budgetary purposes, current year encumbrances are treated as expenditures. The following is a summary of the reconciliation of generally accepted accounting principles (GAAP) expenditures to budgetary expenditures for the fiscal year ended September 30, 2014:

|                        |                       |
|------------------------|-----------------------|
| GAAP expenditures      | \$ 192,492,186        |
| Encumbrances at:       |                       |
| September 30, 2014     | 1,008,876             |
| September 30, 2013     | <u>(924,907)</u>      |
| Budgetary expenditures | <u>\$ 192,576,155</u> |

For the fiscal year ended September 30, 2014, general fund budgetary appropriations exceeded expenditures by \$8,017,032.

**NOTE 2 - FUND BALANCE**

Following is a reconciliation of the General Fund's fund balance - budgetary basis to fund balance - generally accepted accounting principles (GAAP) basis:

|  |                      |
|--|----------------------|
| Fund balance - budgetary basis at September 30, 2014 | \$ 18,221,126        |
| Add encumbrances:                                    |                      |
| Function   |                      |
| General government                                   | 127,895              |
| Economic development                                 | 13,485               |
| Public safety  | 271,686              |
| Public works   | 466,073              |
| Culture and recreation                               | 111,186              |
| Finance  | 17,154               |
| Other  | <u>1,397</u>         |
| Total encumbrances                                   | <u>1,008,876</u>     |
| Fund balance - GAAP basis at September 30, 2014      | <u>\$ 19,230,002</u> |

## **GOVERNMENTAL FUNDS - NON-MAJOR**

Governmental funds are those through which most governmental functions of the City are financed.

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds - These funds are used to account for assets held for the repayment of principal and interest on the City's outstanding bond issues.

Capital Projects Funds - These funds are used to account for financial resources for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

## **COMBINING FINANCIAL STATEMENTS**

**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
(BY FUND TYPE)  
SEPTEMBER 30, 2014**

|   | Special Revenue<br>Funds | Debt Service<br>Funds | Capital Projects<br>Funds | Total<br>Non-major<br>Governmental<br>Funds |
|---|--------------------------|-----------------------|---------------------------|---|
| <b>ASSETS</b>                               |                          |                       |                           |   |
| Cash, equity in pooled cash and investments | \$ 12,839,707            | \$ 719,099            | \$ 25,757,276             | \$ 39,316,082                               |
| Restricted cash - capital purchases         | -                        | -                     | 83,419                    | 83,419                                      |
| Receivables (net)                           | 1,702,193                | -                     | 817,647                   | 2,519,840                                   |
| Due from other funds                        | 106,297                  | -                     | -                         | 106,297                                     |
| Total assets                                | <u>\$ 14,648,197</u>     | <u>\$ 719,099</u>     | <u>\$ 26,658,342</u>      | <u>\$ 42,025,638</u>                        |
| <b>LIABILITIES</b>                          |                          |                       |                           |   |
| Accounts payable and accrued liabilities    | \$ 984,436               | \$ 77                 | \$ 3,572,954              | \$ 4,557,467                                |
| Unearned revenue                            | 453,400                  | -                     | -                         | 453,400                                     |
| Escrowed funds liability                    | 11,026                   | -                     | -                         | 11,026                                      |
| Due to other funds                          | -                        | -                     | 100,000                   | 100,000                                     |
| Total liabilities                           | <u>1,448,862</u>         | <u>77</u>             | <u>3,672,954</u>          | <u>5,121,893</u>                            |
| <b>FUND BALANCES</b>                        |                          |                       |                           |   |
| Restricted                                  | 3,430,836                | 719,022               | 13,874,911                | 18,024,769                                  |
| Committed                                   | 8,497,657                | -                     | 83,886                    | 8,581,543                                   |
| Assigned                                    | 1,282,063                | -                     | 9,026,591                 | 10,308,654                                  |
| Unassigned                                  | (11,221)                 | -                     | -                         | (11,221)                                    |
| Total fund balances                         | <u>13,199,335</u>        | <u>719,022</u>        | <u>22,985,388</u>         | <u>36,903,745</u>                           |
| Total liabilities and fund balances         | <u>\$ 14,648,197</u>     | <u>\$ 719,099</u>     | <u>\$ 26,658,342</u>      | <u>\$ 42,025,638</u>                        |

**CITY OF MOBILE, ALABAMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**(BY FUND TYPE)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | Special<br>Revenue Funds | Debt Service<br>Funds | Capital Projects<br>Funds | Total<br>Non-major<br>Governmental<br>Funds |
|---|--------------------------|-----------------------|---------------------------|---|
| <b>Revenues</b>                                   |                          |                       |                           |   |
| Taxes   | \$ 7,583,082             | \$ -                  | \$ 9,666,181              | \$ 17,249,263                               |
| Licenses and permits                              | -                        | -                     | 3,145,144                 | 3,145,144                                   |
| State and federal assistance                      | 6,970,242                | -                     | 1,654,757                 | 8,624,999                                   |
| Interest  | 334                      | 466                   | 13,946                    | 14,746                                      |
| Charges for services                              | 13,725                   | -                     | 195,363                   | 209,088                                     |
| Fines and forfeitures                             | 1,280,057                | -                     | -                         | 1,280,057                                   |
| Other revenue                                     | 1,405                    | 200                   | 600,000                   | 601,605                                     |
| Total revenues                                    | <u>15,848,845</u>        | <u>666</u>            | <u>15,275,391</u>         | <u>31,124,902</u>                           |
| <b>Expenditures</b>                               |                          |                       |                           |   |
| Current:  |                          |                       |                           |   |
| General government                                | 5,715,661                | -                     | -                         | 5,715,661                                   |
| Public safety                                     | 2,801,382                | -                     | -                         | 2,801,382                                   |
| Nondepartmental                                   | 2,640,310                | -                     | 600,000                   | 3,240,310                                   |
| Capital outlay                                    | 1,680,169                | -                     | 6,910,741                 | 8,590,910                                   |
| Debt service:                                     |                          |                       |                           |   |
| Principal payments                                | 335,000                  | 11,104,674            | -                         | 11,439,674                                  |
| Interest and fee payments                         | 116,676                  | 13,100,805            | 188,462                   | 13,405,943                                  |
| Total expenditures                                | <u>13,289,198</u>        | <u>24,205,479</u>     | <u>7,699,203</u>          | <u>45,193,880</u>                           |
| Excess (deficiency) of revenues over expenditures | <u>2,559,647</u>         | <u>(24,204,813)</u>   | <u>7,576,188</u>          | <u>(14,068,978)</u>                         |
| <b>Other financing sources (uses)</b>             |                          |                       |                           |   |
| Transfers in                                      | 1,887,728                | 24,702,230            | -                         | 26,589,958                                  |
| Transfers out                                     | (2,671,617)              | -                     | (10,678,212)              | (13,349,829)                                |
| Total other financing sources (uses)              | <u>(783,889)</u>         | <u>24,702,230</u>     | <u>(10,678,212)</u>       | <u>13,240,129</u>                           |
| Net change in fund balance                        | 1,775,758                | 497,417               | (3,102,024)               | (828,849)                                   |
| Fund balances - beginning of year                 | 7,983,864                | 221,605               | 26,087,412                | 34,292,881                                  |
| Adjustment to beginning fund balance              | 3,439,713                | -                     | -                         | 3,439,713                                   |
| Fund balances - end of year                       | <u>\$ 13,199,335</u>     | <u>\$ 719,022</u>     | <u>\$ 22,985,388</u>      | <u>\$ 36,903,745</u>                        |

## NON-MAJOR SPECIAL REVENUE FUNDS

- Four-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay for street resurfacing.
- Five-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of construction, improvement, maintenance and supervision of highways, bridges and streets, including the retirement of bonds for the payment of which such revenues have been or may hereafter be pledged.
- Seven-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of electricity for street lights and the cost of operating the concrete and storm sewer maintenance, street sweeping, street repair, ditch cleaning, pipe-laying and heavy equipment departments.
- Fuel Inspection Fees - This fund accounts for a special inspection fee levied by the State of Alabama to be used for street improvements and City planning purposes.
- Economic Development - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning from the Mobile Housing Board.
- Tax Increment - This fund is used to account for revenues generated by tax collections under the Tax Increment Financing Plan and used to pay for redevelopment projects in the downtown area.
- General Activities Grants – This fund is used to account for activities funded by federal, state, local, and private grants received which are not related to public safety or received from the U.S. Department of Housing and Urban Development.
- Housing and Urban Development Grants - This fund is used to account for activities funded by grants from the U.S. Department of Housing and Urban Development.
- Public Safety Grants - This fund is used to account for public safety related activities funded by federal, state, local, and private grants.
- Drug Enforcement Fund - This fund is used to account for federal, state, and local equitable sharing funds which are required to be segregated and used for a law enforcement purpose.
- Court Referral Officers Program Fund - This fund is used to account for activities funded by state grants and user fees related to the Court Referral Officers Program.
- Municipal Court Judicial Administration Fund - This fund is used to account for activities funded by dedicated revenues established by State statute which are required to be used for the judicial administration of the Municipal Court.

**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2014**

|   | Gasoline Tax Funds     |                        |                        |                     |
|---|------------------------|------------------------|------------------------|---------------------|
|   | 4 Cent Gasoline<br>Tax | 5 Cent Gasoline<br>Tax | 7 Cent Gasoline<br>Tax | Total               |
| <b>ASSETS</b>                               |                        |                        |                        |                     |
| Cash, equity in pooled cash and investments | \$ 939,463             | \$ 133                 | \$ -                   | \$ 939,596          |
| Receivables (net)                           | 115,204                | 56,719                 | 198,518                | 370,441             |
| Due from other funds                        | -                      | -                      | -                      | -                   |
| Total assets                                | <u>\$ 1,054,667</u>    | <u>\$ 56,852</u>       | <u>\$ 198,518</u>      | <u>\$ 1,310,037</u> |
| <b>LIABILITIES AND FUND BALANCES</b>        |                        |                        |                        |                     |
| Liabilities:                                |                        |                        |                        |                     |
| Accounts payable                            | \$ 1,435               | \$ -                   | \$ 209,739             | \$ 211,174          |
| Retainage payable                           | -                      | -                      | -                      | -                   |
| Unearned revenue                            | -                      | -                      | -                      | -                   |
| Escrowed funds liability                    | -                      | -                      | -                      | -                   |
| Total liabilities                           | <u>1,435</u>           | <u>-</u>               | <u>209,739</u>         | <u>211,174</u>      |
| Fund Balances:                              |                        |                        |                        |                     |
| Restricted                                  | 1,053,232              | 56,852                 | -                      | 1,110,084           |
| Committed                                   | -                      | -                      | -                      | -                   |
| Assigned                                    | -                      | -                      | -                      | -                   |
| Unassigned                                  | -                      | -                      | (11,221)               | (11,221)            |
| Total fund balances                         | <u>1,053,232</u>       | <u>56,852</u>          | <u>(11,221)</u>        | <u>1,098,863</u>    |
| Total liabilities and fund balances         | <u>\$ 1,054,667</u>    | <u>\$ 56,852</u>       | <u>\$ 198,518</u>      | <u>\$ 1,310,037</u> |



| <u>Fuel Inspection Fees</u> | <u>Economic Development</u> | <u>Tax Increment</u> | <u>General Activities Grants</u> | <u>Housing and Urban Development Grants</u> | <u>Public Safety Grants</u> |
|-----------------------------|-----------------------------|----------------------|----------------------------------|---|-----------------------------|
| \$ -                        | \$ 38,812                   | \$ 8,497,657         | \$ 337,085                       | \$ 716,145                                  | \$ 604,724                  |
| 5,696                       | -                           | -                    | 108,763                          | 657,934                                     | 501,563                     |
| -                           | -                           | -                    | 106,297                          | -   | -                           |
| <u>\$ 5,696</u>             | <u>\$ 38,812</u>            | <u>\$ 8,497,657</u>  | <u>\$ 552,145</u>                | <u>\$ 1,374,079</u>                         | <u>\$ 1,106,287</u>         |
| \$ -                        | \$ 7,035                    | \$ -                 | \$ 45,151                        | \$ 398,421                                  | \$ 111,073                  |
| -                           | -                           | -                    | 24,829                           | 58,021                                      | -                           |
| -                           | -                           | -                    | 221,338                          | 191,211                                     | 40,851                      |
| -                           | -                           | -                    | -                                | 11,026                                      | -                           |
| <u>-</u>                    | <u>7,035</u>                | <u>-</u>             | <u>291,318</u>                   | <u>658,679</u>                              | <u>151,924</u>              |
| 5,696                       | -                           | -                    | 260,827                          | 715,400                                     | 954,363                     |
| -                           | -                           | 8,497,657            | -                                | -   | -                           |
| -                           | 31,777                      | -                    | -                                | -   | -                           |
| -                           | -                           | -                    | -                                | -   | -                           |
| <u>5,696</u>                | <u>31,777</u>               | <u>8,497,657</u>     | <u>260,827</u>                   | <u>715,400</u>                              | <u>954,363</u>              |
| <u>\$ 5,696</u>             | <u>\$ 38,812</u>            | <u>\$ 8,497,657</u>  | <u>\$ 552,145</u>                | <u>\$ 1,374,079</u>                         | <u>\$ 1,106,287</u>         |

**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2014**

|   | Drug<br>Enforcement<br>Fund | Court Referral<br>Officers Program | Municipal Court<br>Judicial Admin<br>Fund | Total                |
|---|-----------------------------|------------------------------------|---|----------------------|
| <b>ASSETS</b>                               |                             |                                    |   |                      |
| Cash, equity in pooled cash and investments | \$ 389,628                  | \$ 469,731                         | \$ 846,329                                | \$ 12,839,707        |
| Receivables (net)                           | -                           | 57,796                             | -   | 1,702,193            |
| Due from other funds                        | -                           | -                                  | -   | 106,297              |
| Total assets                                | <u>\$ 389,628</u>           | <u>\$ 527,527</u>                  | <u>\$ 846,329</u>                         | <u>\$ 14,648,197</u> |
| <b>LIABILITIES AND FUND BALANCES</b>        |                             |                                    |   |                      |
| Liabilities:                                |                             |                                    |   |                      |
| Accounts payable                            | \$ 5,162                    | \$ 123,570                         | \$ -                                      | \$ 901,586           |
| Retainage payable                           | -                           | -                                  | -   | 82,850               |
| Unearned revenue                            | -                           | -                                  | -   | 453,400              |
| Escrowed funds liability                    | -                           | -                                  | -   | 11,026               |
| Total liabilities                           | <u>5,162</u>                | <u>123,570</u>                     | <u>-</u>                                  | <u>1,448,862</u>     |
| Fund Balances:                              |                             |                                    |   |                      |
| Restricted                                  | 384,466                     | -                                  | -   | 3,430,836            |
| Committed                                   | -                           | -                                  | -   | 8,497,657            |
| Assigned                                    | -                           | 403,957                            | 846,329                                   | 1,282,063            |
| Unassigned                                  | -                           | -                                  | -   | (11,221)             |
| Total fund balances                         | <u>384,466</u>              | <u>403,957</u>                     | <u>846,329</u>                            | <u>13,199,335</u>    |
| Total liabilities and fund balances         | <u>\$ 389,628</u>           | <u>\$ 527,527</u>                  | <u>\$ 846,329</u>                         | <u>\$ 14,648,197</u> |

**CITY OF MOBILE, ALABAMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | Gasoline Tax Funds     |                        |                        |                     |
|---|------------------------|------------------------|------------------------|---------------------|
|   | 4 Cent Gasoline<br>Tax | 5 Cent Gasoline<br>Tax | 7 Cent Gasoline<br>Tax | Total               |
| <b>Revenues</b>                                   |                        |                        |                        |                     |
| Taxes   | \$ 1,279,555           | \$ 629,587             | \$ 2,203,556           | \$ 4,112,698        |
| State and federal assistance                      | -                      | -                      | -                      | -                   |
| Fines and forfeitures                             | -                      | -                      | -                      | -                   |
| User charges                                      | -                      | -                      | -                      | -                   |
| Interest  | -                      | -                      | -                      | -                   |
| Other revenue                                     | -                      | -                      | -                      | -                   |
| Total revenues                                    | <u>1,279,555</u>       | <u>629,587</u>         | <u>2,203,556</u>       | <u>4,112,698</u>    |
| <b>Expenditures</b>                               |                        |                        |                        |                     |
| Current   |                        |                        |                        |                     |
| General government                                | -                      | -                      | -                      | -                   |
| Public safety                                     | -                      | -                      | -                      | -                   |
| Nondepartmental                                   |                        |                        |                        |                     |
| Economic development                              | -                      | -                      | -                      | -                   |
| Gas   | -                      | -                      | 48,521                 | 48,521              |
| Electricity                                       | -                      | -                      | 2,407,790              | 2,407,790           |
| Total nondepartmental                             | <u>-</u>               | <u>-</u>               | <u>2,456,311</u>       | <u>2,456,311</u>    |
| Capital outlay                                    |                        |                        |                        |                     |
| Construction                                      | 778,206                | -                      | -                      | 778,206             |
| Testing   | 8,967                  | -                      | -                      | 8,967               |
| Engineering                                       | 14,995                 | -                      | -                      | 14,995              |
| Commodities                                       | -                      | -                      | -                      | -                   |
| Other   | -                      | -                      | -                      | -                   |
| Total capital outlay                              | <u>802,168</u>         | <u>-</u>               | <u>-</u>               | <u>802,168</u>      |
| Debt service                                      |                        |                        |                        |                     |
| Principal payments                                | -                      | -                      | -                      | -                   |
| Interest and fee payments                         | -                      | -                      | -                      | -                   |
| Total debt service                                | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>-</u>            |
| Total expenditures                                | <u>802,168</u>         | <u>-</u>               | <u>2,456,311</u>       | <u>3,258,479</u>    |
| Excess (deficiency) of revenues over expenditures | 477,387                | 629,587                | (252,755)              | 854,219             |
| <b>Other financing sources (uses)</b>             |                        |                        |                        |                     |
| Transfers in                                      | -                      | -                      | 391,020                | 391,020             |
| Transfers out                                     | -                      | (864,000)              | (142,893)              | (1,006,893)         |
| Net change in fund balance                        | 477,387                | (234,413)              | (4,628)                | 238,346             |
| Fund balances - beginning of year                 | 575,845                | 291,265                | (6,593)                | 860,517             |
| Adjustment to beginning fund balances             | -                      | -                      | -                      | -                   |
| Fund balances - end of year                       | <u>\$ 1,053,232</u>    | <u>\$ 56,852</u>       | <u>\$ (11,221)</u>     | <u>\$ 1,098,863</u> |

| Fuel Inspection Fees | Economic Development | Tax Increment       | General Activities Grants | Housing and Urban Development Grants | Public Safety Grants |
|----------------------|----------------------|---------------------|---------------------------|--------------------------------------|----------------------|
| \$ 78,702            | \$ -                 | \$ 3,391,681        | \$ -                      | \$ -                                 | \$ -                 |
| -                    | -                    | -                   | 570,407                   | 4,687,282                            | 1,365,898            |
| -                    | -                    | -                   | -                         | -                                    | 118,597              |
| -                    | -                    | -                   | -                         | -                                    | 13,725               |
| -                    | 19                   | -                   | -                         | -                                    | 178                  |
| -                    | 1,403                | -                   | -                         | -                                    | -                    |
| <u>78,702</u>        | <u>1,422</u>         | <u>3,391,681</u>    | <u>570,407</u>            | <u>4,687,282</u>                     | <u>1,498,398</u>     |
| -                    | -                    | -                   | 1,053,856                 | 4,661,805                            | -                    |
| -                    | -                    | -                   | -                         | -                                    | 1,481,695            |
| -                    | -                    | 183,998             | -                         | -                                    | -                    |
| -                    | -                    | -                   | -                         | -                                    | -                    |
| -                    | -                    | -                   | -                         | -                                    | -                    |
| -                    | -                    | <u>183,998</u>      | <u>-</u>                  | <u>-</u>                             | <u>-</u>             |
| -                    | -                    | 591,939             | -                         | -                                    | -                    |
| -                    | -                    | -                   | -                         | -                                    | -                    |
| -                    | -                    | 219,772             | -                         | -                                    | -                    |
| -                    | -                    | 59,255              | -                         | -                                    | -                    |
| -                    | 7,035                | -                   | -                         | -                                    | -                    |
| -                    | <u>7,035</u>         | <u>870,966</u>      | <u>-</u>                  | <u>-</u>                             | <u>-</u>             |
| -                    | -                    | -                   | -                         | 335,000                              | -                    |
| -                    | -                    | -                   | -                         | 116,676                              | -                    |
| -                    | -                    | -                   | -                         | 451,676                              | -                    |
| -                    | 7,035                | 1,054,964           | 1,053,856                 | 5,113,481                            | 1,481,695            |
| <u>78,702</u>        | <u>(5,613)</u>       | <u>2,336,717</u>    | <u>(483,449)</u>          | <u>(426,199)</u>                     | <u>16,703</u>        |
| -                    | -                    | -                   | 929,138                   | 288,056                              | 279,514              |
| <u>(80,010)</u>      | <u>-</u>             | <u>(918,013)</u>    | <u>(377,660)</u>          | <u>(288,057)</u>                     | <u>(984)</u>         |
| (1,308)              | (5,613)              | 1,418,704           | 68,029                    | (426,200)                            | 295,233              |
| 7,004                | 37,390               | 7,078,953           | -                         | -                                    | -                    |
| -                    | -                    | -                   | 192,798                   | 1,141,600                            | 659,130              |
| <u>\$ 5,696</u>      | <u>\$ 31,777</u>     | <u>\$ 8,497,657</u> | <u>\$ 260,827</u>         | <u>\$ 715,400</u>                    | <u>\$ 954,363</u>    |

**CITY OF MOBILE, ALABAMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|  | Drug Enforcement<br>Fund | Court Referral<br>Officers Program | Municipal Court<br>Judicial Admin<br>Fund | Total                |
|--|--------------------------|------------------------------------|---|----------------------|
| <b>Revenues</b>  |                          |                                    |   |                      |
| Taxes  | \$ -                     | \$ -                               | \$ -                                      | \$ 7,583,081         |
| State and federal assistance                             | -                        | 346,656                            | -   | 6,970,243            |
| Fines and forfeitures                                    | 133,234                  | 659,675                            | 368,552                                   | 1,280,058            |
| User charges   | -                        | -                                  | -   | 13,725               |
| Interest   | 137                      | -                                  | -   | 334                  |
| Other revenue  | -                        | -                                  | -   | 1,403                |
| <b>Total revenues</b>                                    | <b>133,371</b>           | <b>1,006,331</b>                   | <b>368,552</b>                            | <b>15,848,844</b>    |
| <b>Expenditures</b>                                      |                          |                                    |   |                      |
| <b>Current</b>   |                          |                                    |   |                      |
| General government                                       | -                        | -                                  | -   | 5,715,661            |
| Public safety  | 224,365                  | 1,095,322                          | -   | 2,801,382            |
| <b>Nondepartmental</b>                                   |                          |                                    |   |                      |
| Economic development                                     | -                        | -                                  | -   | 183,998              |
| Gas  | -                        | -                                  | -   | 48,521               |
| Electricity  | -                        | -                                  | -   | 2,407,790            |
| <b>Total nondepartmental</b>                             | <b>-</b>                 | <b>-</b>                           | <b>-</b>                                  | <b>2,640,309</b>     |
| <b>Capital outlay</b>                                    |                          |                                    |   |                      |
| Construction   | -                        | -                                  | -   | 1,370,145            |
| Testing  | -                        | -                                  | -   | 8,967                |
| Engineering  | -                        | -                                  | -   | 234,767              |
| Commodities  | -                        | -                                  | -   | 59,255               |
| Other  | -                        | -                                  | -   | 7,035                |
| <b>Total capital outlay</b>                              | <b>-</b>                 | <b>-</b>                           | <b>-</b>                                  | <b>1,680,169</b>     |
| <b>Debt service</b>                                      |                          |                                    |   |                      |
| Principal payments                                       | -                        | -                                  | -   | 335,000              |
| Interest and fee payments                                | -                        | -                                  | -   | 116,676              |
| <b>Total debt service</b>                                | <b>-</b>                 | <b>-</b>                           | <b>-</b>                                  | <b>451,676</b>       |
| <b>Total expenditures</b>                                | <b>224,365</b>           | <b>1,095,322</b>                   | <b>-</b>                                  | <b>13,289,197</b>    |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>(90,994)</b>          | <b>(88,991)</b>                    | <b>368,552</b>                            | <b>2,559,647</b>     |
| <b>Other financing sources (uses)</b>                    |                          |                                    |   |                      |
| Transfers in   | -                        | -                                  | -   | 1,887,728            |
| Transfers out  | -                        | -                                  | -   | (2,671,617)          |
| <b>Net change in fund balance</b>                        | <b>(90,994)</b>          | <b>(88,991)</b>                    | <b>368,552</b>                            | <b>1,775,758</b>     |
| Fund balances - beginning of year                        | -                        | -                                  | -   | 7,983,864            |
| Adjustment to beginning fund balances                    | 475,460                  | 492,948                            | 477,777                                   | 3,439,713            |
| Fund balances - end of year                              | <b>\$ 384,466</b>        | <b>\$ 403,957</b>                  | <b>\$ 846,329</b>                         | <b>\$ 13,199,335</b> |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014**

| <u>Program/Project Name</u>          | Project<br>Cost Prior<br>Years | Current<br>Activity | Total<br>Project to<br>September 30<br>2014 |
|--------------------------------------|--------------------------------|---------------------|---|
| 4 Cent Gasoline Tax Fund             |                                |                     |   |
| Resurfacing projects                 | \$ 2,789,333                   | \$ 802,167          | \$ 3,591,500                                |
| Total 4 cent gasoline tax fund       | <u>2,789,333</u>               | <u>802,167</u>      | <u>3,591,500</u>                            |
| Tax Increment Fund                   |                                |                     |   |
| Gulfquest maritime museum            | 1,757,665                      | 870,966             | 2,628,631                                   |
| TIF District - 450 St. Louis St      | -                              | 108,999             | 108,999                                     |
| Total tax increment fund             | <u>1,757,665</u>               | <u>979,965</u>      | <u>2,737,630</u>                            |
| Total special revenue funds projects | <u>\$ 4,546,998</u>            | <u>\$ 1,782,132</u> | <u>\$ 6,329,130</u>                         |

## Disposition

| In-Progress |              | Completed  |              |
|-------------|--------------|------------|--------------|
| Expensed    | Capitalized  | Expensed   | Capitalized  |
| \$ -        | \$ 34,250    | \$ -       | \$ 3,557,251 |
| -           | 34,250       | -          | 3,557,251    |
| -           | 2,628,631    | -          | -            |
| -           | -            | 108,999    | -            |
| -           | 2,628,631    | 108,999    | -            |
| \$ -        | \$ 2,662,881 | \$ 108,999 | \$ 3,557,251 |

## **NON-MAJOR DEBT SERVICE FUNDS**

- 2001 General Obligation Refunding and School Warrants - This fund is used to service the remaining debt outstanding on the 2001 General Obligation Refunding and School Warrants.
- Bank Service Charges - Various Issues - This fund is used to pay agent and trustee fees for defeased debt.
- 2002 Limited Obligation Tax Increment Warrants - This fund is used to service the remaining debt outstanding on the 2002 Limited Obligation Tax Increment Warrants.
- 2006 General Obligation Refunding and Improvement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Refunding and Improvement Warrants.
- 2006 General Obligation Private Placement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Private Placement Warrants.
- 2008 General Obligation Capital Improvement Warrants - This fund is used to service the remaining debt outstanding on the 2008 General Obligation Capital Improvement Warrants.
- 2008B & C General Obligation Refunding and Capital Warrants - This fund is used to service the remaining debt outstanding on the 2008B and 2008C General Obligation Refunding and Capital Warrants.
- 2009A General Obligation Refunding Warrants - This fund is used to service the remaining debt outstanding on the 2002 & 2009A General Obligation Refunding Warrants.
- 2009B General Obligation BAB Capital Taxable Warrants - This fund is used to service the remaining debt outstanding on the 2009B General Obligation BAB Capital Taxable Warrants.
- 2009C General Obligation ARRA Capital Taxable Warrants - This fund is used to service the remaining debt outstanding on the 2009C General Obligation ARRA Capital Taxable Warrants.
- Small Issue Warrants - This fund is used to service the remaining debt outstanding on the Small Issue Warrants.
- 2011 General Obligation Private Placement Warrants – This fund is used to service the remaining debt outstanding on the 2011 General Obligation Private Placement Warrants.
- 2012 General Obligation Private Placement Warrants – This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2012.



**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS  
SEPTEMBER 30, 2014**

|   | <u>2001<br/>General<br/>Obligation<br/>Refunding<br/>and School<br/>Warrants</u> | <u>Bank<br/>Service<br/>Charges -<br/>Various<br/>Issues</u> | <u>2002<br/>Limited<br/>Obligation<br/>Tax<br/>Increment<br/>Warrants</u> | <u>2006 General<br/>Obligation<br/>Refunding<br/>and<br/>Improvement<br/>Warrants</u> | <u>2006<br/>General<br/>Obligation<br/>Private<br/>Placement<br/>Warrants</u> | <u>2008<br/>General<br/>Obligation<br/>Cap Impv<br/>Warrants</u> |
|---|--|--|---|---|---|--|
| <b>ASSETS</b>                               |  |  |   |   |   |  |
| Cash, equity in pooled cash and investments | \$ 359   | \$ 122,626   | \$ -  | \$ 5,921  | \$ 3,068  | \$ 985   |
| Total assets                                | <u>\$ 359</u>  | <u>\$ 122,626</u>  | <u>\$ -</u>   | <u>\$ 5,921</u>   | <u>\$ 3,068</u>   | <u>\$ 985</u>  |
| <b>LIABILITIES AND FUND BALANCES</b>        |  |  |   |   |   |  |
| Liabilities                                 |  |  |   |   |   |  |
| Accounts payable and accrued liabilities    | -  | -  | -   | -   | -   | -  |
| Total liabilities                           | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>-</u>   |
| Fund balances                               |  |  |   |   |   |  |
| Restricted                                  | <u>359</u>   | <u>122,626</u>   | <u>-</u>  | <u>5,921</u>  | <u>3,068</u>  | <u>985</u>   |
| Total fund balances                         | <u>359</u>   | <u>122,626</u>   | <u>-</u>  | <u>5,921</u>  | <u>3,068</u>  | <u>985</u>   |
| Total liabilities and fund balances         | <u>\$ 359</u>  | <u>\$ 122,626</u>  | <u>\$ -</u>   | <u>\$ 5,921</u>   | <u>\$ 3,068</u>   | <u>\$ 985</u>  |

| <u>2008B &amp; C<br/>General<br/>Obligation<br/>Ref &amp; Cap<br/>Warrants</u> | <u>2009A<br/>General<br/>Obligation<br/>Refunding<br/>Warrants</u> | <u>2009B<br/>General<br/>Obligation<br/>BAB Cap<br/>Taxable<br/>Warrants</u> | <u>2009C<br/>General<br/>Obligation<br/>ARRA Cap<br/>Taxable<br/>Warrants</u> | <u>Small<br/>Issue<br/>Warrants</u> | <u>2011<br/>General<br/>Obligation<br/>Private<br/>Placement<br/>Warrants</u> | <u>2012<br/>General<br/>Obligation<br/>Private<br/>Placement<br/>Warrants</u> | <u>Total</u>      |
|--|--|--|---|-------------------------------------|---|---|-------------------|
| <u>\$ 618</u>  | <u>\$ 6,377</u>  | <u>\$ 352,796</u>  | <u>\$ 216,332</u>   | <u>\$ 9,838</u>                     | <u>\$ 179</u>   | <u>\$ -</u>   | <u>\$ 719,099</u> |
| <u>\$ 618</u>  | <u>\$ 6,377</u>  | <u>\$ 352,796</u>  | <u>\$ 216,332</u>   | <u>\$ 9,838</u>                     | <u>\$ 179</u>   | <u>\$ -</u>   | <u>\$ 719,099</u> |
| <u>-</u>   | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>-</u>                            | <u>-</u>  | <u>77</u>   | <u>77</u>         |
| <u>-</u>   | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>-</u>                            | <u>-</u>  | <u>77</u>   | <u>77</u>         |
| <u>618</u>   | <u>6,377</u>   | <u>352,796</u>   | <u>216,332</u>  | <u>9,838</u>                        | <u>179</u>  | <u>(77)</u>   | <u>719,022</u>    |
| <u>618</u>   | <u>6,377</u>   | <u>352,796</u>   | <u>216,332</u>  | <u>9,838</u>                        | <u>179</u>  | <u>(77)</u>   | <u>719,022</u>    |
| <u>\$ 618</u>  | <u>\$ 6,377</u>  | <u>\$ 352,796</u>  | <u>\$ 216,332</u>   | <u>\$ 9,838</u>                     | <u>\$ 179</u>   | <u>\$ -</u>   | <u>\$ 719,099</u> |

**CITY OF MOBILE, ALABAMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|  | 2001<br>General<br>Obligation<br>Refunding<br>and School<br>Warrants | Bank Service<br>Charges -<br>Various<br>Issues | 2002 Limited<br>Obligation<br>Tax<br>Increment<br>Warrants | 2006 General<br>Obligation<br>Refunding<br>and<br>Improvement<br>Warrants | 2006 General<br>Obligation<br>Private<br>Placement<br>Warrants | 2008 General<br>Obligation<br>Cap Impv<br>Warrants |
|--|--|--|--|---|--|--|
| <b>Revenues</b>                                      |  |  |  |   |  |  |
| Interest   | \$ 243   | \$ 127   | \$ -   | \$ -  | \$ -   | \$ -   |
| Other revenue  | -  | -  | -  | -   | -  | -  |
| Total revenues                                       | <u>243</u>   | <u>127</u>                                     | <u>-</u>   | <u>-</u>  | <u>-</u>   | <u>-</u>   |
| <b>Expenditures</b>                                  |  |  |  |   |  |  |
| Principal payments                                   | -  | -  | 545,000  | 2,700,000   | 345,000  | -  |
| Interest   | -  | -  | 372,763  | 2,294,475   | 45,225   | 2,492,900  |
| Interest reimbursement                               | -  | -  | -  | -   | -  | -  |
| Bank fees  | -  | -  | 250  | -   | -  | -  |
| Total expenditures                                   | <u>-</u>   | <u>-</u>                                       | <u>918,013</u>   | <u>4,994,475</u>  | <u>390,225</u>   | <u>2,492,900</u>                                   |
| Excess (deficiency) of revenues<br>over expenditures | <u>243</u>   | <u>127</u>                                     | <u>(918,013)</u>   | <u>(4,994,475)</u>  | <u>(390,225)</u>   | <u>(2,492,900)</u>                                 |
| <b>Other financing sources (uses)</b>                |  |  |  |   |  |  |
| Transfers in   | -  | -  | 918,013  | 4,994,475   | 390,225  | 2,492,900  |
| Total other financing sources<br>(uses)              | <u>-</u>   | <u>-</u>                                       | <u>918,013</u>   | <u>4,994,475</u>  | <u>390,225</u>   | <u>2,492,900</u>                                   |
| Net change in fund balances                          | 243  | 127  | -  | -   | -  | -  |
| Fund balances - beginning of year                    | <u>116</u>   | <u>122,499</u>                                 | <u>-</u>   | <u>5,921</u>  | <u>3,068</u>   | <u>985</u>   |
| Fund balances - end of year                          | <u>\$ 359</u>  | <u>\$ 122,626</u>                              | <u>\$ -</u>  | <u>\$ 5,921</u>   | <u>\$ 3,068</u>  | <u>\$ 985</u>                                      |

| 2008B & C<br>General<br>Obligation<br>Ref & Cap<br>Warrants | 2009A<br>General<br>Obligation<br>Refunding<br>Warrants | 2009B<br>General<br>Obligation<br>BAB Cap<br>Taxable<br>Warrants | 2009C<br>General<br>Obligation<br>ARRA Cap<br>Taxable<br>Warrants | Small Issue<br>Warrants | 2011 General<br>Obligation<br>Private<br>Placement<br>Warrants | 2012 General<br>Obligation<br>Private<br>Placement<br>Warrants | Total               |
|---|---|--|---|-------------------------|--|--|---------------------|
| \$ -  | \$ -  | \$ -   | \$ -  | \$ 16                   | \$ -   | \$ 79  | \$ 465              |
| -   | -   | -  | -   | -                       | 200  | -  | 200                 |
| -   | -   | -  | -   | 16                      | 200  | 79   | 665                 |
| 6,090,000   | -   | -  | -   | 425,351                 | -  | 999,323  | 11,104,674          |
| 3,768,648   | 2,742,600   | 1,020,150  | 391,266   | 22,587                  | 394,916  | 59,760   | 13,605,290          |
| -   | -   | (331,345)  | (163,392)   | (10,236)                | -  | -  | (504,973)           |
| -   | -   | -  | -   | -                       | 24   | 213  | 487                 |
| <u>9,858,648</u>  | <u>2,742,600</u>  | <u>688,805</u>   | <u>227,874</u>  | <u>437,702</u>          | <u>394,940</u>   | <u>1,059,296</u>   | <u>24,205,478</u>   |
| <u>(9,858,648)</u>  | <u>(2,742,600)</u>                                      | <u>(688,805)</u>   | <u>(227,874)</u>  | <u>(437,686)</u>        | <u>(394,740)</u>   | <u>(1,059,217)</u>   | <u>(24,204,813)</u> |
| <u>9,858,648</u>  | <u>2,742,600</u>  | <u>1,020,150</u>   | <u>391,266</u>  | <u>439,954</u>          | <u>394,916</u>   | <u>1,059,083</u>   | <u>24,702,230</u>   |
| <u>9,858,648</u>  | <u>2,742,600</u>  | <u>1,020,150</u>   | <u>391,266</u>  | <u>439,954</u>          | <u>394,916</u>   | <u>1,059,083</u>   | <u>24,702,230</u>   |
| -   | -   | 331,345  | 163,392   | 2,268                   | 176  | (134)  | 497,417             |
| <u>618</u>  | <u>6,377</u>  | <u>21,451</u>  | <u>52,940</u>   | <u>7,570</u>            | <u>3</u>   | <u>57</u>  | <u>221,605</u>      |
| <u>\$ 618</u>   | <u>\$ 6,377</u>   | <u>\$ 352,796</u>  | <u>\$ 216,332</u>   | <u>\$ 9,838</u>         | <u>\$ 179</u>  | <u>\$ (77)</u>   | <u>\$ 719,022</u>   |

## NON-MAJOR CAPITAL PROJECTS FUNDS

- Strategic Plan - This fund is used to provide for several special projects. The majority of this fund is financed by a portion of the gasoline tax and sales tax.
- 1995 Capital Projects - This fund is used to provide for provide several projects: the closure of Bates Field Landfill, the upgrading of Azalea City Golf Course facilities, engineering for Magnolia Grove Road, a tennis court parking lot, purchase of the Touchdown building and improvements to Airport Boulevard and the garage work area.
- 1996 General Obligation Capital Projects - This fund is used to provide for several projects; the renovation of Ladd Memorial Stadium, several drainage projects, street improvements, and water quality studies. This fund was financed by the 1996 General Obligation Capital Improvement Warrants.
- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- 1998 General Obligation Capital Projects - This fund is used to provide for several projects including modular buildings at Strickland Youth Center, and the construction and installation of certain improvements to the City's storm water drainage system.
- 1998 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects, including addition to Public Library, Fine Arts Museum, GM&O Terminal renovations, Public Safety buildings, and City/County Misdemeanor facility.
- 1999 General Obligation Private Placement (I.P.S.C.O.) - This fund is to provide for site and infrastructure improvements to be constructed and installed by the Industrial Development Board of Mobile County at the site of a facility that produces and manufacturers steel products by I.P.S.C.O.
- 2000 Capital Projects - This fund is used to provide for improvements to the City's parks and recreational facilities and for storm water drainage and sewer improvements.
- 2002 Limited Obligation Tax Increment Capital Projects - This fund is used to acquire certain land and finance, construct and install certain public improvements located within the Tax Increment District.
- Flood Management - This fund is used to hold funds collected from developers to help defray the cost of future drainage in an area. This fund was established by ordinance passed by the City Council.
- 2006 General Obligation Refunding and Capital Projects – This fund is used to provide for certain capital improvement projects.
- 2008 General Capital Improvements Projects – This fund is used to provide for certain capital improvement projects.
- 2008B General Obligation Capital Improvement Projects - This fund is used to provide for the certain capital improvement projects.
- 2009B General Obligation Capital Projects – BAB Taxable Warrants – This fund is used to provide for the Gulfquest Maritime Museum, a future parking garage, and a fire station.
- 2009C General Obligation ARRA Capital Taxable Warrants - This fund is used to provide for certain capital improvement projects.
- Small Issue General Obligation Warrants - This fund is used for the purchase of fire pumper trucks.
- 2011 General Obligation Private Placement Capital Improvements – This fund is used to pay a portion of the costs of the construction of a maritime museum.
- 2012 General Obligation Private Placement Capital Equipment – This fund is used to purchase police, fire and public service equipment.

**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
SEPTEMBER 30, 2014**

|   | Strategic Plan       | 1995 Capital<br>Projects | 1996 General<br>Obligation<br>Capital<br>Projects | Municipal<br>Government<br>Capital<br>Improvements | 1998<br>General<br>Obligation<br>Capital<br>Projects | 1998<br>General<br>Obligation<br>Refunding<br>and Capital<br>Projects |
|---|----------------------|--------------------------|---|--|--|---|
| <b>ASSETS</b>                               |                      |                          |   |  |  |   |
| Cash, equity in pooled cash and investments | \$ 9,226,315         | \$ 230                   | \$ 143,928  | \$ 7,338,599                                       | \$ 1,293,779   | \$ 960,251  |
| Restricted cash - capital purchases         | -                    | -                        | -   | -  | -  | -   |
| Receivables (net)                           | 817,647              | -                        | -   | -  | -  | -   |
| Total assets                                | <u>\$ 10,043,962</u> | <u>\$ 230</u>            | <u>\$ 143,928</u>                                 | <u>\$ 7,338,599</u>                                | <u>\$ 1,293,779</u>                                  | <u>\$ 960,251</u>   |
| <b>LIABILITIES AND FUND BALANCES</b>        |                      |                          |   |  |  |   |
| Liabilities                                 |                      |                          |   |  |  |   |
| Accounts payable                            | \$ 917,371           | \$ 15                    | \$ -  | \$ 225,773   | \$ 12,960  | \$ 39,765   |
| Retainage payable                           | -                    | -                        | -   | 2,497  | -  | -   |
| Due to other funds                          | 100,000              | -                        | -   | -  | -  | -   |
| Total liabilities                           | <u>1,017,371</u>     | <u>15</u>                | <u>-</u>  | <u>228,270</u>                                     | <u>12,960</u>  | <u>39,765</u>   |
| Fund balances                               |                      |                          |   |  |  |   |
| Restricted                                  | -                    | 215                      | 143,928   | 7,110,329  | 1,280,819  | 920,486   |
| Committed                                   | -                    | -                        | -   | -  | -  | -   |
| Assigned                                    | 9,026,591            | -                        | -   | -  | -  | -   |
| Total fund balances                         | <u>9,026,591</u>     | <u>215</u>               | <u>143,928</u>                                    | <u>7,110,329</u>                                   | <u>1,280,819</u>                                     | <u>920,486</u>  |
| Total liabilities and fund balances         | <u>\$ 10,043,962</u> | <u>\$ 230</u>            | <u>\$ 143,928</u>                                 | <u>\$ 7,338,599</u>                                | <u>\$ 1,293,779</u>                                  | <u>\$ 960,251</u>   |

| <u>1999<br/>General<br/>Obligation<br/>Private<br/>Placement -<br/>IPSCO</u> | <u>2000 Capital<br/>Projects</u> | <u>2002 Limited<br/>Obligation<br/>Tax Increment<br/>Capital<br/>Projects</u> | <u>Flood<br/>Management</u> | <u>2006 G. O.<br/>Refunding<br/>and Capital<br/>Projects<br/>Funds</u> | <u>2008 General<br/>Capital<br/>Improvements<br/>Projects</u> | <u>2008B General<br/>Obligation<br/>Capital<br/>Improvement<br/>Projects</u> | <u>2009B G O<br/>Cap Proj -<br/>BAB 2009<br/>Taxable WTS</u> |
|--|----------------------------------|---|-----------------------------|--|---|--|--|
| \$ 249   | \$ 464,433                       | \$ 133,526  | \$ 83,886                   | \$ 1,201,280   | \$ 3,877,222  | \$ 533,658   | \$ 296,973   |
| -  | -                                | -   | -                           | -  | -   | -  | -  |
| -  | -                                | -   | -                           | -  | -   | -  | -  |
| <u>\$ 249</u>  | <u>\$ 464,433</u>                | <u>\$ 133,526</u>   | <u>\$ 83,886</u>            | <u>\$ 1,201,280</u>  | <u>\$ 3,877,222</u>   | <u>\$ 533,658</u>  | <u>\$ 296,973</u>  |
| \$ -   | \$ 5,274                         | \$ -  | \$ -                        | \$ 272,580   | \$ 1,698,415  | \$ 184,921   | \$ 134,866   |
| -  | -                                | -   | -                           | -  | 52,711  | 4,726  | -  |
| -  | -                                | -   | -                           | -  | -   | -  | -  |
| -  | 5,274                            | -   | -                           | 272,580  | 1,751,126   | 189,647  | 134,866  |
| 249  | 459,159                          | 133,526   | -                           | 928,700  | 2,126,096   | 344,011  | 162,107  |
| -  | -                                | -   | 83,886                      | -  | -   | -  | -  |
| -  | -                                | -   | -                           | -  | -   | -  | -  |
| <u>249</u>   | <u>459,159</u>                   | <u>133,526</u>  | <u>83,886</u>               | <u>928,700</u>   | <u>2,126,096</u>  | <u>344,011</u>   | <u>162,107</u>   |
| <u>\$ 249</u>  | <u>\$ 464,433</u>                | <u>\$ 133,526</u>   | <u>\$ 83,886</u>            | <u>\$ 1,201,280</u>  | <u>\$ 3,877,222</u>   | <u>\$ 533,658</u>  | <u>\$ 296,973</u>  |

**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
SEPTEMBER 30, 2014**

|   | 2009C<br>General<br>Obligation<br>ARRA Cap<br>Taxable<br>Warrants | Small Issue<br>General<br>Obligation<br>Warrants | 2011 General<br>Obligation<br>Private<br>Placement<br>Capital<br>Improvements | 2012 General<br>Obligation<br>Private<br>Placement<br>Capital<br>Equipment | Total                |
|---|---|--|---|--|----------------------|
| <b>ASSETS</b>                               |   |  |   |  |                      |
| Cash, equity in pooled cash and investments | \$ 9,040  | \$ 142,825                                       | \$ 41,564   | \$ 9,518   | \$ 25,757,276        |
| Restricted cash - capital purchases         | -   | -  | -   | 83,419   | 83,419               |
| Receivables (net)                           | -   | -  | -   | -  | 817,647              |
| Total assets                                | <u>\$ 9,040</u>   | <u>\$ 142,825</u>                                | <u>\$ 41,564</u>  | <u>\$ 92,937</u>   | <u>\$ 26,658,342</u> |
| <b>LIABILITIES AND FUND BALANCES</b>        |   |  |   |  |                      |
| Liabilities                                 |   |  |   |  |                      |
| Accounts payable                            | \$ -  | \$ -   | \$ 21,080   | \$ -   | \$ 3,513,020         |
| Retainage payable                           | -   | -  | -   | -  | 59,934               |
| Due to other funds                          | -   | -  | -   | -  | 100,000              |
| Total liabilities                           | <u>-</u>  | <u>-</u>   | <u>21,080</u>   | <u>-</u>   | <u>3,672,954</u>     |
| Fund balances                               |   |  |   |  |                      |
| Restricted                                  | 9,040   | 142,825  | 20,484  | 92,937   | 13,874,911           |
| Committed                                   | -   | -  | -   | -  | 83,886               |
| Assigned                                    | -   | -  | -   | -  | 9,026,591            |
| Total fund balances                         | <u>9,040</u>  | <u>142,825</u>                                   | <u>20,484</u>   | <u>92,937</u>  | <u>22,985,388</u>    |
| Total liabilities and fund balances         | <u>\$ 9,040</u>   | <u>\$ 142,825</u>                                | <u>\$ 41,564</u>  | <u>\$ 92,937</u>   | <u>\$ 26,658,342</u> |



**CITY OF MOBILE, ALABAMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED**

|   | Strategic Plan      | 1995 Capital<br>Projects | 1996 General<br>Obligation<br>Capital<br>Projects | Municipal<br>Government<br>Capital<br>Improvements | 1998 General<br>Obligation<br>Capital<br>Projects | 1998 General<br>Obligation<br>Refunding and<br>Capital Projects |
|---|---------------------|--------------------------|---|--|---|---|
| <b>Revenues</b>                                   |                     |                          |   |  |   |   |
| Sales tax   | \$ 3,718,666        | \$ -                     | \$ -  | \$ -   | \$ -  | \$ -  |
| Lease/rental - tax                                | 2,075,182           | -                        | -   | -  | -   | -   |
| Motor fuel - tax                                  | 2,076,049           | -                        | -   | -  | -   | -   |
| Room - tax  | 1,796,284           | -                        | -   | -  | -   | -   |
| Business license                                  | 3,145,144           | -                        | -   | -  | -   | -   |
| State and federal assistance                      | -                   | -                        | -   | 1,654,757  | -   | -   |
| Interest  | 6,566               | -                        | 72  | 3,432  | 1,313   | 386   |
| Other revenue                                     | 600,000             | -                        | -   | -  | -   | -   |
| Charges for services                              | 195,363             | -                        | -   | -  | -   | -   |
| Total revenues                                    | <u>13,613,254</u>   | <u>-</u>                 | <u>72</u>   | <u>1,658,189</u>                                   | <u>1,313</u>                                      | <u>386</u>  |
| <b>Expenditures</b>                               |                     |                          |   |  |   |   |
| Current   |                     |                          |   |  |   |   |
| Nondepartmental                                   | 600,000             | -                        | -   | -  | -   | -   |
| Debt service                                      |                     |                          |   |  |   |   |
| Interest and fee payments                         | 163,671             | 105                      | -   | 19,845   | -   | -   |
| Capital outlay                                    |                     |                          |   |  |   |   |
| Capitalized equipment                             | 317,532             | -                        | -   | 13,286   | -   | -   |
| Right-of-way and realty                           | -                   | -                        | -   | 2,496  | 479   | 1,028   |
| Testing   | -                   | -                        | -   | 680  | -   | -   |
| Engineering                                       | -                   | -                        | 1,281   | 9,228  | 25,480  | -   |
| Architectural                                     | -                   | -                        | -   | 29,151   | -   | -   |
| Commodities                                       | 65,336              | 23,343                   | -   | 193,335  | -   | 3,486   |
| Construction                                      | -                   | -                        | -   | 422,198  | 66,027  | 22,417  |
| Professional services                             | 107,434             | -                        | -   | 217,216  | -   | -   |
| Other   | 1,622,610           | -                        | -   | 7,640  | -   | -   |
| Total capital outlay                              | <u>2,112,912</u>    | <u>23,343</u>            | <u>1,281</u>                                      | <u>895,230</u>                                     | <u>91,986</u>                                     | <u>26,931</u>   |
| Total expenditures                                | <u>2,876,583</u>    | <u>23,448</u>            | <u>1,281</u>                                      | <u>915,075</u>                                     | <u>91,986</u>                                     | <u>26,931</u>   |
| Excess (deficiency) of revenues over expenditures | <u>10,736,671</u>   | <u>(23,448)</u>          | <u>(1,209)</u>                                    | <u>743,114</u>                                     | <u>(90,673)</u>                                   | <u>(26,545)</u>   |
| <b>Other financing sources (uses)</b>             |                     |                          |   |  |   |   |
| Transfers out                                     | (10,287,987)        | -                        | -   | (390,225)  | -   | -   |
| Total other financing sources (uses)              | <u>(10,287,987)</u> | <u>-</u>                 | <u>-</u>  | <u>(390,225)</u>                                   | <u>-</u>  | <u>-</u>  |
| Net change in fund balance                        | 448,684             | (23,448)                 | (1,209)   | 352,889  | (90,673)  | (26,545)  |
| Fund balances - beginning of year                 | 8,577,907           | 23,663                   | 145,137   | 6,757,440  | 1,371,492   | 947,031   |
| Fund balances - end of year                       | <u>\$ 9,026,591</u> | <u>\$ 215</u>            | <u>\$ 143,928</u>                                 | <u>\$ 7,110,329</u>                                | <u>\$ 1,280,819</u>                               | <u>\$ 920,486</u>   |

| 1999 General<br>Obligation<br>Private<br>Placement -<br>IPSCO | 2000 Capital<br>Projects | 2002 Limited<br>Obligation<br>Tax Increment<br>Capital<br>Projects | Flood<br>Management | 2006 G. O.<br>Refunding and<br>Capital Projects<br>Funds | 2008 General<br>Capital<br>Improvements<br>Projects | 2008B General<br>Obligation<br>Capital<br>Improvement Proj | 2009B G O Cap<br>Proj - BAB 2009<br>Taxable WTS |
|---|--------------------------|--|---------------------|--|---|--|---|
| \$ -  | \$ -                     | \$ -   | \$ -                | \$ -   | \$ -  | \$ -   | \$ -  |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| 9   | -                        | -  | 42                  | 220  | 818   | 331  | 415   |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| <u>9</u>  | <u>-</u>                 | <u>-</u>   | <u>42</u>           | <u>220</u>   | <u>818</u>  | <u>331</u>   | <u>415</u>                                      |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| -   | -                        | -  | -                   | 1,613  | -   | 3,225  | -   |
| -   | -                        | -  | -                   | -  | 163,282   | -  | -   |
| -   | 863                      | -  | -                   | 1,336  | 34  | 147  | -   |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| -   | 65,669                   | -  | -                   | 61,437   | 153,057   | -  | -   |
| -   | -                        | -  | -                   | -  | 5,297   | 15,300   | -   |
| -   | -                        | -  | -                   | -  | 80,863  | 29,351   | 99,733  |
| 9,447   | 63,203                   | -  | -                   | 206,584  | 2,124,860   | 284,380  | 115,433   |
| -   | -                        | -  | -                   | 1,443  | 137,861   | 275  | -   |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| <u>9,447</u>  | <u>129,735</u>           | <u>-</u>   | <u>-</u>            | <u>270,800</u>   | <u>2,665,254</u>                                    | <u>329,453</u>   | <u>215,166</u>                                  |
| <u>9,447</u>  | <u>129,735</u>           | <u>-</u>   | <u>-</u>            | <u>272,413</u>   | <u>2,665,254</u>                                    | <u>332,678</u>   | <u>215,166</u>                                  |
| <u>(9,438)</u>  | <u>(129,735)</u>         | <u>-</u>   | <u>42</u>           | <u>(272,193)</u>   | <u>(2,664,436)</u>                                  | <u>(332,347)</u>   | <u>(214,751)</u>                                |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| -   | -                        | -  | -                   | -  | -   | -  | -   |
| <u>(9,438)</u>  | <u>(129,735)</u>         | <u>-</u>   | <u>42</u>           | <u>(272,193)</u>   | <u>(2,664,436)</u>                                  | <u>(332,347)</u>   | <u>(214,751)</u>                                |
| <u>9,687</u>  | <u>588,894</u>           | <u>133,526</u>   | <u>83,844</u>       | <u>1,200,893</u>   | <u>4,790,532</u>                                    | <u>676,358</u>   | <u>376,858</u>                                  |
| <u>\$ 249</u>   | <u>\$ 459,159</u>        | <u>\$ 133,526</u>  | <u>\$ 83,886</u>    | <u>\$ 928,700</u>  | <u>\$ 2,126,096</u>                                 | <u>\$ 344,011</u>  | <u>\$ 162,107</u>                               |

**CITY OF MOBILE, ALABAMA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED**

|   | 2009C General<br>Obligation<br>ARRA Cap<br>Taxable<br>Warrants | Small Issue<br>General<br>Obligation<br>Warrants | 2011 General<br>Obligation<br>Private Placement<br>Capital<br>Improvements | 2012 General<br>Obligation<br>Private Placement<br>Capital<br>Equipment | Total                |
|---|--|--|--|---|----------------------|
| <b>Revenues</b>                                   |  |  |  |   |                      |
| Sales tax   | \$ -   | \$ -   | \$ -   | \$ -  | \$ 3,718,666         |
| Lease/rental - tax                                | -  | -  | -  | -   | 2,075,182            |
| Motor fuel - tax                                  | -  | -  | -  | -   | 2,076,049            |
| Room - tax  | -  | -  | -  | -   | 1,796,284            |
| Business license                                  | -  | -  | -  | -   | 3,145,144            |
| State and federal assistance                      | -  | -  | -  | -   | 1,654,757            |
| Interest  | 8  | 71   | 123  | 138   | 13,944               |
| Other revenue                                     | -  | -  | -  | -   | 600,000              |
| Charges for services                              | -  | -  | -  | -   | 195,363              |
| Total revenues                                    | <u>8</u>   | <u>71</u>  | <u>123</u>   | <u>138</u>  | <u>15,275,666</u>    |
| <b>Expenditures</b>                               |  |  |  |   |                      |
| Current   |  |  |  |   |                      |
| Nondepartmental                                   | -  | -  | -  | -   | 600,000              |
| Debt service                                      |  |  |  |   |                      |
| Interest and fee payments                         | -  | -  | -  | -   | 188,459              |
| Capital outlay                                    |  |  |  |   |                      |
| Capitalized equipment                             | -  | -  | -  | 64,210  | 558,310              |
| Right-of-way and realty                           | -  | -  | -  | -   | 6,383                |
| Testing   | -  | -  | -  | -   | 680                  |
| Engineering                                       | -  | -  | -  | -   | 316,152              |
| Architectural                                     | -  | -  | -  | -   | 49,748               |
| Commodities                                       | -  | -  | 551  | 10,776  | 506,774              |
| Construction                                      | 6,192  | -  | 9,218  | -   | 3,329,959            |
| Professional services                             | -  | -  | 48,257   | -   | 512,486              |
| Other   | -  | -  | -  | -   | 1,630,250            |
| Total capital outlay                              | <u>6,192</u>   | <u>-</u>   | <u>58,026</u>  | <u>74,986</u>   | <u>6,910,742</u>     |
| Total expenditures                                | <u>6,192</u>   | <u>-</u>   | <u>58,026</u>  | <u>74,986</u>   | <u>7,699,201</u>     |
| Excess (deficiency) of revenues over expenditures | <u>(6,184)</u>   | <u>71</u>  | <u>(57,903)</u>  | <u>(74,848)</u>   | <u>7,576,465</u>     |
| <b>Other financing sources (uses)</b>             |  |  |  |   |                      |
| Transfers out                                     | -  | -  | -  | -   | (10,678,212)         |
| Total other financing sources (uses)              | <u>-</u>   | <u>-</u>   | <u>-</u>   | <u>-</u>  | <u>(10,678,212)</u>  |
| Net change in fund balance                        | (6,184)  | 71   | (57,903)   | (74,848)  | (3,102,024)          |
| Fund balances - beginning of year                 | <u>15,224</u>  | <u>142,754</u>                                   | <u>78,387</u>  | <u>167,785</u>  | <u>26,087,412</u>    |
| Fund balances - end of year                       | <u>\$ 9,040</u>  | <u>\$ 142,825</u>                                | <u>\$ 20,484</u>   | <u>\$ 92,937</u>  | <u>\$ 22,985,388</u> |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014**

| Program/Project Name                              | Project<br>Cost Prior<br>Years | Current<br>Activity | Total Project to<br>September 30,<br>2014 |
|---|--------------------------------|---------------------|---|
| General Government                                |                                |                     |   |
| Multipurpose                                      |                                |                     |   |
| Miscellaneous bank service charges                | \$ -                           | \$ 13,336           | \$ 13,336                                 |
| Issue cost - bank service charges 2006            | -                              | 1,613               | 1,613                                     |
| Assessment expenditures                           | -                              | 1,561               | 1,561                                     |
| Finance - general government equip and misc items | -                              | 56,656              | 56,656                                    |
| Administrative services                           | -                              | 1,001               | 1,001                                     |
| Building and grounds allowance                    | -                              | 359,535             | 359,535                                   |
| African American Archives - hvac replacement      | -                              | 40,895              | 40,895                                    |
| Hurtel St Armory - new fire alarm system          | -                              | 27,969              | 27,969                                    |
| City share - economic development                 | -                              | 250,000             | 250,000                                   |
| Citywide strategic and marketing plans            | -                              | 5,920               | 5,920                                     |
| Archives roof replacement                         | -                              | 75                  | 75  |
| Demolitions - condemned buildings                 | -                              | 23,817              | 23,817                                    |
| Equipment - public works                          | -                              | 267,820             | 267,820                                   |
| Mayor's discretionary                             | -                              | 2,181               | 2,181                                     |
| Mayor's misc capital                              | -                              | 1,811               | 1,811                                     |
| Equipment - animal shelter                        | -                              | 8,533               | 8,533                                     |
| Equipment - city clerk                            | -                              | 25,225              | 25,225                                    |
| Equipment - urban development                     | -                              | 327,390             | 327,390                                   |
| Financial software maintenance                    | -                              | 275,205             | 275,205                                   |
| GIS/aerial mapping system                         | -                              | 92,402              | 92,402                                    |
| Housing First/homeless center                     | -                              | 67,500              | 67,500                                    |
| Lease - 2011 capital equipment                    | -                              | 3,950               | 3,950                                     |
| Lease - 2012 capital equipment                    | -                              | 74,986              | 74,986                                    |
| Workforce development                             | -                              | 54,000              | 54,000                                    |
| Mechanical maintenance - maintenance projects     | -                              | 241,268             | 241,268                                   |
| Mobile Area Education Fund                        | -                              | 135,000             | 135,000                                   |
| Mobile Airport - rent Aviation Training School    | -                              | 10,112              | 10,112                                    |
| Public buildings - maintenance projects           | -                              | 157,492             | 157,492                                   |
| Tax increment financing                           | -                              | 23,217              | 23,217                                    |
| Technology bldg-purch & renovation                | -                              | 4,100               | 4,100                                     |
| Telephone switch upgrade                          | 92,609                         | -                   | 92,609                                    |
| Strategic planning - consultant and misc.         | -                              | 6,000               | 6,000                                     |
| New computer system - consultant                  | -                              | 62,747              | 62,747                                    |
| Strategic planning - comm/react/CitiSmart         | -                              | 46,822              | 46,822                                    |
| Total multipurpose                                | <u>92,609</u>                  | <u>2,670,139</u>    | <u>2,762,748</u>                          |

|    |               | Disposition |                |           |                  |    |                |
|----|---------------|-------------|----------------|-----------|------------------|----|----------------|
|    |               | In-Progress |                | Completed |                  |    |                |
|    |               | Expensed    | Capitalized    | Expensed  | Capitalized      |    |                |
| \$ | -             | \$          | -              | \$        | 13,336           | \$ | -              |
|    | -             |             | -              |           | 1,613            |    | -              |
|    | -             |             | -              |           | 1,561            |    | -              |
|    | -             |             | -              |           | 56,656           |    | -              |
|    | -             |             | -              |           | 1,001            |    | -              |
|    | -             |             | -              |           | 359,535          |    | -              |
|    | -             |             | -              |           | -                |    | 40,895         |
|    | -             |             | 27,969         |           | -                |    | -              |
|    | -             |             | -              |           | 250,000          |    | -              |
|    | -             |             | -              |           | 5,920            |    | -              |
|    | -             |             | 75             |           | -                |    | -              |
|    | -             |             | -              |           | 23,817           |    | -              |
|    | -             |             | -              |           | -                |    | 267,820        |
|    | -             |             | -              |           | 2,181            |    | -              |
|    | -             |             | -              |           | 1,811            |    | -              |
|    | -             |             | -              |           | 8,533            |    | -              |
|    | -             |             | -              |           | 25,225           |    | -              |
|    | -             |             | -              |           | -                |    | 327,390        |
|    | -             |             | -              |           | 275,205          |    | -              |
|    | -             |             | 92,402         |           | -                |    | -              |
|    | -             |             | -              |           | 67,500           |    | -              |
|    | -             |             | -              |           | 3,950            |    | -              |
|    | -             |             | -              |           | 42,836           |    | 32,150         |
|    | -             |             | -              |           | 54,000           |    | -              |
|    | -             |             | -              |           | 235,261          |    | 6,007          |
|    | -             |             | -              |           | 135,000          |    | -              |
|    | -             |             | -              |           | 10,112           |    | -              |
|    | -             |             | -              |           | 145,872          |    | 11,620         |
|    | -             |             | -              |           | 23,217           |    | -              |
|    | -             |             | -              |           | 4,100            |    | -              |
|    | 92,609        |             | -              |           | -                |    | -              |
|    | -             |             | 62,747         |           | 6,000            |    | -              |
|    | -             |             | -              |           | 46,822           |    | -              |
|    | <u>92,609</u> |             | <u>183,193</u> |           | <u>1,801,064</u> |    | <u>685,882</u> |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014**

| Program/Project Name                      | Project<br>Cost Prior<br>Years | Current<br>Activity | Total<br>Project to<br>September 30<br>2014 |
|---|--------------------------------|---------------------|---|
| <b>General Government</b>                 |                                |                     |   |
| <b>Environmental</b>                      |                                |                     |   |
| Engineering, row and testing              | \$ -                           | \$ 95,826           | \$ 95,826                                   |
| Equip-dredging/barge modif                | -                              | 3,487               | 3,487                                       |
| Stormwater-misc bridges                   | -                              | 128,670             | 128,670                                     |
| 2007 Annex areas 1 & 2                    | -                              | 27,920              | 27,920                                      |
| 2008 Misc drainage/pipes                  | 189,783                        | -                   | 189,783                                     |
| Ann St (Tenn to McDonald)                 | -                              | 33,291              | 33,291                                      |
| Misc. drainage pipes                      | 174,424                        | 43,848              | 218,272                                     |
| Antoine St rd & drainage                  | -                              | 238                 | 238   |
| Bayou St. Board of Health                 | 183,925                        | -                   | 183,925                                     |
| Big Stickney Culvert at Springhill Avenue | 49,363                         | -                   | 49,363                                      |
| Conception Street drainage                | 96,651                         | -                   | 96,651                                      |
| Citywide storm drainage repairs           | -                              | 2,290,836           | 2,290,836                                   |
| Dubroca emergency drainage                | 111,865                        | -                   | 111,865                                     |
| Emogene Street bridge repairs             | 445,151                        | -                   | 445,151                                     |
| Emergency rep - McGregor                  | -                              | 120,326             | 120,326                                     |
| Emergency rep - Girby Rd                  | -                              | 195,145             | 195,145                                     |
| Eslava Creek at Airport                   | 73,953                         | -                   | 73,953                                      |
| Florida Street - Woodcock Creek           | 7,910,756                      | (61,171)            | 7,849,585                                   |
| Gaslight drainage                         | -                              | 239                 | 239   |
| Halls Mill Road at Moore - bridge         | 51,597                         | -                   | 51,597                                      |
| Michigan Avenue bridge repairs            | 1,208,491                      | 2,200,706           | 3,409,197                                   |
| Mobile St. improvements                   | -                              | 22,144              | 22,144                                      |
| Moores Creek - Burma to Moores            | 451,947                        | 93,069              | 545,016                                     |
| Vanderbilt drainage                       | -                              | 240                 | 240   |
| Trinity Gardens ditch enclosures          | 238,258                        | -                   | 238,258                                     |
| Total environmental                       | <u>11,186,164</u>              | <u>5,194,814</u>    | <u>16,380,978</u>                           |

| Disposition |             |           |             |
|-------------|-------------|-----------|-------------|
| In-Progress |             | Completed |             |
| Expensed    | Capitalized | Expensed  | Capitalized |
| \$ -        | \$ -        | \$ 55,810 | \$ 40,015   |
| -           | -           | 3,487     | -           |
| -           | -           | -         | 128,670     |
| -           | 27,920      | -         | -           |
| -           | -           | -         | 189,783     |
| -           | 33,291      | -         | -           |
| -           | 218,272     | -         | -           |
| -           | 238         | -         | -           |
| -           | -           | -         | 183,925     |
| -           | -           | -         | 49,363      |
| -           | 96,651      | -         | -           |
| -           | -           | -         | 2,290,836   |
| -           | -           | -         | 111,865     |
| -           | -           | -         | 445,151     |
| -           | 120,326     | -         | -           |
| -           | -           | -         | 195,145     |
| -           | -           | -         | 73,953      |
| -           | -           | -         | 7,849,585   |
| -           | 239         | -         | -           |
| -           | -           | -         | 51,597      |
| -           | -           | -         | 3,409,197   |
| -           | 22,145      | -         | -           |
| -           | 545,016     | -         | -           |
| -           | 240         | -         | -           |
| -           | -           | -         | 238,258     |
| -           | 1,064,338   | 59,297    | 15,257,343  |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014**

| Program/Project Name                      | Project<br>Cost Prior<br>Years | Current<br>Activity | Total<br>Project to<br>September 30<br>2014 |
|---|--------------------------------|---------------------|---|
| <b>General Government</b>                 |                                |                     |   |
| <b>Transportation</b>                     |                                |                     |   |
| Electrical equipment                      | \$ -                           | \$ 14,158           | \$ 14,158                                   |
| INFRA-ADA modifications                   | 409,573                        | 25,480              | 435,053                                     |
| Traffic engineering - street improvements | -                              | 32,746              | 32,746                                      |
| Traffic eng-crowd control barricades      | -                              | 2,043               | 2,043                                       |
| Resurfacing - 4 cent gas tax project      | 24,609                         | 832,419             | 857,028                                     |
| Blacklawn lighting & improvements         | -                              | 31,180              | 31,180                                      |
| City guardrails                           | -                              | 243                 | 243   |
| Airbus Way & Aerospace Dr roadway         | 881,507                        | 3,698,183           | 4,579,690                                   |
| City's share - Hillcrest MPO project      | 3,018,704                      | 66,026              | 3,084,730                                   |
| City's share - Airport/Snow Road          | 196,890                        | -                   | 196,890                                     |
| City's share - Zeigler Boulevard          | 844,724                        | 237,578             | 1,082,302                                   |
| ED-Pinebrook-McGregor                     | -                              | 1,310               | 1,310                                       |
| Baker St improv-Yeend St.                 | -                              | 1,493,243           | 1,493,243                                   |
| Hillsdale Heights sidewalks               | 26,909                         | -                   | 26,909                                      |
| MHO-Dauphin at Sage                       | -                              | 60,086              | 60,086                                      |
| MPO McGregor Ave-widening                 | 77,365                         | 61,997              | 139,362                                     |
| Miscellaneous street improvements         | -                              | 1,179,902           | 1,179,902                                   |
| Traffic circles/calming devices           | -                              | 27,540              | 27,540                                      |
| Total transportation                      | 5,480,281                      | 7,764,134           | 13,244,415                                  |
| <b>Security</b>                           |                                |                     |   |
| Metro 800 mhz emergency radios            | 5,943,156                      | 211,966             | 6,155,122                                   |
| Equipment - police                        | -                              | 2,342,078           | 2,342,078                                   |
| Equipment - public safety                 | -                              | 2,350               | 2,350                                       |
| Fire - misc fire station bldg imprv       | -                              | 9,022               | 9,022                                       |
| Firestation #11 roof replacement          | -                              | 60,782              | 60,782                                      |
| Equipment-fire hose                       | -                              | 278,017             | 278,017                                     |



## Disposition

| In-Progress |             | Completed |             |
|-------------|-------------|-----------|-------------|
| Expensed    | Capitalized | Expensed  | Capitalized |
| \$ -        | \$ -        | \$ 14,158 | \$ -        |
| -           | 435,053     | -         | -           |
| -           | -           | 32,746    | -           |
| -           | -           | 2,043     | -           |
| -           | 793,826     | -         | 63,202      |
| -           | 31,180      | -         | -           |
| -           | 243         | -         | -           |
| -           | 4,576,037   | 3,653     | -           |
| -           | -           | -         | 3,084,730   |
| -           | -           | -         | 196,890     |
| -           | 1,082,302   | -         | -           |
| -           | 1,310       | -         | -           |
| -           | 1,493,243   | -         | -           |
| -           | 26,909      | -         | -           |
| -           | 60,086      | -         | -           |
| -           | 139,362     | -         | -           |
| -           | -           | 397,131   | 782,771     |
| -           | -           | -         | 27,540      |
| -           | 8,639,551   | 449,731   | 4,155,133   |
| -           | -           | -         | 6,155,122   |
| -           | -           | 374,480   | 1,967,598   |
| -           | -           | 2,350     | -           |
| -           | -           | 9,022     | -           |
| -           | 60,782      | -         | -           |
| -           | -           | 278,017   | -           |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014**

| Program/Project Name                             | Project<br>Cost Prior<br>Years | Current<br>Activity | Total<br>Project to<br>September 30<br>2014 |
|--|--------------------------------|---------------------|---|
| <b>General Government</b>                        |                                |                     |   |
| Security (Cont'd)                                |                                |                     |   |
| Police building - 200 Government St. purchase    | \$ -                           | \$ 198,078          | \$ 198,078                                  |
| St Plan-police motor vehicles                    | -                              | 368,813             | 368,813                                     |
| Police bldg-850 St. Anthony                      | 143,327                        | 1,318               | 144,645                                     |
| Total security                                   | <u>6,086,483</u>               | <u>3,472,424</u>    | <u>9,558,907</u>                            |
| <b>Recreation</b>                                |                                |                     |   |
| Equipment - parks and recreation                 | -                              | 107,791             | 107,791                                     |
| Ballfield lighting-Baumhauer Randle Pk           | -                              | 65,193              | 65,193                                      |
| Ballfield lighting-Herndon Park                  | -                              | 22,259              | 22,259                                      |
| Ballfield lighting-Dog River Park                | -                              | 23,811              | 23,811                                      |
| Ballfield lighting-Langan Park                   | -                              | 15,897              | 15,897                                      |
| Mobile Regional Senior Comm Ctr-flooring replace | -                              | 49,215              | 49,215                                      |
| College football bowl                            | -                              | 1,135,000           | 1,135,000                                   |
| Ladd Stadium renovation                          | 303,918                        | -                   | 303,918                                     |
| Parks - annexed area                             | 714,730                        | 81,577              | 796,307                                     |
| Parks - Copeland-Cox tennis center               | 177,333                        | 174,926             | 352,259                                     |
| Parks-Hank Aaron Stadium                         | -                              | 159,000             | 159,000                                     |
| Parks-Herndon Park improv                        | -                              | 56,653              | 56,653                                      |
| Parks - Hillsdale community center               | -                              | 2,080               | 2,080                                       |
| Parks - James Seals                              | -                              | 359,569             | 359,569                                     |
| Parks - ISOM park improvements                   | -                              | 8,985               | 8,985                                       |
| Parks - Kidd Park improvements                   | 15,928                         | -                   | 15,928                                      |
| Parks - Mardi Gras Park                          | 1,327                          | -                   | 1,327                                       |
| Mary Abby Berg Senior Ctr                        | -                              | 100,000             | 100,000                                     |

| Dispositon  |             |           |             |
|-------------|-------------|-----------|-------------|
| In Progress |             | Completed |             |
| Expensed    | Capitalized | Expensed  | Capitalized |
| \$ -        | \$ 198,078  | \$ -      | \$ -        |
| -           | -           | 55,566    | 313,247     |
| -           | 144,645     | -         | -           |
| -           | 403,505     | 719,435   | 8,435,967   |
| -           | -           | 107,791   | -           |
| -           | -           | -         | 65,193      |
| -           | -           | -         | 22,259      |
| -           | -           | -         | 23,811      |
| -           | -           | -         | 15,897      |
| -           | -           | -         | 49,215      |
| -           | -           | 1,135,000 | -           |
| -           | 303,918     | -         | -           |
| -           | -           | -         | 796,307     |
| -           | 352,259     | -         | -           |
| -           | -           | 159,000   | -           |
| -           | 56,653      | -         | -           |
| -           | -           | 2,080     | -           |
| -           | 359,569     | -         | -           |
| -           | -           | -         | 8,985       |
| -           | -           | -         | 15,928      |
| -           | -           | 1,327     | -           |
| -           | -           | 100,000   | -           |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014**

| Program/Project Name                         | Project<br>Cost Prior<br>Years | Current<br>Activity  | Total<br>Project to<br>September 30<br>2014 |
|--|--------------------------------|----------------------|---|
| General Government                           |                                |                      |   |
| Recreation (Cont'd)                          |                                |                      |   |
| Parks - Publ Safety - Skateboard             | \$ 23,873                      | \$ 2,397             | \$ 26,270                                   |
| Parks - Theodore area park                   | 98,631                         | 275                  | 98,906                                      |
| Waterfront development                       | 55,848,435                     | 1,923,880            | 57,772,315                                  |
| Waterfront development - general fund        | (25,642,407)                   | (818,120)            | (26,460,527)                                |
| Waterfront - enterprise fund                 | (1,600,000)                    | -                    | (1,600,000)                                 |
| Waterfront development - TIF portion         | (1,757,665)                    | (870,966)            | (2,628,631)                                 |
| Total recreation                             | <u>28,184,103</u>              | <u>2,599,422</u>     | <u>30,783,525</u>                           |
| Cultural                                     |                                |                      |   |
| Fort Conde Welcome Center - roof repairs     | 446,176                        | 135,651              | 581,827                                     |
| Strategic Plan - Saenger Theatre renovations | -                              | 140,441              | 140,441                                     |
| Tardy Cottage improvements                   | -                              | 4,472                | 4,472                                       |
| Historic Dev-African American                | -                              | 10,000               | 10,000                                      |
| Total cultural                               | <u>446,176</u>                 | <u>290,564</u>       | <u>736,740</u>                              |
| Total general government                     | <u>51,475,816</u>              | <u>21,991,497</u>    | <u>73,467,313</u>                           |
| Proprietary                                  |                                |                      |   |
| Mobile Civic Center:                         |                                |                      |   |
| Civic Center renovations                     | -                              | 73,354               | 73,354                                      |
| Total proprietary                            | <u>-</u>                       | <u>73,354</u>        | <u>73,354</u>                               |
| Total capital projects                       | <u>\$ 51,475,816</u>           | <u>\$ 22,064,851</u> | <u>\$ 73,540,667</u>                        |

## Disposition

| In-Progress |               | Completed    |               |
|-------------|---------------|--------------|---------------|
| Expensed    | Capitalized   | Expensed     | Capitalized   |
| \$ -        | \$ 26,270     | \$ -         | \$ -          |
| -           | -             | -            | 98,906        |
| -           | 57,772,315    | -            | -             |
| -           | (26,460,527)  | -            | -             |
| -           | (1,600,000)   | -            | -             |
| -           | (2,628,631)   | -            | -             |
| -           | 28,181,826    | 1,505,198    | 1,096,501     |
| -           | 581,827       | -            | -             |
| -           | -             | 140,441      | -             |
| -           | -             | 4,472        | -             |
| -           | -             | 10,000       | -             |
| -           | 581,827       | 154,913      | -             |
| 92,609      | 39,054,240    | 4,689,638    | 29,630,826    |
| -           | -             | 73,354       | -             |
| -           | -             | 73,354       | -             |
| \$ 92,609   | \$ 39,054,240 | \$ 4,762,992 | \$ 29,630,826 |

## **INTERNAL SERVICE FUNDS**

Internal Service funds are used to account for the financing of goods or services provided to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

Motor Pool Fund - This fund is used to account for vehicles and equipment provided and maintained by the Motor Pool for other departments of the City.

Insurance Fund - This fund is used to account for automobile and general liability claims and expenses paid for other departments of the City.

Employee Health Fund - This fund is used to account for assets held in trust by the City for the payment of health insurance claims.

**CITY OF MOBILE, ALABAMA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**SEPTEMBER 30, 2014**

|  | <u>Motor Pool Fund</u> | <u>Insurance Fund</u> | <u>Employee Health Fund</u> | <u>Total</u>        |
|--|------------------------|-----------------------|-----------------------------|---------------------|
| <b>ASSETS</b>                                      |                        |                       |                             |                     |
| Current assets                                     |                        |                       |                             |                     |
| Cash, equity in pooled cash and investments        | \$ 2,648,516           | \$ 809,702            | \$ -                        | \$ 3,458,218        |
| Receivables (net)                                  | 15,050                 | -                     | -                           | 15,050              |
| Total current assets                               | <u>2,663,566</u>       | <u>809,702</u>        | <u>-</u>                    | <u>3,473,268</u>    |
| Capital assets                                     |                        |                       |                             |                     |
| Vehicles   | 31,421,187             | -                     | -                           | 31,421,187          |
| Furniture, fixtures and equipment                  | 4,183,181              | -                     | -                           | 4,183,181           |
|  | 35,604,368             | -                     | -                           | 35,604,368          |
| Less: accumulated depreciation                     | <u>(28,174,064)</u>    | <u>-</u>              | <u>-</u>                    | <u>(28,174,064)</u> |
| Total capital assets (net)                         | <u>7,430,304</u>       | <u>-</u>              | <u>-</u>                    | <u>7,430,304</u>    |
| Total assets                                       | <u>10,093,870</u>      | <u>809,702</u>        | <u>-</u>                    | <u>10,903,572</u>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>              |                        |                       |                             |                     |
|  | <u>-</u>               | <u>-</u>              | <u>-</u>                    | <u>-</u>            |
| <b>LIABILITIES</b>                                 |                        |                       |                             |                     |
| Current liabilities                                |                        |                       |                             |                     |
| Accounts payable                                   | 88,750                 | 65,033                | 218,801                     | 372,584             |
| Accrued payroll                                    | 1,929                  | -                     | -                           | 1,929               |
| Capital lease obligations - current portion        | 234,984                | -                     | -                           | 234,984             |
| Insurance claims payable                           | -                      | -                     | 2,364,500                   | 2,364,500           |
| Total current liabilities                          | <u>325,663</u>         | <u>65,033</u>         | <u>2,583,301</u>            | <u>2,973,997</u>    |
| Long-term liabilities                              |                        |                       |                             |                     |
| Capital lease obligations - net of current portion | 489,266                | -                     | -                           | 489,266             |
| Self-insured liability - legal                     | -                      | 717,256               | -                           | 717,256             |
| Total long-term liabilities                        | <u>489,266</u>         | <u>717,256</u>        | <u>-</u>                    | <u>1,206,522</u>    |
| Total liabilities                                  | <u>814,929</u>         | <u>782,289</u>        | <u>2,583,301</u>            | <u>4,180,519</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>               |                        |                       |                             |                     |
|  | <u>-</u>               | <u>-</u>              | <u>-</u>                    | <u>-</u>            |
| <b>NET POSITION</b>                                |                        |                       |                             |                     |
| Net investment in capital assets                   | 6,706,054              | -                     | -                           | 6,706,054           |
| Unrestricted (deficit)                             | 2,572,887              | 27,413                | (2,583,301)                 | 16,999              |
| Total net position                                 | <u>\$ 9,278,941</u>    | <u>\$ 27,413</u>      | <u>\$ (2,583,301)</u>       | <u>\$ 6,723,053</u> |

**CITY OF MOBILE, ALABAMA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|  | Motor Pool<br>Fund  | Insurance Fund     | Employee<br>Health Fund | Total               |
|--|---------------------|--------------------|-------------------------|---------------------|
| <b>Operating revenues</b>                              |                     |                    |                         |                     |
| Charges for services                                   | \$ 4,362,979        | \$ -               | \$ 19,925,395           | \$ 24,288,374       |
| Retiree drug subsidy                                   | -                   | -                  | 214,561                 | 214,561             |
| Miscellaneous revenue                                  | 246                 | 1,020              | 7,145                   | 8,411               |
| Total operating revenues                               | <u>4,363,225</u>    | <u>1,020</u>       | <u>20,147,101</u>       | <u>24,511,346</u>   |
| <b>Operating expenses</b>                              |                     |                    |                         |                     |
| Insurance payments                                     | -                   | -                  | 27,367,560              | 27,367,560          |
| Commodities  | 2,514,560           | 26,094             | -                       | 2,540,654           |
| Personnel services                                     | 110,497             | -                  | -                       | 110,497             |
| Professional and technical                             | 3,239               | 1,351,381          | 75,000                  | 1,429,620           |
| Maintenance and repairs                                | -                   | 5,929              | -                       | 5,929               |
| Utilities  | 35,238              | -                  | -                       | 35,238              |
| Other charges  | 5,307               | 789,583            | 15,749                  | 810,639             |
| Increase (decrease) in provision for self-insured loss | -                   | -                  | 609,710                 | 609,710             |
| Depreciation   | 1,190,486           | -                  | -                       | 1,190,486           |
| Total operating expenses                               | <u>3,859,327</u>    | <u>2,172,987</u>   | <u>28,068,019</u>       | <u>34,100,333</u>   |
| Operating income (loss)                                | <u>503,898</u>      | <u>(2,171,967)</u> | <u>(7,920,918)</u>      | <u>(9,588,987)</u>  |
| <b>Nonoperating revenues (expenses)</b>                |                     |                    |                         |                     |
| Gain (loss) on disposal of capital assets              | 46,402              | -                  | -                       | 46,402              |
| Damaged vehicles reimbursement                         | 52,853              | -                  | -                       | 52,853              |
| Interest expense                                       | (22,472)            | -                  | -                       | (22,472)            |
| Total nonoperating revenues                            | <u>76,783</u>       | <u>-</u>           | <u>-</u>                | <u>76,783</u>       |
| Income (loss) before operating transfers               | 580,681             | (2,171,967)        | (7,920,918)             | (9,512,204)         |
| Transfers in   | 300,000             | 2,552,290          | 7,580,825               | 10,433,115          |
| Transfers out  | -                   | -                  | -                       | -                   |
| Change in net position                                 | 880,681             | 380,323            | (340,093)               | 920,911             |
| Net position - beginning of year                       | 8,398,260           | (352,910)          | (2,243,208)             | 5,802,142           |
| Net position - end of year                             | <u>\$ 9,278,941</u> | <u>\$ 27,413</u>   | <u>\$ (2,583,301)</u>   | <u>\$ 6,723,053</u> |



**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | Motor Pool<br>Fund  | Insurance Fund     | Employee<br>Health Fund | Total               |
|---|---------------------|--------------------|-------------------------|---------------------|
| <b>Cash flows from operating activities</b>                     |                     |                    |                         |                     |
| Cash received from:   |                     |                    |                         |                     |
| Internal billings   | \$ 4,359,132        | \$ -               | \$ 14,396,649           | \$ 18,755,781       |
| Customers and users   | -                   | -                  | 1,206,873               | 1,206,873           |
| Employee contributions  | -                   | -                  | 4,321,872               | 4,321,872           |
| Miscellaneous   | -                   | -                  | 7,145                   | 7,145               |
| Cash payments for insurance claims                              | -                   | -                  | (27,634,567)            | (27,634,567)        |
| Cash payments for operating expenses                            | (2,477,333)         | (2,622,249)        | (93,358)                | (5,192,940)         |
| Cash payments to employees for services                         | (111,235)           | -                  | -                       | (111,235)           |
| Net cash provided (used) by operating activities                | <u>1,770,564</u>    | <u>(2,622,249)</u> | <u>(7,795,386)</u>      | <u>(8,647,071)</u>  |
| <b>Cash flows from non-capital financing activities</b>         |                     |                    |                         |                     |
| Transfers in from other funds                                   | 300,000             | 2,552,290          | 7,580,825               | 10,433,115          |
| Retiree drug subsidy  | -                   | -                  | 214,561                 | 214,561             |
| Net cash provided by non-capital financing activities           | <u>300,000</u>      | <u>2,552,290</u>   | <u>7,795,386</u>        | <u>10,647,676</u>   |
| <b>Cash flows from capital and related financing activities</b> |                     |                    |                         |                     |
| Acquisition of capital assets                                   | (1,006,292)         | -                  | -                       | (1,006,292)         |
| Proceeds from sale of capital assets                            | 173,294             | -                  | -                       | 173,294             |
| Payments on capital leases                                      | (228,776)           | -                  | -                       | (228,776)           |
| Interest payments   | (22,472)            | -                  | -                       | (22,472)            |
| Reimbursement for damaged vehicles                              | 52,853              | -                  | -                       | 52,853              |
| Net cash used by capital and related financing activities       | <u>(1,031,393)</u>  | <u>-</u>           | <u>-</u>                | <u>(1,031,393)</u>  |
| <b>Cash flows from investing activities</b>                     |                     |                    |                         |                     |
| Investment income received                                      | -                   | -                  | -                       | -                   |
| Net cash provided by investing activities                       | <u>-</u>            | <u>-</u>           | <u>-</u>                | <u>-</u>            |
| Net increase (decrease) in pooled cash and investments          | 1,039,171           | (69,959)           | -                       | 969,212             |
| Pooled cash and investments - beginning of the year             | 1,609,345           | 879,661            | -                       | 2,489,006           |
| Pooled cash and investments - end of the year                   | <u>\$ 2,648,516</u> | <u>\$ 809,702</u>  | <u>\$ -</u>             | <u>\$ 3,458,218</u> |

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS (CONT'D)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | <u>Motor Pool<br/>Fund</u> | <u>Insurance Fund</u> | <u>Employee<br/>Health Fund</u> | <u>Total</u>          |
|---|----------------------------|-----------------------|---------------------------------|-----------------------|
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b> |                            |                       |                                 |                       |
| Operating income (loss)   | <u>\$ 503,898</u>          | <u>\$ (2,171,967)</u> | <u>\$ (7,920,918)</u>           | <u>\$ (9,588,987)</u> |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities  |                            |                       |                                 |                       |
| Depreciation  | 1,190,486                  | -                     | -                               | 1,190,486             |
| Non-capital financing cash flow included in operating income  | -                          | -                     | (214,561)                       | (214,561)             |
| Change in assets and liabilities:   |                            |                       |                                 |                       |
| Decrease (increase) in:   |                            |                       |                                 |                       |
| Accounts receivable   | (3,847)                    | -                     | 131,469                         | 127,622               |
| Increase (decrease) in:   |                            |                       |                                 |                       |
| Accounts payable  | 80,765                     | (42,693)              | (398,476)                       | (360,404)             |
| Accrued liabilities   | (738)                      | -                     | -                               | (738)                 |
| Self-insured liability - legal  | -                          | (407,589)             | -                               | (407,589)             |
| Insurance claims payable  | -                          | -                     | 607,100                         | 607,100               |
| Total adjustments   | <u>1,266,666</u>           | <u>(450,282)</u>      | <u>125,532</u>                  | <u>941,916</u>        |
| Net cash provided (used) by operating activities  | <u>\$ 1,770,564</u>        | <u>\$ (2,622,249)</u> | <u>\$ (7,795,386)</u>           | <u>\$ (8,647,071)</u> |

## **ENTERPRISE FUNDS – NON MAJOR**

Enterprise funds account for activities whose operations are financed and operated in a manner similar to private business operations - where the intent of the City is that the costs of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges.

Azalea City Golf Course - This fund is used to account for the operations of the Azalea City Golf Course which derives revenues from course and cart rental.

Firemedics - This fund is used to account for the operations of the Firemedics division which provides ambulance service to the general public.

Tennis Center - This fund is used to account for the operations of the Tennis Center which derives the majority of its income from tennis court rentals.

Saenger Theater – This fund is used to account for the operations of the Saenger Theater which include activities such as social events, musical performances, and theatrical performances.

Neighborhood Renewal Program – This fund is used to account for the operations of the Neighborhood Renewal Program which derives the majority of its income from the sale of real property inventory.

**CITY OF MOBILE, ALABAMA  
 COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR ENTERPRISE FUNDS  
 SEPTEMBER 30, 2014**

|   | <u>Azalea City Golf<br/>Course</u> | <u>Firemedics</u>   |
|---|------------------------------------|---------------------|
| <b>ASSETS</b>                               |                                    |                     |
| Current assets                              |                                    |                     |
| Cash, equity in pooled cash and investments | \$ 1,100                           | \$ -                |
| Receivables (net)                           | -                                  | 420,676             |
| Other assets                                | -                                  | -                   |
| Inventories                                 | 86,703                             | -                   |
| Total current assets                        | <u>87,803</u>                      | <u>420,676</u>      |
| Capital assets                              |                                    |                     |
| Non-depreciable capital assets              | 1,457,640                          | -                   |
| Depreciable capital assets, net             | 1,822,198                          | 76,924              |
| Total capital assets                        | <u>3,279,838</u>                   | <u>76,924</u>       |
| Total assets                                | <u>3,367,641</u>                   | <u>497,600</u>      |
| <b>LIABILITIES</b>                          |                                    |                     |
| Current liabilities                         |                                    |                     |
| Accounts payable and accrued liabilities    | 68,835                             | 998,612             |
| Unearned revenue                            | -                                  | -                   |
| Total current liabilities                   | <u>68,835</u>                      | <u>998,612</u>      |
| <b>NET POSITION</b>                         |                                    |                     |
| Net investment in capital assets            | 3,279,838                          | 76,924              |
| Unrestricted (deficit)                      | 18,968                             | (577,936)           |
| Total net position                          | <u>\$ 3,298,806</u>                | <u>\$ (501,012)</u> |

| <u>Tennis Center</u> | <u>Saenger Theater</u> | <u>Neighborhood Renewal Program</u> | <u>Totals</u>       |
|----------------------|------------------------|-------------------------------------|---------------------|
| \$ 600               | \$ 431,095             | \$ 731,923                          | \$ 1,164,718        |
| -                    | 12,606                 | -                                   | 433,282             |
| -                    | 541                    | -                                   | 541                 |
| -                    | 10,951                 | 17,882                              | 115,536             |
| <u>600</u>           | <u>455,193</u>         | <u>749,805</u>                      | <u>1,714,077</u>    |
| -                    | -                      | -                                   | 1,457,640           |
| <u>66,827</u>        | <u>3,038,224</u>       | <u>-</u>                            | <u>5,004,173</u>    |
| <u>66,827</u>        | <u>3,038,224</u>       | <u>-</u>                            | <u>6,461,813</u>    |
| <u>67,427</u>        | <u>3,493,417</u>       | <u>749,805</u>                      | <u>8,175,890</u>    |
| 37,914               | 184,793                | 840                                 | 1,290,994           |
| -                    | 192,030                | -                                   | 192,030             |
| <u>37,914</u>        | <u>376,823</u>         | <u>840</u>                          | <u>1,483,024</u>    |
| 66,828               | 3,038,223              | -                                   | 6,461,813           |
| <u>(37,315)</u>      | <u>78,371</u>          | <u>748,965</u>                      | <u>231,053</u>      |
| <u>\$ 29,513</u>     | <u>\$ 3,116,594</u>    | <u>\$ 748,965</u>                   | <u>\$ 6,692,866</u> |

**CITY OF MOBILE, ALABAMA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | <u>Azalea City<br/>Golf Course</u> | <u>Firemedics</u>   |
|---|------------------------------------|---------------------|
| <b>Operating revenues</b>                 |                                    |                     |
| Facility rent                             | \$ -                               | \$ -                |
| Sales revenue                             | 160,119                            | -                   |
| User charges                              | 1,182,998                          | 2,181,538           |
| Concessions                               | -                                  | -                   |
| Miscellaneous revenue                     | 1,848                              | -                   |
| Cost reimbursement                        | -                                  | 7,706               |
|   | <u>1,344,965</u>                   | <u>2,189,244</u>    |
| Total operating revenues                  |                                    |                     |
| <b>Operating expenses</b>                 |                                    |                     |
| Utilities                                 | 84,337                             | 42,011              |
| Cost of goods sold                        | 104,794                            | -                   |
| Personnel services                        | 812,355                            | 6,383,796           |
| Professional and technical                | 3,840                              | 128,139             |
| Maintenance and repairs                   | 8,944                              | 22,678              |
| Commodities                               | 234,575                            | 737,609             |
| Insurance payments                        | 68,948                             | -                   |
| Printing and reproduction                 | 336                                | 7,715               |
| Other charges                             | 66,556                             | 149,446             |
| Depreciation                              | 145,285                            | 5,680               |
|   | <u>1,529,970</u>                   | <u>7,477,074</u>    |
| Total operating expense                   |                                    |                     |
| Operating income (loss)                   | <u>(185,005)</u>                   | <u>(5,287,830)</u>  |
| <b>Nonoperating revenues (expenses)</b>   |                                    |                     |
| State and federal assistance              | 2,875                              | -                   |
| Gain (loss) on disposal of capital assets | (3,573)                            | -                   |
|   | <u>(698)</u>                       | <u>-</u>            |
| Total nonoperating revenues (expenses)    |                                    |                     |
| Net income (loss) before transfers        | (185,703)                          | (5,287,830)         |
| Transfers in                              | 89,665                             | 4,285,077           |
| Change in net position                    | (96,038)                           | (1,002,753)         |
| Net position - beginning of year          | <u>3,394,844</u>                   | <u>501,741</u>      |
| Net position - end of year                | <u>\$ 3,298,806</u>                | <u>\$ (501,012)</u> |

| <u>Tennis Center</u> | <u>Saenger Theater</u> | <u>Neighborhood Renewal Program</u> | <u>Totals</u>       |
|----------------------|------------------------|-------------------------------------|---------------------|
| \$ -                 | \$ 170,934             | \$ -                                | \$ 170,934          |
| 3,250                | -                      | 53,884                              | 217,253             |
| 244,908              | 238,224                | -                                   | 3,847,668           |
| 13,281               | 60,083                 | -                                   | 73,364              |
| 11                   | 73,483                 | -                                   | 75,342              |
| -                    | -                      | -                                   | 7,706               |
| <u>261,450</u>       | <u>542,724</u>         | <u>53,884</u>                       | <u>4,392,267</u>    |
| 68,558               | 158,393                | -                                   | 353,299             |
| -                    | -                      | 14,735                              | 119,529             |
| 432,035              | 306,253                | -                                   | 7,934,439           |
| 153,998              | 111,749                | 398                                 | 398,124             |
| 225                  | 7,420                  | -                                   | 39,267              |
| 38,276               | 31,962                 | 1,518                               | 1,043,940           |
| -                    | -                      | -                                   | 68,948              |
| 774                  | 372                    | -                                   | 9,197               |
| 9,696                | 85,058                 | 2,336                               | 313,092             |
| 3,887                | 188,529                | -                                   | 343,381             |
| <u>707,449</u>       | <u>889,736</u>         | <u>18,987</u>                       | <u>10,623,216</u>   |
| <u>(445,999)</u>     | <u>(347,012)</u>       | <u>34,897</u>                       | <u>(6,230,949)</u>  |
| -                    | -                      | -                                   | 2,875               |
| -                    | -                      | -                                   | (3,573)             |
| -                    | -                      | -                                   | (698)               |
| (445,999)            | (347,012)              | 34,897                              | (6,231,647)         |
| <u>429,328</u>       | <u>200,000</u>         | <u>-</u>                            | <u>5,004,070</u>    |
| (16,671)             | (147,012)              | 34,897                              | (1,227,577)         |
| <u>46,184</u>        | <u>3,263,606</u>       | <u>714,068</u>                      | <u>7,920,443</u>    |
| <u>\$ 29,513</u>     | <u>\$ 3,116,594</u>    | <u>\$ 748,965</u>                   | <u>\$ 6,692,866</u> |

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | <u>Azalea City<br/>Golf Course</u> | <u>Firemedics</u>  |
|---|------------------------------------|--------------------|
| <b>Cash flows from operating activities</b>                     |                                    |                    |
| Cash received from:   |                                    |                    |
| User charges  | \$ 1,182,996                       | \$ 2,851,559       |
| Sales revenue   | 160,119                            | -                  |
| Facility rent   | -                                  | -                  |
| Concessions   | -                                  | -                  |
| Miscellaneous   | 1,848                              | 7,706              |
| Cash payments for operating expenses                            | (628,754)                          | (779,604)          |
| Cash payment for internal services                              | (62,741)                           | (500,483)          |
| Cash payments to employees for services                         | <u>(749,075)</u>                   | <u>(5,924,166)</u> |
| Net cash provided (used) by operating activities                | <u>(95,607)</u>                    | <u>(4,344,988)</u> |
| <b>Cash flows from non-capital financing activities</b>         |                                    |                    |
| Transfers in from other funds                                   | 89,665                             | 4,285,077          |
| Proceeds from federal grants                                    | <u>2,875</u>                       | <u>-</u>           |
| Net cash provided by non-capital financing activities           | <u>92,540</u>                      | <u>4,285,077</u>   |
| <b>Cash flows from capital and related financing activities</b> |                                    |                    |
| Proceeds from sale of capital assets                            | <u>3,067</u>                       | <u>-</u>           |
| Net cash used by capital and related financing activities       | <u>3,067</u>                       | <u>-</u>           |
| <b>Cash flows from investing activities</b>                     |                                    |                    |
| Net increase (decrease) in pooled cash and investments          | -                                  | (59,911)           |
| Pooled cash and investments - beginning of the year             | <u>1,100</u>                       | <u>59,911</u>      |
| Pooled cash and investments - end of the year                   | <u>\$ 1,100</u>                    | <u>\$ -</u>        |



| <u>Tennis Center</u> | <u>Saenger Theater</u> | <u>Neighborhood Renewal Program</u> | <u>Total</u>        |
|----------------------|------------------------|-------------------------------------|---------------------|
| \$ 244,908           | \$ 238,224             | \$ 52,884                           | \$ 4,570,571        |
| -                    | -                      | -                                   | 160,119             |
| 3,250                | 158,328                | -                                   | 161,578             |
| 13,281               | 60,083                 | -                                   | 73,364              |
| 3,158                | 265,513                | -                                   | 278,225             |
| (259,924)            | (264,460)              | (32,306)                            | (1,965,048)         |
| (29,533)             | (3,558)                | -                                   | (596,315)           |
| <u>(404,468)</u>     | <u>(306,333)</u>       | <u>-</u>                            | <u>(7,384,042)</u>  |
| <u>(429,328)</u>     | <u>147,797</u>         | <u>20,578</u>                       | <u>(4,701,548)</u>  |
| 429,328              | 200,000                | -                                   | 5,004,070           |
| -                    | -                      | -                                   | 2,875               |
| <u>429,328</u>       | <u>200,000</u>         | <u>-</u>                            | <u>5,006,945</u>    |
| -                    | -                      | -                                   | 3,067               |
| -                    | -                      | -                                   | 3,067               |
| -                    | 347,797                | 20,578                              | 308,464             |
| <u>600</u>           | <u>83,298</u>          | <u>711,345</u>                      | <u>856,254</u>      |
| <u>\$ 600</u>        | <u>\$ 431,095</u>      | <u>\$ 731,923</u>                   | <u>\$ 1,164,718</u> |

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS (CONT'D)  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|   | <u>Azalea City<br/>Golf Course</u> | <u>Firemedics</u>     |
|---|------------------------------------|-----------------------|
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>       |                                    |                       |
| Operating income (loss)   | <u>\$ (185,005)</u>                | <u>\$ (5,287,830)</u> |
| <b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b> |                                    |                       |
| Depreciation  | 145,285                            | 5,680                 |
| Change in assets and liabilities:   |                                    |                       |
| Decrease (increase) in  |                                    |                       |
| Accounts receivable   | -                                  | 670,021               |
| Prepaid expenses  | -                                  | -                     |
| Materials and supplies  | (17,477)                           | -                     |
| Increase (decrease) in  |                                    |                       |
| Accounts payable  | (42,669)                           | 161,635               |
| Payroll payable   | 4,259                              | 105,506               |
| Advance collection  | -                                  | -                     |
| Total adjustments   | <u>89,398</u>                      | <u>942,842</u>        |
| Net cash provided (used) by operating activities  | <u>\$ (95,607)</u>                 | <u>\$ (4,344,988)</u> |

| <u>Tennis Center</u> | <u>Saenger Theater</u> | <u>Neighborhood<br/>Renewal<br/>Program</u> | <u>Total</u>          |
|----------------------|------------------------|---|-----------------------|
| <u>\$ (445,999)</u>  | <u>\$ (347,012)</u>    | <u>\$ 34,897</u>                            | <u>\$ (6,230,949)</u> |
| 3,887                | 188,529                | -   | 343,381               |
| -                    | (12,606)               | -   | 657,415               |
| -                    | (541)                  | -   | (541)                 |
| -                    | (10,951)               | -   | (28,428)              |
| 10,669               | 139,905                | (13,319)                                    | 256,221               |
| 2,115                | (1,557)                | -   | 110,323               |
| -                    | 192,030                | (1,000)                                     | 191,030               |
| <u>16,671</u>        | <u>494,809</u>         | <u>(14,319)</u>                             | <u>1,529,401</u>      |
| <u>\$ (429,328)</u>  | <u>\$ 147,797</u>      | <u>\$ 20,578</u>                            | <u>\$ (4,701,548)</u> |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**ENTERPRISE FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014**

| <u>Program/Project Name</u>             | <u>Project<br/>Cost Prior<br/>Years</u> | <u>Current<br/>Activity</u> | <u>Total Project<br/>Cost to<br/>September 30,<br/>2014</u> |
|---|---|-----------------------------|---|
| WAVE Transit                            |   |                             |   |
| Facility improvement - N. Mobile County | \$ 535,726                              | \$ -                        | \$ 535,726  |
| Mobile Convention Center                |   |                             |   |
| Waterfront Development-GulfQuest        | 1,600,000                               | -                           | 1,600,000   |
| Restroom renovation                     | 27,390                                  | 262,311                     | 289,701   |
| Equipment & misc                        | -                                       | 109,788                     | 109,788   |
| World leisure                           | -                                       | 150,000                     | 150,000   |
| Marketing                               | -                                       | 9,504                       | 9,504   |
| Robert Trent Jones Golf                 | -                                       | 315,000                     | 315,000   |
| Bayfest Inc                             | -                                       | 243,000                     | 243,000   |
| Battleship Park                         | -                                       | 45,000                      | 45,000  |
| Events Mobile                           | -                                       | 100,000                     | 100,000   |
| Senior Bowl                             | -                                       | 135,000                     | 135,000   |
| Total                                   | <u>\$ 2,163,116</u>                     | <u>\$ 1,369,603</u>         | <u>\$ 3,532,719</u>   |

| Disposition |                     |                     |                  |
|-------------|---------------------|---------------------|------------------|
| In Progress |                     | Completed           |                  |
| Expensed    | Capitalized         | Expensed            | Capitalized      |
| \$ -        | \$ -                | \$ 535,726          | \$ -             |
| -           | 1,600,000           | -                   | -                |
| -           | 289,701             | -                   | -                |
| -           | -                   | 85,998              | 23,790           |
| -           | -                   | 150,000             | -                |
| -           | -                   | 9,504               | -                |
| -           | -                   | 315,000             | -                |
| -           | -                   | 243,000             | -                |
| -           | -                   | 45,000              | -                |
| -           | -                   | 100,000             | -                |
| -           | -                   | 135,000             | -                |
| <u>\$ -</u> | <u>\$ 1,889,701</u> | <u>\$ 1,619,228</u> | <u>\$ 23,790</u> |

## SUPPLEMENTARY INFORMATION

### Other Supplementary Information

General Fund  
Capital Assets  
Long-Term Debt

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND**  
**SEPTEMBER 30, 2014**

|  | Original<br>Budget | Actual             | Variance<br>Positive/<br>(Negative) |
|--|--------------------|--------------------|-------------------------------------|
| Taxes                                      |                    |                    |                                     |
| Property                                   |                    |                    |                                     |
| Real estate                                | \$ 12,282,915      | \$ 12,059,504      | \$ (223,411)                        |
| Motor vehicle                              | 1,800,000          | 1,679,652          | (120,348)                           |
| Sales and use                              |                    |                    |                                     |
| Sales tax - City                           | 109,587,632        | 118,951,589        | 9,363,957                           |
| Sales tax - Police Jurisdiction            | 7,168,147          | 7,495,674          | 327,527                             |
| Lease/rental - City                        | 4,107,338          | 4,893,789          | 786,451                             |
| Lease/rental - Police Jurisdiction         | 176,954            | 387,389            | 210,435                             |
| Room tax - City                            | 3,346,681          | 3,582,439          | 235,758                             |
| Room tax - Police Jurisdiction             | 8,000              | 10,308             | 2,308                               |
| Motor vehicle rental - City                | 1,006,892          | 1,098,293          | 91,401                              |
| Motor vehicle rental - Police Jurisdiction | 70,000             | 43,190             | (26,810)                            |
| Selective sales and use                    |                    |                    |                                     |
| Motor fuel                                 |                    |                    |                                     |
| Regular - City                             | 2,100,000          | 2,076,049          | (23,951)                            |
| Regular - Police Jurisdiction              | 673,264            | 706,796            | 33,532                              |
| County equalization                        | 431,190            | 423,803            | (7,387)                             |
| Alcoholic beverages                        |                    |                    |                                     |
| Liquor - City                              | 450,000            | 479,495            | 29,495                              |
| Liquor - Police Jurisdiction               | 20,000             | 23,819             | 3,819                               |
| Liquor - ABC Board                         | 205,000            | 209,431            | 4,431                               |
| Table Wine                                 | 170,000            | 174,440            | 4,440                               |
| Beer                                       | 1,200,000          | 1,138,670          | (61,330)                            |
| Other                                      |                    |                    |                                     |
| Cigarette stamp tax                        | 2,150,000          | 1,815,029          | (334,971)                           |
| Other tobacco tax - City                   | 335,263            | 398,994            | 63,731                              |
| Other tobacco tax - Police Jurisdiction    | 36,000             | 43,350             | 7,350                               |
| Business privilege tax                     | -                  | 278,688            | 278,688                             |
| Other tax revenue                          | 190,000            | 487,518            | 297,518                             |
| Total taxes                                | <u>147,515,276</u> | <u>158,457,909</u> | <u>10,942,633</u>                   |
| Licenses and permits                       |                    |                    |                                     |
| Business licenses - City                   | 31,238,864         | 33,001,869         | 1,763,005                           |
| Business licenses - Police Jurisdiction    | 2,025,862          | 2,057,381          | 31,519                              |
| Motor vehicle licenses                     | 667,597            | 749,052            | 81,455                              |
| Dog licenses                               | 28,000             | 22,480             | (5,520)                             |
| Other permit fees                          | -                  | 550,000            | 550,000                             |
| Total licenses and permits                 | <u>33,960,323</u>  | <u>36,380,782</u>  | <u>2,420,459</u>                    |
| Intergovernmental                          |                    |                    |                                     |
| Alcoholic Beverage Control Board           | 75,000             | 47,623             | (27,377)                            |
| Mobile County Racing Commission            | 35,000             | 18,022             | (16,978)                            |
| Total intergovernmental                    | <u>110,000</u>     | <u>65,645</u>      | <u>(44,355)</u>                     |



**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND (CONT'D)**  
**SEPTEMBER 30, 2014**

|                                     | Original<br>Budget    | Actual                | Variance<br>Positive/<br>(Negative) |
|-------------------------------------|-----------------------|-----------------------|-------------------------------------|
| Charges for services                |                       |                       |                                     |
| Health                              |                       |                       |                                     |
| Lot cleaning                        | \$ 35,000             | \$ 16,377             | \$ (18,623)                         |
| Building demolition fee             | 50,000                | 16,048                | (33,952)                            |
| Animal shelter                      | 12,000                | 23,674                | 11,674                              |
| Public safety                       |                       |                       |                                     |
| Inspection                          | 1,189,951             | 1,332,150             | 142,199                             |
| Fire plan review fee                | 30,000                | 32,473                | 2,473                               |
| Police and fire                     | 574,399               | 613,554               | 39,155                              |
| Engineering                         | 293,681               | 430,550               | 136,869                             |
| Parking management fees             | 250,000               | 267,479               | 17,479                              |
| County sales tax collection fee     | 2,275,000             | 2,017,603             | (257,397)                           |
| Property rental                     | 36,000                | 18,163                | (17,837)                            |
| Franchise fees - miscellaneous      | 2,600,000             | 3,047,333             | 447,333                             |
| Recreational fees                   | 425,000               | 418,896               | (6,104)                             |
| Landfill                            | 120,000               | 23,336                | (96,664)                            |
| Total charges for services          | <u>7,891,031</u>      | <u>8,257,636</u>      | <u>366,605</u>                      |
| Fines and forfeitures               |                       |                       |                                     |
| Municipal offense fines             | 70,000                | 42,175                | (27,825)                            |
| Police fines                        | 1,400,000             | 1,132,808             | (267,192)                           |
| Driver's education                  | 364,540               | 405,243               | 40,703                              |
| Bond forfeitures                    | 40,000                | 82,052                | 42,052                              |
| Court costs                         | 375,000               | 350,461               | (24,539)                            |
| DA Restitution Unit collection fees | 130,000               | 116,295               | (13,705)                            |
| Corrections fund                    | 1,100,000             | 965,588               | (134,412)                           |
| Alarm ordinance fines and permits   | 20,000                | 12,050                | (7,950)                             |
| Total fines and forfeitures         | <u>3,499,540</u>      | <u>3,106,672</u>      | <u>(392,868)</u>                    |
| State and federal assistance        | <u>-</u>              | <u>175,710</u>        | <u>175,710</u>                      |
| Interest                            |                       |                       |                                     |
| Investment of idle funds            | 62,353                | 55,640                | (6,713)                             |
| Interest on receivables             | 168,507               | 17                    | (168,490)                           |
| Dividend income                     | -                     | 1,622                 | 1,622                               |
| Total interest                      | <u>230,860</u>        | <u>57,279</u>         | <u>(173,581)</u>                    |
| Miscellaneous                       |                       |                       |                                     |
| Athletic fund                       | -                     | 39,515                | 39,515                              |
| Miscellaneous                       | 50,000                | 1,344,992             | 1,294,992                           |
| Total miscellaneous (other)         | <u>50,000</u>         | <u>1,384,507</u>      | <u>1,334,507</u>                    |
| Total revenues                      | <u>\$ 193,257,030</u> | <u>\$ 207,886,140</u> | <u>\$ 14,629,110</u>                |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF OTHER FINANCING SOURCES (USES)**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|  | Original<br>Budget  | Actual              | Variance<br>Positive/<br>(Negative) |
|--|---------------------|---------------------|-------------------------------------|
| <b>Other financing sources</b>                 |                     |                     |                                     |
| Operating transfers in:                        |                     |                     |                                     |
| From 5-cent Gasoline Tax Special Revenue Fund  | \$ 865,000          | \$ 864,000          | \$ (1,000)                          |
| From 7-cent Gasoline Tax Special Revenue Fund  | (150,000)           | 142,893             | 292,893                             |
| From Fuel Inspection Fees Special Revenue Fund | 84,000              | 80,010              | (3,990)                             |
| From Strategic Plan Fund                       | 4,270,084           | 4,270,084           | -                                   |
| From Capital Projects Fund                     | 17,864,103          | 17,923,603          | 59,500                              |
| From WAVE Transit                              | -                   | 3,004,924           | 3,004,924                           |
| From Municipal Parking Garage                  | 1,000,000           | 1,000,000           | -                                   |
| From Grant Administration Funds                | -                   | 299,131             | 299,131                             |
| Total operating transfers in                   | <u>23,933,187</u>   | <u>27,584,645</u>   | <u>3,651,458</u>                    |
| Sales of general capital assets                | 2,400               | 7,124               | 4,724                               |
| Total other financing sources                  | <u>23,935,587</u>   | <u>27,591,769</u>   | <u>3,656,182</u>                    |
| <b>Other financing uses</b>                    |                     |                     |                                     |
| Operating transfers out:                       |                     |                     |                                     |
| To Capital Improvement Fund                    | -                   | 215,638             | (215,638)                           |
| To 7-Cent Roadway Maintenance Fund             | -                   | 391,020             | (391,020)                           |
| To Grant Administration Funds                  | 375,000             | 375,000             | -                                   |
| To Mobile Civic Center Enterprise Fund         | 983,605             | 1,209,312           | (225,707)                           |
| To Metro Transit Enterprise Fund               | 6,026,948           | 6,755,976           | (729,028)                           |
| To Cruise Terminal Enterprise Fund             | -                   | 413,323             | (413,323)                           |
| To Firemedics Enterprise Fund                  | 4,441,983           | 3,261,649           | 1,180,334                           |
| To Mobile Tennis Center Enterprise Fund        | 550,125             | 429,328             | 120,797                             |
| To Azalea City Golf Course Enterprise Fund     | -                   | 89,665              | (89,665)                            |
| To Employee Health Plan Internal Service Fund  | 4,950,000           | 7,580,825           | (2,630,825)                         |
| To Motor Pool Internal Service Fund            | 300,000             | 300,000             | -                                   |
| To Insurance Internal Service Fund             | 2,000,000           | 2,552,290           | (552,290)                           |
| Total operating transfers out                  | <u>19,627,661</u>   | <u>23,574,026</u>   | <u>(3,946,365)</u>                  |
| Total other financing sources (uses)           | <u>\$ 4,307,926</u> | <u>\$ 4,017,743</u> | <u>\$ 290,183</u>                   |

**CITY OF MOBILE, ALABAMA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**  
**SCHEDULE BY SOURCE**  
**SEPTEMBER 30, 2014**

|   | <u>Cost</u>           | <u>Accumulated<br/>Depreciation</u> | <u>Book<br/>Value</u> |
|---|-----------------------|-------------------------------------|-----------------------|
| Governmental activities capital assets      |                       |                                     |                       |
| Land  | \$ 27,258,633         | \$ -                                | \$ 27,258,633         |
| Buildings                                   | 71,446,433            | 30,164,448                          | 41,281,985            |
| Improvements other than buildings           | 112,951,519           | 48,781,627                          | 64,169,892            |
| Vehicular equipment                         | 65,985,226            | 44,161,051                          | 21,824,175            |
| Other equipment                             | 50,842,062            | 36,863,034                          | 13,979,028            |
| Infrastructure                              | 522,591,491           | 122,294,649                         | 400,296,842           |
| Infrastructure-in-progress                  | 10,365,987            | -                                   | 10,365,987            |
| Intangible assets                           | 4,116,379             | -                                   | 4,116,379             |
| Construction-in-progress                    | 58,431,064            | -                                   | 58,431,064            |
| Total governmental activities               | <u>\$ 923,988,794</u> | <u>\$ 282,264,809</u>               | <u>\$ 641,723,985</u> |
| Investment in governmental activities       |                       |                                     |                       |
| General obligation warrants                 | \$ 101,415,314        | \$ 34,976,757                       | \$ 66,438,557         |
| General grants and other                    | 101,918,589           | 18,140,441                          | 83,778,148            |
| Revenue sharing                             | 931,472               | 733,036                             | 198,436               |
| Capital improvements                        | 374,440,173           | 130,028,956                         | 244,411,217           |
| General fund                                | 7,892,867             | 4,778,937                           | 3,113,930             |
| Internal service funds                      | 35,902,507            | 28,441,769                          | 7,460,738             |
| Special revenue funds                       | 60,329,027            | 16,440,438                          | 43,888,589            |
| Intangible assets                           | 4,116,379             | -                                   | 4,116,379             |
| Gifts                                       | 237,042,466           | 48,724,475                          | 188,317,991           |
| Total investment in governmental activities | <u>\$ 923,988,794</u> | <u>\$ 282,264,809</u>               | <u>\$ 641,723,985</u> |

**CITY OF MOBILE, ALABAMA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**  
**SCHEDULE BY FUNCTION**  
**SEPTEMBER 30, 2014**

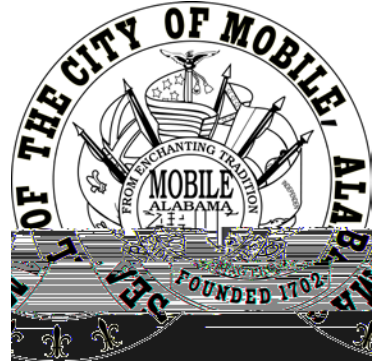
|  | <u>Land</u>          | <u>Improvements</u>   |
|--|----------------------|-----------------------|
| General government                                       | \$ 23,812,916        | \$ 64,495,864         |
| Economic development                                     | -                    | -                     |
| Public safety  | 419,850              | 7,539,501             |
| Public works   | 217,814              | 1,907,840             |
| Culture and recreation                                   | 1,133,957            | 37,058,422            |
| Finance  | -                    | 3,457                 |
| Nondepartmental  | <u>1,674,100</u>     | <u>1,946,436</u>      |
| Total governmental capital assets allocated to functions | <u>\$ 27,258,637</u> | <u>\$ 112,951,520</u> |
| Construction in progress                                 |                      |                       |
| Infrastructure in progress                               |                      |                       |
| Total governmental activities capital assets             |                      |                       |
| Less: accumulated depreciation                           |                      |                       |
| Net governmental activities capital assets               |                      |                       |

| <u>Buildings</u>     | <u>Equipment</u>      | <u>Infrastructure</u> | <u>Total</u>          |
|----------------------|-----------------------|-----------------------|-----------------------|
| \$ 23,634,773        | \$ 46,990,736         | \$ 525,541,620        | \$ 684,475,909        |
| -                    | 4,020                 | -                     | 4,020                 |
| 16,252,841           | 33,489,777            | -                     | 57,701,969            |
| 1,428,858            | 19,391,695            | -                     | 22,946,207            |
| 27,615,798           | 3,205,193             | -                     | 69,013,370            |
| -                    | 5,023,881             | -                     | 5,027,338             |
| <u>2,514,163</u>     | <u>8,721,987</u>      | <u>1,166,245</u>      | <u>16,022,931</u>     |
| <u>\$ 71,446,433</u> | <u>\$ 116,827,289</u> | <u>\$ 526,707,865</u> | 855,191,744           |
|                      |                       |                       | 58,431,064            |
|                      |                       |                       | <u>10,365,987</u>     |
|                      |                       |                       | 923,988,795           |
|                      |                       |                       | <u>282,264,809</u>    |
|                      |                       |                       | <u>\$ 641,723,986</u> |

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

|  | Interest Rate<br>Percent | Interest<br>Payment<br>Dates | Issue Dates | Final Maturity<br>Date |
|--|--------------------------|------------------------------|-------------|------------------------|
| 2002 Limited Obligation Tax Increment Warrants                       | 3.7-5.5%                 | 2/15-8/15                    | 5/15/02     | 2/15/23                |
| 2006 General Obligation Refunding and Improvement Warrants           | 4.38-5.0%                | 2/15-8/15                    | 7/1/06      | 2/15/30                |
| 2006 General Obligation Private Placement Warrants                   | 4.5%                     | 2/15-8/15                    | 10/2/06     | 8/15/16                |
| 2008 General Obligation Warrants                                     | 4.5-5.0%                 | 2/15-8/15                    | 1/22/08     | 2/15/30                |
| 2008B General Obligation Refunding and Improvement Warrants          | 4.0-4.66%                | 2/15-8/15                    | 7/24/08     | 2/15/20                |
| 2008C (AMT) General Obligation Improvement Warrants                  | 4.0-4.83%                | 2/15-8/15                    | 7/24/08     | 2/15/30                |
| 2009A General Obligation Refunding Warrants                          | 3.0-4.5%                 | 2/15-8/15                    | 12/9/09     | 2/15/28                |
| 2009B General Obligation Build America Warrants (Taxable)            | 6.085%                   | 2/15-8/15                    | 12/9/09     | 2/15/30                |
| 2009C General Obligation Recovery Zone Economic Development Warrants | 6.085%                   | 2/15-8/15                    | 12/9/09     | 2/15/30                |
| 2010 General Obligation Taxable Build America Warrants               | 4.23%                    | 2/15-8/15                    | 2/17/10     | 2/15/15                |
| 2011 General Obligation Private Placement Warrants                   | 2.84%                    | 2/15-8/15                    | 7/20/11     | 2/15/26                |
| 2012 General Obligation Private Placement Warrants                   | 1.53%                    | 2/15-8/15                    | 12/4/12     | 8/15/17                |
| Note Payable to Bank of New York Mellon (Fort Conde)                 | 2.77%                    |                              | 6/30/04     | 8/1/22                 |
| Note payable to Bank of New York Mellon (Harmon Park)                | 3.22%                    | 2/1-8/1                      | 4/28/99     | 8/1/17                 |
| Note payable to Bank of New York Mellon (E.D. Center)                | 3.56%                    | 2/1-8/1                      | 4/28/99     | 8/1/18                 |
| Note payable to Bank of New York Mellon (Library)                    | 2.70%                    |                              | 9/14/06     | 8/1/25                 |

| Serial Payments   | Original Amount of Issue | Balance September 30, 2013 | Year Ended September 30, 2014 Issued | Year Ended September 30, 2014 Retirements | Balance September 30, 2014 | Interest for Year Ended September 2014 |
|---|--------------------------|----------------------------|--------------------------------------|---|----------------------------|--|
| Semi-annual interest payments with annual principal payments ranging from \$390,000 to \$885,000      | \$ 10,655,000            | \$ 7,050,000               | \$ -                                 | \$ 545,000                                | \$ 6,505,000               | \$ 372,763                             |
| Semi-annual interest payments with annual principal payments ranging from \$1,000,000 to \$8,750,000  | 63,410,000               | 48,000,000                 | -                                    | 2,700,000                                 | 45,300,000                 | 2,294,475                              |
| Semi-annual interest payments with semi-annual principal payments ranging from \$225,000 to \$380,000 | 3,100,000                | 1,090,000                  | -                                    | 345,000                                   | 745,000                    | 45,225                                 |
| Semi-annual interest payments with annual principal payments ranging from \$1,905,000 to \$8,950,000  | 57,000,000               | 57,000,000                 | -                                    | -   | 57,000,000                 | 2,492,900                              |
| Semi-annual interest payments with annual principal payments ranging from \$3,160,000 to \$11,285,000 | 69,295,000               | 60,750,000                 | -                                    | 5,315,000                                 | 55,435,000                 | 2,681,263                              |
| Semi-annual interest payments with annual principal payments ranging from \$715,000 to \$845,000      | 22,095,000               | 20,635,000                 | -                                    | 775,000                                   | 19,860,000                 | 1,087,385                              |
| Semi-annual interest payments with annual principal payments ranging from \$60,000 to \$7,730,000     | 56,380,000               | 55,910,000                 | -                                    | -   | 55,910,000                 | 2,742,600                              |
| Semi-annual interest payments with annual principal payments ranging from \$3,320,000 to \$9,380,000  | 16,765,000               | 16,765,000                 | -                                    | -   | 16,765,000                 | 1,020,150                              |
| Semi-annual interest payments with a lump sum principal payment in the amount of \$6,430,000          | 6,430,000                | 6,430,000                  | -                                    | -   | 6,430,000                  | 391,266                                |
| Semi-annual interest payments with semi-annual principal payments ranging from \$210,338 to \$219,330 | 2,000,000                | 644,065                    | -                                    | 425,351                                   | 218,714                    | 22,588                                 |
| Semi-annual interest payments with annual principal payments ranging from \$640,000 to \$2,040,000    | 13,715,000               | 13,715,000                 | -                                    | -   | 13,715,000                 | 394,916                                |
| Semi-annual interest payments with semi-annual principal payments ranging from \$494,261 to \$525,499 | 5,100,000                | 4,092,020                  | -                                    | 999,323                                   | 3,092,697                  | 59,760                                 |
| Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$115,000       | 1,275,000                | 800,000                    | -                                    | 70,000                                    | 730,000                    | 45,333                                 |
| Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$135,000       | 1,410,000                | 490,000                    | -                                    | 110,000                                   | 380,000                    | 5,457                                  |
| Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$140,000       | 1,440,000                | 600,000                    | -                                    | 100,000                                   | 500,000                    | 7,634                                  |
| Semi-annual interest payments with annual principal payments ranging from \$105,000 to \$200,000      | 2,695,000                | 1,895,000                  | -                                    | 125,000                                   | 1,770,000                  | 103,585                                |
| 0   | <u>\$ 332,765,000</u>    | <u>\$ 295,866,085</u>      | <u>\$ -</u>                          | <u>\$ 11,509,674</u>                      | <u>\$ 284,356,411</u>      | <u>\$ 13,767,300</u>                   |



WILLIAM S. STIMPSON  
MAYOR

# Part III Statistical Section



# CITY OF MOBILE, ALABAMA

## STATISTICAL SECTION

This part of the City of Mobile's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

| Contents  | Page |
|---|------|
| Financial Trends  |      |
| <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>  | 137  |
| Revenue Capacity  |      |
| <i>These schedules contain information to help the reader assess the government's local resources.</i>  | 151  |
| Debt Capacity   |      |
| <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>                    | 161  |
| Demographic and Economic Information  |      |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>   | 168  |
| Operating Information   |      |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i> | 173  |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF MOBILE, ALABAMA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

|   | 2014                  | Restated<br>2013      | Restated<br>2012      | Restated<br>2011      |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | <u>2014</u>           | <u>2013</u>           | <u>2012</u>           | <u>2011</u>           |
| <b>Governmental activities</b>              |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 372,032,993        | \$ 366,741,756        | \$ 360,178,198        | \$ 350,323,247        |
| Restricted                                  | 95,217,446            | 93,283,087            | 97,600,533            | 95,803,612            |
| Unrestricted (deficit)                      | <u>(161,252,000)</u>  | <u>(157,937,778)</u>  | <u>(126,055,943)</u>  | <u>(90,121,806)</u>   |
| Total governmental activities net position  | <u>\$ 305,998,439</u> | <u>\$ 302,087,065</u> | <u>\$ 331,722,788</u> | <u>\$ 356,005,053</u> |
| <b>Business-type activities</b>             |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 97,964,060         | \$ 101,563,121        | \$ 101,478,517        | \$ 102,867,788        |
| Unrestricted (deficit)                      | <u>6,820,494</u>      | <u>10,284,211</u>     | <u>4,634,952</u>      | <u>6,145,132</u>      |
| Total business-type activities net position | <u>\$ 104,784,554</u> | <u>\$ 111,847,332</u> | <u>\$ 106,113,469</u> | <u>\$ 109,012,920</u> |
| <b>Primary government</b>                   |                       |                       |                       |                       |
| Net investment in capital assets            | \$ 469,997,053        | \$ 468,304,877        | \$ 461,656,715        | \$ 453,191,035        |
| Restricted                                  | 95,217,446            | 93,283,087            | 97,600,533            | 95,803,612            |
| Unrestricted (deficit)                      | <u>(154,431,506)</u>  | <u>(147,653,567)</u>  | <u>(121,420,991)</u>  | <u>(83,976,674)</u>   |
| Total primary government net position       | <u>\$ 410,782,993</u> | <u>\$ 413,934,397</u> | <u>\$ 437,836,257</u> | <u>\$ 465,017,973</u> |

| Restated              | Restated              | Restated              | Restated              | Restated              | Restated              |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2010                  | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  |
| \$ 352,295,866        | \$ 360,784,525        | \$ 165,220,265        | \$ 268,805,699        | \$ 209,514,867        | \$ 216,935,303        |
| 92,363,209            | 82,012,164            | 163,913,530           | 67,707,443            | 90,373,307            | 54,084,675            |
| <u>(81,290,372)</u>   | <u>(62,583,863)</u>   | <u>2,166,159</u>      | <u>10,736,409</u>     | <u>16,388,241</u>     | <u>5,596,978</u>      |
| <u>\$ 363,368,703</u> | <u>\$ 380,212,826</u> | <u>\$ 331,299,954</u> | <u>\$ 347,249,551</u> | <u>\$ 316,276,415</u> | <u>\$ 276,616,956</u> |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 105,870,417        | \$ 104,970,172        | \$ 108,695,419        | \$ 92,821,853         | \$ 93,845,147         | \$ 94,654,880         |
| 5,217,216             | (1,392,389)           | (1,354,221)           | (3,287,345)           | (1,610,125)           | (829,620)             |
| <u>\$ 111,087,633</u> | <u>\$ 103,577,783</u> | <u>\$ 107,341,198</u> | <u>\$ 89,534,508</u>  | <u>\$ 92,235,022</u>  | <u>\$ 93,825,260</u>  |
| <br>                  |                       |                       |                       |                       |                       |
| \$ 458,166,283        | \$ 465,754,697        | \$ 273,915,684        | \$ 361,627,552        | \$ 303,360,014        | \$ 311,590,183        |
| 92,363,209            | 82,012,164            | 163,913,530           | 67,707,443            | 90,373,307            | 54,084,675            |
| <u>(76,073,156)</u>   | <u>(63,976,252)</u>   | <u>811,938</u>        | <u>7,449,064</u>      | <u>14,778,116</u>     | <u>4,767,358</u>      |
| <u>\$ 474,456,336</u> | <u>\$ 483,790,609</u> | <u>\$ 438,641,152</u> | <u>\$ 436,784,059</u> | <u>\$ 408,511,437</u> | <u>\$ 370,442,216</u> |

**CITY OF MOBILE, ALABAMA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

|   | 2014                  | Restated<br>2013      | Restated<br>2012      | Restated<br>2011      |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenses</b>                             |                       |                       |                       |                       |
| <b>Governmental activities:</b>             |                       |                       |                       |                       |
| General government                          | \$ 78,626,293         | \$ 89,601,242         | \$ 74,952,084         | \$ 82,670,334         |
| Economic development                        | 1,175,960             | 1,271,271             | 975,841               | 1,299,046             |
| Public safety                               | 115,054,082           | 116,799,647           | 109,210,514           | 108,344,311           |
| Public works                                | 41,782,266            | 41,980,768            | 42,860,205            | 43,316,969            |
| Culture and recreation                      | 24,192,649            | 24,345,756            | 23,928,393            | 25,262,720            |
| Finance                                     | 5,886,971             | 5,313,958             | 5,325,800             | 5,509,037             |
| Nondepartmental                             | -                     | -                     | -                     | -                     |
| Interest on long-term debt                  | 14,123,164            | 14,531,680            | 14,880,418            | 15,119,170            |
| Total governmental activities net position  | <u>280,841,385</u>    | <u>293,844,322</u>    | <u>272,133,255</u>    | <u>281,521,587</u>    |
| <b>Business-type activities:</b>            |                       |                       |                       |                       |
| Alabama Cruise Terminal                     | 1,143,905             | 1,303,494             | 1,045,826             | 3,689,985             |
| Civic Center                                | 3,581,709             | 3,562,838             | 3,523,551             | 3,758,785             |
| Convention Center                           | 9,674,772             | 8,525,656             | 8,415,212             | 9,800,672             |
| Golf course                                 | 1,533,543             | 1,545,563             | 1,428,306             | 1,619,823             |
| Firemedics                                  | 7,477,075             | 6,795,760             | 6,385,225             | 6,113,101             |
| Parking garage                              | 285,324               | 228,298               | 280,776               | 251,674               |
| Tennis Center                               | 707,450               | 639,725               | 602,193               | 612,999               |
| Neighborhood renewal program                | 18,987                | 1,408                 | 25,141                | 16,710                |
| Saenger Theater                             | 889,736               | 259,127               | -                     | -                     |
| WAVE Transit                                | 12,134,216            | 11,551,094            | 12,369,217            | 11,579,865            |
| Total business-type activities net position | <u>37,446,717</u>     | <u>34,412,963</u>     | <u>34,075,447</u>     | <u>37,443,614</u>     |
| Total primary government expenses           | <u>\$ 318,288,102</u> | <u>\$ 328,257,285</u> | <u>\$ 306,208,702</u> | <u>\$ 318,965,201</u> |

| Restated              | Restated              | Restated              | Restated              | Restated              | Restated              |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2010                  | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  |
| \$ 84,138,439         | \$ 98,695,339         | \$ 49,310,958         | \$ 25,688,828         | \$ 25,254,679         | \$ 24,452,166         |
| 2,802,701             | 1,429,622             | 984,354               | 1,011,217             | 749,116               | 881,185               |
| 101,844,933           | 107,158,818           | 84,761,044            | 79,092,490            | 72,728,165            | 69,825,747            |
| 44,867,891            | 45,892,056            | 40,955,090            | 34,964,378            | 33,730,335            | 31,860,023            |
| 19,665,980            | 20,373,562            | 22,191,802            | 15,418,136            | 13,666,917            | 13,964,452            |
| 5,791,514             | 6,823,212             | 5,273,774             | 5,363,060             | 5,220,066             | 4,886,293             |
| -                     | -                     | -                     | 40,980,936            | 44,605,075            | 45,014,275            |
| 14,120,058            | 15,717,193            | 36,120,233            | 9,879,154             | 8,310,320             | 8,856,242             |
| <u>273,231,516</u>    | <u>296,089,802</u>    | <u>239,597,255</u>    | <u>212,398,199</u>    | <u>204,264,673</u>    | <u>199,740,383</u>    |
| 527,408               | 415,494               | -                     | -                     | -                     | -                     |
| 4,506,235             | 3,685,566             | 4,134,371             | 3,833,788             | 3,882,027             | 3,664,294             |
| 8,977,037             | 10,981,125            | 9,921,621             | 9,240,980             | 7,842,320             | 7,997,931             |
| 1,452,509             | 1,518,478             | 1,302,813             | 1,371,130             | 1,347,414             | 1,262,802             |
| 5,430,599             | 5,478,439             | 5,632,700             | 4,473,192             | 4,265,886             | 4,099,539             |
| 275,939               | 270,307               | 264,875               | 243,425               | 247,879               | 463,143               |
| 560,212               | 509,708               | 542,698               | 546,246               | 494,000               | 426,896               |
| 5,143                 | 7,875                 | 16,295                | 10,864                | 11,223                | 31,865                |
| -                     | -                     | -                     | -                     | -                     | -                     |
| 10,620,087            | 10,812,366            | 10,244,202            | 9,445,274             | 9,144,479             | 8,168,928             |
| <u>32,355,169</u>     | <u>33,679,358</u>     | <u>32,059,575</u>     | <u>29,164,899</u>     | <u>27,235,228</u>     | <u>26,115,398</u>     |
| <u>\$ 305,586,685</u> | <u>\$ 329,769,160</u> | <u>\$ 271,656,830</u> | <u>\$ 241,563,098</u> | <u>\$ 231,499,901</u> | <u>\$ 225,855,781</u> |

**CITY OF MOBILE, ALABAMA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

|   | Restated                | Restated               | Restated               |
|---|-------------------------|------------------------|------------------------|
|   | 2014                    | 2013                   | 2012                   |
|   | <u>2014</u>             | <u>2013</u>            | <u>2012</u>            |
|   | <u>2014</u>             | <u>2013</u>            | <u>2012</u>            |
| <b>Program Revenues</b>                         |                         |                        |                        |
| Governmental activities:                        |                         |                        |                        |
| Charges for services                            |                         |                        |                        |
| General government                              | \$ 51,222,299           | \$ 48,203,217          | \$ 48,142,712          |
| Public safety                                   | 5,841,687               | 6,282,468              | 5,652,106              |
| Public works                                    | 430,550                 | 654,746                | 296,647                |
| Culture and recreation                          | 437,059                 | 525,468                | 458,196                |
| Operating grants and contributions              | 6,937,239               | 9,032,116              | 5,984,128              |
| Capital grants and contributions                | 2,525,315               | 5,105,011              | 14,496,855             |
| Total governmental activities program revenues  | <u>67,394,149</u>       | <u>69,803,026</u>      | <u>75,030,644</u>      |
| Business-type activities:                       |                         |                        |                        |
| Charges for services                            |                         |                        |                        |
| Alabama Cruise Terminal                         | 206,892                 | 771,780                | 291,867                |
| Civic Center                                    | 2,031,222               | 1,960,052              | 1,938,375              |
| Convention Center                               | 2,204,743               | 1,969,680              | 1,902,004              |
| Golf course                                     | 1,344,965               | 1,339,025              | 1,348,748              |
| Firemedics                                      | 2,189,244               | 2,149,941              | 2,927,822              |
| Parking garage                                  | 400,957                 | 410,482                | 414,799                |
| Tennis Center                                   | 261,450                 | 214,030                | 211,361                |
| Affordable homes program                        | -                       | -                      | -                      |
| Neighborhood renewal program                    | 53,884                  | -                      | -                      |
| Saenger Theater                                 | 542,724                 | 200,270                | -                      |
| WAVE Transit                                    | 1,136,104               | 1,115,896              | 984,645                |
| Operating grants and contributions              | 3,412,216               | 2,910,578              | 2,429,300              |
| Capital grants and contributions                | 848,317                 | 1,275,691              | 4,142,259              |
| Total business-type activities program revenues | <u>14,632,718</u>       | <u>14,317,425</u>      | <u>16,591,180</u>      |
| Total primary government program revenues       | <u>\$ 82,026,867</u>    | <u>\$ 84,120,451</u>   | <u>\$ 91,621,824</u>   |
| <b>Net Expense</b>                              |                         |                        |                        |
| Governmental activities                         | \$ (213,447,236)        | \$(224,041,296)        | \$(197,102,611)        |
| Business-type activities                        | (22,813,999)            | (20,095,538)           | (17,484,267)           |
| Total primary government net expense            | <u>\$ (236,261,235)</u> | <u>\$(244,136,834)</u> | <u>\$(214,586,878)</u> |

| Restated               | Restated               | Restated               | Restated               | Restated               | Restated               |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 2010                   | 2009                   | 2008                   | 2007                   | 2006                   | 2005                   |
| \$ 49,218,621          | \$ 13,394,552          | \$ 9,056,023           | \$ 9,357,220           | \$ 9,738,673           | \$ 8,559,445           |
| 5,931,428              | 41,261,597             | 41,289,992             | 43,238,905             | 39,537,888             | 35,693,676             |
| 325,592                | 267,731                | 277,672                | 261,901                | 233,358                | 241,089                |
| 453,870                | 537,176                | 516,332                | 488,084                | 503,998                | 421,705                |
| 12,691,226             | 1,938,788              | 5,189,084              | 4,611,096              | 2,259,958              | 1,312,445              |
| 4,520,212              | 4,647,220              | 3,180,406              | 2,849,792              | 10,452,699             | 12,160,117             |
| <u>73,140,949</u>      | <u>62,047,064</u>      | <u>59,509,509</u>      | <u>60,806,998</u>      | <u>62,726,574</u>      | <u>58,388,477</u>      |
| 2,579,507              | 1,058,523              | 202,671                | -                      | -                      | -                      |
| 2,094,485              | 1,754,181              | 2,200,886              | 1,886,225              | 1,927,101              | 1,781,537              |
| 4,766,976              | 3,576,172              | 3,169,704              | 1,626,680              | 1,438,348              | 1,582,472              |
| 1,340,499              | 1,509,422              | 1,423,508              | 1,436,369              | 1,433,407              | 1,248,908              |
| 2,487,710              | 2,425,990              | 2,299,286              | 1,935,848              | 1,783,517              | 1,589,705              |
| 408,137                | 411,804                | 475,082                | 315,206                | 332,442                | 270,805                |
| 161,321                | 78,687                 | 76,195                 | 71,577                 | 72,256                 | 64,550                 |
| -                      | -                      | -                      | -                      | 2,515                  | 42,033                 |
| -                      | -                      | -                      | -                      | -                      | -                      |
| -                      | -                      | -                      | -                      | -                      | -                      |
| 1,086,131              | 1,027,542              | 1,099,053              | 1,001,989              | 960,770                | 826,705                |
| 7,789,433              | 3,330,363              | 3,667,452              | 189,500                | -                      | 190,775                |
| -                      | -                      | 82,935                 | 2,463,690              | 3,187,170              | 7,069,778              |
| <u>22,714,199</u>      | <u>15,172,684</u>      | <u>14,696,772</u>      | <u>10,927,084</u>      | <u>11,137,526</u>      | <u>14,667,268</u>      |
| <u>\$ 95,855,148</u>   | <u>\$ 77,219,748</u>   | <u>\$ 74,206,281</u>   | <u>\$ 71,734,082</u>   | <u>\$ 73,864,100</u>   | <u>\$ 73,055,745</u>   |
| \$(200,090,567)        | \$(234,042,738)        | \$(180,087,746)        | \$(151,591,201)        | \$(141,538,099)        | \$(141,351,906)        |
| (9,640,970)            | (18,506,674)           | (17,362,803)           | (18,237,815)           | (16,097,702)           | (11,448,130)           |
| <u>\$(209,731,537)</u> | <u>\$(252,549,412)</u> | <u>\$(197,450,549)</u> | <u>\$(169,829,016)</u> | <u>\$(157,635,801)</u> | <u>\$(152,800,036)</u> |

**CITY OF MOBILE, ALABAMA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

|   | Restated              | Restated               | Restated               |
|---|-----------------------|------------------------|------------------------|
|   | 2014                  | 2013                   | 2012                   |
|   | <u>2014</u>           | <u>2013</u>            | <u>2012</u>            |
|   | <u>2011</u>           |                        |                        |
| <b>General Revenues and Other Changes in Net Position</b>     |                       |                        |                        |
| Governmental activities:                                      |                       |                        |                        |
| Taxes:  |                       |                        |                        |
| Real and personal property tax                                | \$ 17,130,837         | \$ 16,364,039          | \$ 16,262,921          |
| Sales tax   | 171,549,434           | 163,725,091            | 133,215,345            |
| Gasoline tax  | 9,474,098             | 9,499,092              | 9,680,455              |
| Room tax  | 5,389,031             | 5,182,775              | 5,003,180              |
| Beer and liquor tax   | 2,025,855             | 2,078,693              | 2,031,634              |
| Rental and leasing tax  | 8,497,843             | 8,015,194              | 6,309,404              |
| Cigarette stamp tax   | 1,815,029             | 1,993,093              | 2,200,090              |
| Other tobacco tax   | 442,344               | 432,831                | 411,392                |
| Financial excise tax  | 399,417               | 363,317                | 147,964                |
| Other tax revenue   | 366,789               | 87,364                 | 71,835                 |
| Grants and contributions not restricted to a specific program | 348,437               | -                      | -                      |
| Investment earnings   | 72,025                | 94,013                 | 283,034                |
| Other   | 7,500,929             | 1,766,581              | 1,409,680              |
| Capital contributions   | -                     | -                      | -                      |
| Transfers   | (4,969,603)           | (15,212,065)           | (4,206,588)            |
| Total governmental activities                                 | <u>220,042,465</u>    | <u>194,390,018</u>     | <u>172,820,346</u>     |
| Business-type activities                                      |                       |                        |                        |
| Taxes:  |                       |                        |                        |
| Sales tax   | 8,985,838             | 8,894,386              | 8,715,107              |
| Room tax  | 1,790,951             | 1,722,185              | 1,662,898              |
| Investment earnings   | 4,829                 | 763                    | 223                    |
| Other   | -                     | -                      | -                      |
| Transfers   | 4,969,603             | 15,212,065             | 4,206,588              |
| Total business-type activities                                | <u>15,751,221</u>     | <u>25,829,399</u>      | <u>14,584,816</u>      |
| Total primary government                                      | <u>\$ 235,793,686</u> | <u>\$ 220,219,417</u>  | <u>\$ 187,405,162</u>  |
| <b>Changes in Net Position</b>                                |                       |                        |                        |
| Governmental activities                                       | \$ 6,595,229          | \$ (29,651,278)        | \$ (24,282,265)        |
| Business-type activities                                      | (7,062,778)           | 5,733,861              | (2,899,451)            |
| Total primary government net expense                          | <u>\$ (467,549)</u>   | <u>\$ (23,917,417)</u> | <u>\$ (27,181,716)</u> |
|   |                       |                        | <u>\$ (9,438,363)</u>  |



| Restated              | Restated              | Restated              | Restated              | Restated              | Restated              |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2010                  | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  |
| \$ 16,077,830         | \$ 15,969,310         | \$ 14,938,843         | \$ 13,200,779         | \$ 12,834,026         | \$ 12,514,663         |
| 141,825,022           | 132,218,742           | 140,470,973           | 135,345,733           | 142,430,882           | 125,670,947           |
| 10,213,140            | 7,735,285             | 7,775,814             | 10,020,374            | 10,054,815            | 10,240,950            |
| 6,040,106             | 4,795,120             | 5,239,745             | 4,689,885             | 4,883,060             | 4,038,979             |
| 2,196,467             | 2,137,149             | 2,027,597             | 1,933,147             | 2,000,960             | 1,851,427             |
| 5,699,115             | 4,104,708             | 4,430,951             | 6,638,181             | 6,573,934             | 5,817,366             |
| 2,370,001             | 2,253,663             | 2,188,771             | 2,229,154             | 2,250,584             | 2,306,408             |
| 462,814               | 455,907               | 434,014               | 444,534               | 461,272               | 387,780               |
| 79,224                | 1,320,726             | 4,264,065             | 1,286,414             | 1,681,486             | 676,323               |
| 105,055               | 4,554,032             | -                     | 149,249               | 185,176               | 156,916               |
| -                     | -                     | -                     | -                     | -                     | -                     |
| 301,434               | 1,009,662             | 3,150,149             | 4,658,748             | 2,914,890             | 1,224,720             |
| 2,239,320             | 6,298,450             | 5,550,454             | 5,086,335             | 1,688,182             | 4,941,870             |
| 2,417,423             | 105,130,798           | -                     | 4,693,831             | -                     | -                     |
| <u>(6,780,507)</u>    | <u>(5,027,942)</u>    | <u>(26,333,227)</u>   | <u>(7,812,027)</u>    | <u>(6,761,709)</u>    | <u>(172,177)</u>      |
| <u>183,246,444</u>    | <u>282,955,610</u>    | <u>164,138,149</u>    | <u>182,564,337</u>    | <u>181,197,558</u>    | <u>169,656,172</u>    |
| 8,378,986             | 7,974,021             | 7,354,647             | 6,285,253             | 6,255,350             | 5,574,203             |
| 1,997,710             | 1,568,826             | 1,586,408             | 1,405,841             | 1,438,130             | 1,284,105             |
| 3,321                 | 16,563                | 59,405                | 34,180                | 40,239                | 29,506                |
| (9,704)               | 155,907               | (164,194)             | -                     | 12,036                | 70,178                |
| <u>6,780,507</u>      | <u>5,027,942</u>      | <u>26,333,227</u>     | <u>7,812,027</u>      | <u>6,761,709</u>      | <u>172,177</u>        |
| <u>17,150,820</u>     | <u>14,743,259</u>     | <u>35,169,493</u>     | <u>15,537,301</u>     | <u>14,507,464</u>     | <u>7,130,169</u>      |
| <u>\$ 200,397,264</u> | <u>\$ 297,698,869</u> | <u>\$ 199,307,642</u> | <u>\$ 198,101,638</u> | <u>\$ 195,705,022</u> | <u>\$ 176,786,341</u> |
| \$ (16,844,123)       | \$ 48,912,872         | \$ (15,949,597)       | \$ 30,973,136         | \$ 39,659,459         | \$ 28,304,266         |
| <u>7,509,850</u>      | <u>(3,763,415)</u>    | <u>17,806,690</u>     | <u>(2,700,514)</u>    | <u>(1,590,238)</u>    | <u>(4,317,961)</u>    |
| <u>\$ (9,334,273)</u> | <u>\$ 45,149,457</u>  | <u>\$ 1,857,093</u>   | <u>\$ 28,272,622</u>  | <u>\$ 38,069,221</u>  | <u>\$ 23,986,305</u>  |

**CITY OF MOBILE, ALABAMA**  
**GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**

| <u>Fiscal Year</u> | <u>Property Taxes</u> | <u>Sales Tax</u> | <u>Motor Fuels Tax</u> | <u>Room Tax</u> | <u>Alcoholic Beverage Tax</u> |
|--------------------|-----------------------|------------------|------------------------|-----------------|-------------------------------|
| 2014               | \$ 17,130,837         | \$ 171,549,434   | \$ 9,474,098           | \$ 5,389,031    | \$ 2,025,855                  |
| 2013               | 16,364,039            | 163,725,091      | 9,499,092              | 5,182,775       | 2,078,693                     |
| 2012               | 16,262,921            | 133,215,345      | 9,680,455              | 5,003,180       | 2,031,634                     |
| 2011               | 16,093,899            | 163,405,226      | 10,115,711             | 5,092,514       | 2,005,816                     |
| 2010               | 16,077,830            | 141,825,022      | 10,213,140             | 6,040,106       | 2,196,467                     |
| 2009               | 15,969,310            | 132,218,742      | 7,735,285              | 4,795,120       | 2,137,149                     |
| 2008               | 14,938,843            | 140,470,973      | 7,775,814              | 5,239,745       | 2,027,597                     |
| 2007               | 13,200,779            | 135,345,733      | 10,020,374             | 4,689,885       | 1,933,147                     |
| 2006               | 12,834,026            | 142,430,882      | 10,054,815             | 4,883,060       | 2,000,960                     |
| 2005               | 12,514,663            | 125,670,947      | 10,240,950             | 4,038,979       | 1,851,427                     |

Note: Effective October 1, 2003, the City changed from a gross receipts tax to a sales tax.

|    | Rental and<br>Leasing Tax | Tobacco Tax  | Financial Excise<br>Tax | Other Taxes* | Total          |
|----|---------------------------|--------------|-------------------------|--------------|----------------|
| \$ | 8,497,843                 | \$ 2,257,373 | \$ 399,417              | \$ 366,789   | \$ 217,090,677 |
|    | 8,015,194                 | 2,425,924    | 363,317                 | 87,364       | 207,741,489    |
|    | 6,309,404                 | 2,611,482    | 147,964                 | 71,835       | 175,334,220    |
|    | 6,080,474                 | 2,693,985    | 77,098                  | 114,016      | 205,678,739    |
|    | 5,699,115                 | 2,832,815    | 79,224                  | 105,055      | 185,068,774    |
|    | 4,104,708                 | 2,709,570    | 1,320,726               | 4,554,032    | 175,544,642    |
|    | 4,430,951                 | 2,622,785    | -                       | 4,264,065    | 181,770,773    |
|    | 6,638,181                 | 2,673,688    | 1,286,414               | 153,726      | 175,941,927    |
|    | 6,573,934                 | 2,711,856    | 1,681,486               | 176,443      | 183,347,462    |
|    | 5,817,366                 | 2,694,188    | 676,323                 | 152,296      | 163,657,139    |

**CITY OF MOBILE, ALABAMA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|                                    | <u>2014</u>          | <u>2013</u>          | <u>2012</u>          | <u>2011</u>          |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| General fund                       |                      |                      |                      |                      |
| Reserved                           | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved                         | -                    | -                    | -                    | -                    |
| Nonspendable                       | 2,311,354            | 2,251,159            | 3,264,694            | 3,379,640            |
| Restricted                         | -                    | 2,468,988            | 2,848,846            | 4,547,386            |
| Assigned                           | 1,992,313            | 2,834,071            | 2,355,302            | 2,804,615            |
| Unassigned                         | 14,926,335           | (4,296,200)          | 11,371,036           | 24,722,193           |
| Total general fund                 | <u>\$ 19,230,002</u> | <u>\$ 3,258,018</u>  | <u>\$ 19,839,878</u> | <u>\$ 35,453,834</u> |
| All other governmental funds       |                      |                      |                      |                      |
| Reserved                           | -                    | -                    | -                    | -                    |
| Restricted                         | 18,024,769           | 18,521,380           | 29,337,505           | 38,546,027           |
| Committed                          | 8,581,543            | 7,162,797            | 11,107,307           | 5,746,043            |
| Assigned                           | 44,539,666           | 44,268,800           | 28,770,798           | 30,467,472           |
| Unassigned                         | <u>(11,221)</u>      | <u>(6,593)</u>       | <u>-</u>             | <u>(6,599)</u>       |
| Total other governmental funds     | 71,134,757           | 69,946,384           | 69,215,610           | 74,752,943           |
| Unreserved, reported in:           |                      |                      |                      |                      |
| Capital projects funds             | -                    | -                    | -                    | -                    |
| Debt service funds                 | -                    | -                    | -                    | -                    |
| Total all other governmental funds | <u>\$ 71,134,757</u> | <u>\$ 69,946,384</u> | <u>\$ 69,215,610</u> | <u>\$ 74,752,943</u> |

Note: Accounting principles for reporting fund balances changed in 2011 with the implementation of GASB Statement 54. Prior years are not required to be reclassified. GASB 54 includes a prescribed hierarchy based on the extent to which the City is bound by constraints for the use of the funds reported as governmental funds. GASB 54 provides the classification as non-spendable, restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. Please refer to the notes to the financial statements for additional information on fund balance classifications of governmental funds.

|    | <u>2010</u>          | <u>2009</u>          | <u>2008</u>           | <u>2007</u>          | <u>2006</u>          | <u>2005</u>          |
|----|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|
| \$ | 5,435,439            | \$ 5,752,801         | \$ 5,832,499          | \$ 5,205,071         | \$ 4,689,693         | \$ 5,174,935         |
|    | 8,444,256            | (1,266,959)          | 11,035,656            | 12,993,274           | 18,402,448           | 11,796,629           |
|    | -                    | -                    | -                     | -                    | -                    | -                    |
|    | -                    | -                    | -                     | -                    | -                    | -                    |
|    | -                    | -                    | -                     | -                    | -                    | -                    |
|    | -                    | -                    | -                     | -                    | -                    | -                    |
|    | <u>\$ 13,879,695</u> | <u>\$ 4,485,842</u>  | <u>\$ 16,868,155</u>  | <u>\$ 18,198,345</u> | <u>\$ 23,092,141</u> | <u>\$ 16,971,564</u> |
|    | 14,696,034           | 10,882,881           | 10,510,041            | 11,622,558           | 5,793,041            | 5,520,833            |
|    | -                    | -                    | -                     | -                    | -                    | -                    |
|    | -                    | -                    | -                     | -                    | -                    | -                    |
|    | -                    | -                    | -                     | -                    | -                    | -                    |
|    | -                    | -                    | -                     | -                    | -                    | -                    |
|    | <u>14,696,034</u>    | <u>10,882,881</u>    | <u>10,510,041</u>     | <u>11,622,558</u>    | <u>5,793,041</u>     | <u>5,520,833</u>     |
|    | 64,892,359           | 59,856,507           | 92,514,133            | 56,428,126           | 72,006,529           | 42,678,174           |
|    | 3,494,130            | 3,367,695            | 3,338,317             | 2,688,293            | 2,400,188            | 1,433,489            |
|    | <u>\$ 83,082,523</u> | <u>\$ 74,107,083</u> | <u>\$ 106,362,491</u> | <u>\$ 70,738,977</u> | <u>\$ 80,199,758</u> | <u>\$ 49,632,496</u> |

**CITY OF MOBILE, ALABAMA**  
**CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

|  | 2014                 | 2013                   | 2012                   | 2011                 |
|--|----------------------|------------------------|------------------------|----------------------|
| <b>Revenues</b>  |                      |                        |                        |                      |
| Taxes  | \$ 217,090,677       | \$ 207,741,489         | \$ 175,115,820         | \$ 207,431,270       |
| Licenses and permits   | 39,525,926           | 36,532,107             | 36,427,112             | 35,853,964           |
| Intergovernmental  | 65,645               | 137,740                | 443,642                | 245,581              |
| Charges for services   | 8,466,724            | 8,723,683              | 8,260,051              | 8,559,708            |
| Fines and forfeitures  | 4,386,729            | 4,548,189              | 4,365,667              | 4,468,316            |
| State and federal assistance                                   | 9,149,146            | 13,594,457             | 20,151,236             | 12,530,527           |
| Assessments  | 3,944                | -                      | -                      | 526                  |
| Interest   | 72,025               | 94,013                 | 283,035                | 324,573              |
| Other  | 7,559,519            | 1,987,282              | 1,418,460              | 7,297,106            |
| <b>Total revenues</b>  | <u>286,320,335</u>   | <u>273,358,960</u>     | <u>246,465,023</u>     | <u>276,711,571</u>   |
| <b>Expenditures</b>  |                      |                        |                        |                      |
| General government   | 21,625,859           | 16,795,637             | 16,672,894             | 17,319,848           |
| Economic development   | 854,155              | 832,668                | 801,029                | 943,489              |
| Public safety  | 82,499,697           | 83,692,248             | 79,899,320             | 78,453,950           |
| Public works   | 34,013,827           | 32,913,792             | 34,990,667             | 36,523,540           |
| Culture and recreation   | 13,321,383           | 13,475,345             | 13,396,491             | 14,293,565           |
| Finance  | 5,028,125            | 4,542,960              | 4,672,001              | 4,703,808            |
| Nondepartmental  | 46,861,160           | 57,085,851             | 59,413,866             | 51,280,489           |
| Capital outlay   | 23,893,432           | 33,359,798             | 21,907,267             | 32,327,434           |
| <b>Debt service</b>  |                      |                        |                        |                      |
| Principal  | 12,132,976           | 11,952,149             | 8,749,175              | 7,301,694            |
| Interest and fees  | 13,533,770           | 13,934,349             | 14,268,697             | 14,692,483           |
| <b>Total expenditures</b>                                      | <u>253,764,384</u>   | <u>268,584,797</u>     | <u>254,771,407</u>     | <u>257,840,300</u>   |
| <b>Excess of revenue over (under) expenditures</b>             | <u>32,555,951</u>    | <u>4,774,163</u>       | <u>(8,306,384)</u>     | <u>18,871,271</u>    |
| <b>Other Financing Sources (Uses)</b>                          |                      |                        |                        |                      |
| Proceeds from borrowing  | -                    | 5,100,000              | -                      | 15,334,069           |
| Proceeds (payment) from refunding                              | -                    | -                      | -                      | -                    |
| Payment to refunding bond escrow agent                         | -                    | -                      | -                      | (10,657,242)         |
| Transfers in   | 54,390,241           | 39,264,957             | 30,456,574             | 28,985,202           |
| Transfers out  | (69,792,959)         | (61,044,043)           | (43,314,602)           | (39,249,373)         |
| Insurance recoveries   | -                    | -                      | -                      | 1,559                |
| Premiums (discounts) on bonds issued                           | -                    | -                      | -                      | -                    |
| Bond Issuance Cost   | -                    | (10,529)               | -                      | (57,750)             |
| Sale of general fixed assets                                   | 7,124                | 18,121                 | 13,123                 | 16,822               |
| <b>Total other financing sources (uses)</b>                    | <u>(15,395,594)</u>  | <u>(16,671,494)</u>    | <u>(12,844,905)</u>    | <u>(5,626,713)</u>   |
| <b>Net change in fund balance</b>                              | <u>\$ 17,160,357</u> | <u>\$ (11,897,331)</u> | <u>\$ (21,151,289)</u> | <u>\$ 13,244,558</u> |
| <b>Debt service as a percentage of noncapital expenditures</b> | 10.99 %              | 10.68 %                | 10.31 %                | 9.80 %               |

|    | 2010               | 2009                   | 2008                 | 2007                   | 2006                 | 2005                |
|----|--------------------|------------------------|----------------------|------------------------|----------------------|---------------------|
| \$ | 186,728,761        | \$ 174,810,707         | \$ 181,770,773       | \$ 174,536,999         | \$ 181,520,268       | \$ 162,867,988      |
|    | 35,887,762         | 37,000,838             | 36,321,711           | 34,637,574             | 31,928,461           | 29,365,388          |
|    | 199,992            | 1,548,996              | 539,578              | 1,730,873              | 2,242,992            | 1,076,162           |
|    | 8,184,608          | 8,167,239              | 9,850,027            | 9,764,293              | 9,722,612            | 8,691,951           |
|    | 4,724,902          | 4,691,317              | 4,968,281            | 4,547,176              | 3,573,552            | 3,177,332           |
|    | 17,168,956         | 6,502,302              | 8,306,569            | 7,460,888              | 12,712,656           | 13,472,562          |
|    | -                  | -                      | -                    | -                      | -                    | -                   |
|    | 301,811            | 1,056,562              | 3,150,147            | 4,786,183              | 2,914,890            | 1,224,720           |
|    | 2,244,211          | 5,608,303              | 4,575,337            | 4,652,330              | 1,481,766            | 4,287,774           |
|    | <u>255,441,003</u> | <u>239,386,264</u>     | <u>249,482,423</u>   | <u>242,116,316</u>     | <u>246,097,197</u>   | <u>224,163,877</u>  |
|    | 17,244,146         | 18,919,217             | 16,774,235           | 15,156,729             | 14,781,181           | 14,382,821          |
|    | 946,081            | 1,008,755              | 903,138              | 996,402                | 714,758              | 800,771             |
|    | 79,674,151         | 86,342,817             | 84,463,292           | 75,746,232             | 69,966,349           | 67,849,441          |
|    | 36,745,281         | 37,334,095             | 36,655,722           | 33,982,373             | 32,858,243           | 31,394,476          |
|    | 14,696,416         | 15,154,032             | 13,191,508           | 12,830,294             | 11,331,104           | 11,215,110          |
|    | 4,829,821          | 5,010,643              | 4,597,974            | 4,395,742              | 4,295,572            | 4,112,383           |
|    | 58,242,547         | 40,363,981             | 46,884,800           | 46,938,096             | 51,929,138           | 46,402,180          |
|    | 22,269,823         | 45,338,810             | 46,840,175           | 36,810,657             | 20,300,611           | 21,688,401          |
|    | 7,104,607          | 12,020,851             | 46,944,636           | 12,556,427             | 13,261,003           | 9,364,428           |
|    | 13,478,392         | 14,440,851             | 36,120,233           | 9,637,487              | 8,887,309            | 8,643,848           |
|    | <u>255,231,265</u> | <u>275,934,052</u>     | <u>333,375,713</u>   | <u>249,050,439</u>     | <u>228,325,268</u>   | <u>215,853,859</u>  |
|    | <u>209,738</u>     | <u>(36,547,788)</u>    | <u>(83,893,290)</u>  | <u>(6,934,123)</u>     | <u>17,771,929</u>    | <u>8,310,018</u>    |
|    | 84,775,000         | 569,000                | 148,390,000          | 3,930,000              | 1,800,000            | 2,763,710           |
|    | -                  | -                      | -                    | -                      | 63,410,000           | -                   |
|    | (58,207,259)       | -                      | -                    | -                      | (37,722,873)         | -                   |
|    | 32,058,663         | 32,984,026             | 56,126,848           | 41,185,247             | 44,794,015           | 48,194,093          |
|    | (42,116,454)       | (41,718,561)           | (86,780,999)         | (53,102,723)           | (55,805,630)         | (51,744,152)        |
|    | 2,113              | -                      | 448,534              | 564,370                | 1,166,236            | -                   |
|    | 2,287,511          | -                      | -                    | -                      | 1,190,117            | -                   |
|    | (643,350)          | -                      | -                    | -                      | -                    | -                   |
|    | 3,331              | 75,602                 | 2,233                | 2,652                  | 84,045               | 44,359              |
|    | <u>18,159,555</u>  | <u>(8,089,933)</u>     | <u>118,186,616</u>   | <u>(7,420,454)</u>     | <u>18,915,910</u>    | <u>(741,990)</u>    |
| \$ | <u>18,369,293</u>  | <u>\$ (44,637,721)</u> | <u>\$ 34,293,326</u> | <u>\$ (14,354,577)</u> | <u>\$ 36,687,839</u> | <u>\$ 7,568,028</u> |
|    | 8.82 %             | 11.48 %                | 28.99 %              | 10.61 %                | 10.95 %              | 9.61 %              |

**CITY OF MOBILE, ALABAMA  
VALUE OF TAXABLE SALES  
LAST TEN FISCAL YEARS**

| <u>Fiscal Year Ended<br/>September 30</u> | <u>Value of<br/>Taxable Sales-<br/>General Sales<br/>Tax (in millions)</u> | <u>Direct Tax<br/>Rate- General<br/>Sales Tax</u> |
|---|--|---|
| 2014                                      | \$ 3,386   | 5.0%  |
| 2013                                      | 3,285  | 5.0%  |
| 2012                                      | 3,309  | 4.0%  |
| 2011                                      | 2,769  | 5.0%  |
| 2010                                      | 2,853  | 4.0%  |
| 2009                                      | 2,728  | 4.0%  |
| 2008                                      | 2,910  | 4.0%  |
| 2007                                      | 2,166  | 4.0%  |
| 2006                                      | 2,152  | 4.0%  |
| 2005                                      | 2,062  | 4.0%  |

Note: Sales tax increase effective June 1, 2010 through September 30, 2011. Additional sales tax increase effective November 1, 2012.



**CITY OF MOBILE, ALABAMA  
SALES TAX RATES  
DIRECT AND OVERLAPPING<sup>1</sup> GOVERNMENTS  
LAST TEN FISCAL YEARS**

| Fiscal Year | City of Mobile <sup>2</sup> |         |                |                  |         | City of Mobile Police Jurisdiction <sup>3</sup> |         |                |                  |         |
|-------------|-----------------------------|---------|----------------|------------------|---------|---|---------|----------------|------------------|---------|
|             | General                     | Auto    | Farm Machinery | Manuf. Machinery | Vending | General   | Auto    | Farm Machinery | Manuf. Machinery | Vending |
| 2014        | 5.000 %                     | 2.250 % | 2.250 %        | 2.250 %          | 5.000 % | 2.500 %   | 1.125 % | 1.125 %        | 1.125 %          | 2.500 % |
| 2013        | 5.000 %                     | 2.250 % | 2.250 %        | 2.250 %          | 5.000 % | 2.500 %   | 1.125 % | 1.125 %        | 1.125 %          | 2.500 % |
| 2012        | 4.000 %                     | 2.000 % | 2.000 %        | 2.000 %          | 4.000 % | 2.000 %   | 1.000 % | 1.000 %        | 1.000 %          | 2.000 % |
| 2011        | 5.000 %                     | 2.250 % | 2.250 %        | 2.250 %          | 5.000 % | 2.500 %   | 1.125 % | 1.125 %        | 1.125 %          | 2.500 % |
| 2010        | 5.000 %                     | 2.250 % | 2.250 %        | 2.250 %          | 5.000 % | 2.500 %   | 1.125 % | 1.125 %        | 1.125 %          | 2.500 % |
| 2009        | 4.000 %                     | 2.000 % | 2.000 %        | 2.000 %          | 4.000 % | 2.000 %   | 1.000 % | 1.000 %        | 1.000 %          | 2.000 % |
| 2008        | 4.000 %                     | 2.000 % | 2.000 %        | 2.000 %          | 4.000 % | 2.000 %   | 1.000 % | 1.000 %        | 1.000 %          | 2.000 % |
| 2007        | 4.000 %                     | 2.000 % | 2.000 %        | 2.000 %          | 4.000 % | 2.000 %   | 1.000 % | 1.000 %        | 1.000 %          | 2.000 % |
| 2006        | 4.000 %                     | 2.000 % | 2.000 %        | 2.000 %          | 4.000 % | 2.000 %   | 1.000 % | 1.000 %        | 1.000 %          | 2.000 % |
| 2005        | 4.000 %                     | 2.000 % | 2.000 %        | 2.000 %          | 4.000 % | 2.000 %   | 1.000 % | 1.000 %        | 1.000 %          | 2.000 % |

Source: Alabama Department of Revenue

<sup>1</sup>Overlapping rates are those of local and county governments that apply to sales in common geographical areas.

<sup>2</sup>Tax increases effective June 1, 2010 and sunset at close of business September 30, 2011. Additional sales tax increase effective November 1, 2012.

<sup>3</sup>The City collects sales and use tax revenues on sales made within the City of Mobile Police Jurisdiction, located outside of the City's limits and within Mobile County.

Overlapping Rates

| Mobile County |         |                |                  |         | Total Direct and Overlapping Rates |         |                |                  |         |
|---------------|---------|----------------|------------------|---------|------------------------------------|---------|----------------|------------------|---------|
| General       | Auto    | Farm Machinery | Manuf. Machinery | Vending | General                            | Auto    | Farm Machinery | Manuf. Machinery | Vending |
| 1.000 %       | 0.500 % | 1.000 %        | 1.000 %          | 1.000 % | 6.000 %                            | 2.750 % | 3.250 %        | 3.250 %          | 6.000 % |
| 1.000 %       | 0.500 % | 1.000 %        | 1.000 %          | 1.000 % | 6.000 %                            | 2.750 % | 3.250 %        | 3.250 %          | 6.000 % |
| 1.000 %       | 0.500 % | 1.000 %        | 1.000 %          | 1.000 % | 5.000 %                            | 2.500 % | 3.000 %        | 3.000 %          | 5.000 % |
| 1.000 %       | 0.500 % | 1.000 %        | 1.000 %          | 1.000 % | 6.000 %                            | 2.750 % | 3.250 %        | 3.250 %          | 6.000 % |
| 1.000 %       | 0.500 % | 1.000 %        | 1.000 %          | 1.000 % | 6.000 %                            | 2.750 % | 3.250 %        | 3.250 %          | 6.000 % |
| 1.000 %       | 0.500 % | 1.000 %        | 1.000 %          | 1.000 % | 5.000 %                            | 2.500 % | 3.000 %        | 3.000 %          | 5.000 % |
| 1.000 %       | 0.500 % | 1.000 %        | 1.000 %          | 1.000 % | 5.000 %                            | 2.500 % | 3.000 %        | 3.000 %          | 5.000 % |
| 1.000 %       | 0.500 % | 1.000 %        | 1.000 %          | 1.000 % | 5.000 %                            | 2.500 % | 3.000 %        | 3.000 %          | 5.000 % |
| 1.000 %       | 0.500 % | 1.000 %        | 1.000 %          | 1.000 % | 5.000 %                            | 2.500 % | 3.000 %        | 3.000 %          | 5.000 % |

**CITY OF MOBILE, ALABAMA  
PRINCIPAL SALES TAXPAYERS  
CURRENT AND NINE YEARS AGO**

| Taxpayer              | 2014 |                                   | 2005 |                                   |
|-----------------------|------|-----------------------------------|------|-----------------------------------|
|                       | Rank | Percentage of Total Taxable Sales | Rank | Percentage of Total Taxable Sales |
| Wal-Mart #866         | 1    | 2.90 %                            | 3    | 1.81 %                            |
| Wal-Mart #853         | 2    | 2.50 %                            | 4    | 1.64 %                            |
| Sams Wholesale        | 3    | 2.17 %                            | 2    | 2.23 %                            |
| Wal-Mart #991         | 4    | 2.10 %                            | 1    | 2.79 %                            |
| Target                | 5    | 1.19 %                            |      |                                   |
| Lowe's #549           | 6    | 1.04 %                            |      |                                   |
| Lowe's Home Center    | 7    | 1.01 %                            |      |                                   |
| Lowe's #212           | 8    | 0.99 %                            |      |                                   |
| Dillard's             | 9    | 0.96 %                            | 6    | 1.16 %                            |
| Best Buy #340         | 10   | 0.88 %                            | 7    | 1.08 %                            |
| Lowe's of Mobile      |      |                                   | 5    | 1.38 %                            |
| Wal Mart Supercenter  |      |                                   | 8    | 0.98 %                            |
| Home Depot #865       |      |                                   | 9    | 0.94 %                            |
| Springhill Automotive |      |                                   | 10   | 0.86 %                            |
| Totals                |      | <u>15.74 %</u>                    |      | <u>14.87 %</u>                    |

Source: City of Mobile Revenue Department

**CITY OF MOBILE, ALABAMA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

| Fiscal Year<br>Ended<br>September<br>30 | Real Property           |                        | Personal Property |                | Less: Tax<br>Exempt Real<br>Property |
|---|-------------------------|------------------------|-------------------|----------------|--------------------------------------|
|   | Residential<br>Property | Commercial<br>Property | Motor Vehicles    | Other          |                                      |
| 2014                                    | \$ 560,883,060          | \$ 1,296,432,480       | \$ 264,068,220    | \$ 403,555,900 | \$ 64,934,380                        |
| 2013                                    | 573,073,000             | 1,186,268,840          | 246,207,860       | 377,729,020    | 65,237,120                           |
| 2012                                    | 595,089,140             | 1,162,088,560          | 246,543,060       | 337,826,540    | 65,707,640                           |
| 2011                                    | 617,121,080             | 1,161,670,420          | 242,401,100       | 325,864,220    | 69,067,800                           |
| 2010                                    | 633,841,820             | 1,165,905,120          | 206,483,760       | 335,177,320    | 68,216,780                           |
| 2009                                    | 643,869,600             | 1,180,581,160          | 231,378,520       | 325,416,280    | 67,818,840                           |
| 2008                                    | 628,768,700             | 1,131,989,640          | 243,601,600       | 308,008,300    | 66,816,900                           |
| 2007                                    | 587,342,300             | 874,409,560            | 265,979,820       | 245,266,880    | 68,678,920                           |
| 2006                                    | 509,203,420             | 866,730,580            | 243,609,900       | 246,235,260    | 48,288,160                           |
| 2005                                    | 481,963,100             | 839,232,940            | 219,470,040       | 254,434,700    | 47,304,180                           |

Source: Mobile County Revenue Commissioner

Note: Property in the county is reassessed annually. Estimated actual value is calculated by dividing assessed value by those percentages.

<sup>1</sup>Includes tax-exempt property.

|    | <u>Total Taxable<br/>Assessed Value</u> | <u>Total<br/>Direct Tax<br/>Rate</u> | <u>Estimated Actual<br/>Taxable Value</u> | <u>Assessed<br/>Value<sup>1</sup> as a<br/>Percentage<br/>of Actual<br/>Value</u> |   |
|----|---|--------------------------------------|---|---|---|
| \$ | 2,460,005,280                           | 7 mills                              | \$ 12,248,615,700                         | 20.61   | % |
|    | 2,318,041,600                           | 7 mills                              | 11,558,176,033                            | 20.62   | % |
|    | 2,275,839,660                           | 7 mills                              | 11,745,392,267                            | 19.94   | % |
|    | 2,277,989,020                           | 7 mills                              | 11,852,034,147                            | 19.80   | % |
|    | 2,273,191,240                           | 7 mills                              | 12,058,815,266                            | 19.42   | % |
|    | 2,313,426,720                           | 7 mills                              | 12,420,469,867                            | 19.17   | % |
|    | 2,245,551,340                           | 7 mills                              | 12,191,259,500                            | 18.97   | % |
|    | 1,904,319,640                           | 7 mills                              | 12,012,219,333                            | 16.42   | % |
|    | 1,817,491,000                           | 7 mills                              | 10,723,840,500                            | 17.40   | % |
|    | 1,747,796,600                           | 7 mills                              | 11,703,335,996                            | 15.34   | % |

**CITY OF MOBILE, ALABAMA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING<sup>1</sup> GOVERNMENTS  
LAST TEN FISCAL YEARS**

| Fiscal Year    | <u>Overlapping Rates</u> |                         |                        | <u>Total Direct &amp;<br/>Overlapping Rates</u> |
|----------------|--------------------------|-------------------------|------------------------|---|
|                | <u>City of Mobile</u>    | <u>Mobile County</u>    |                        |   |
|                |                          | <u>County of Mobile</u> | <u>School District</u> |   |
|                |                          | <u>Total City</u>       | <u>Total County</u>    |   |
| <u>Millage</u> | <u>Millage</u>           | <u>Millage</u>          |                        |   |
| 2014           | 7                        | 16                      | 29.5                   | 52.5  |
| 2013           | 7                        | 16                      | 29.5                   | 52.5  |
| 2012           | 7                        | 16                      | 29.5                   | 52.5  |
| 2011           | 7                        | 16                      | 29.5                   | 52.5  |
| 2010           | 7                        | 16                      | 29.5                   | 52.5  |
| 2009           | 7                        | 16                      | 29.5                   | 52.5  |
| 2008           | 7                        | 16                      | 29.5                   | 52.5  |
| 2007           | 7                        | 16                      | 29.5                   | 52.5  |
| 2006           | 7                        | 16                      | 29.5                   | 52.5  |
| 2005           | 7                        | 16                      | 29.5                   | 52.5  |

Source: Mobile County Revenue Commissioner

<sup>1</sup>Overlapping rates are those of local and county governments that apply to property owners within the City of Mobile.

**CITY OF MOBILE, ALABAMA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT AND NINE YEARS AGO**

| Taxpayer                         | 2014                   |      |   |          | 2005                   |      |   |          |
|----------------------------------|------------------------|------|---|----------|------------------------|------|---|----------|
|                                  | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |          | Taxable Assessed Value | Rank | Percentage of Total County Taxable Assessed Value |          |
| Alabama Power Company            | \$ 64,307,040          | \$ 1 | 2.61  | %        | \$ 228,468,180         | 1    | 5.21  | %        |
| Campus Crest at Mobile LLC       | 35,828,480             | 2    | 1.46  | %        |                        |      |   |          |
| UOP LLC                          | 38,476,180             | 3    | 1.56  | %        |                        |      |   |          |
| Marelda Bel Air Mall LLC         | 29,610,300             | 4    | 1.20  | %        |                        |      |   |          |
| Kimberly-Clark Corporation       | 42,457,140             | 5    | 1.73  | %        | 19,565,220             | 7    | 6.35  | %        |
| Bell South Telecomm Inc DBA AT&T | 18,584,700             | 6    | 0.76  | %        | 44,599,800             | 2    | 5.86  | %        |
| Mobile Gas Service Corporation   | 16,874,440             | 7    | 0.69  | %        | 29,900,720             | 5    | 5.73  | %        |
| KS Frontier Seillean             | 13,470,060             | 8    | 0.55  | %        |                        |      |   |          |
| Plains Pipeline LP               | 10,448,500             | 9    | 0.42  | %        |                        |      |   |          |
| Shell Chemical Company           | 10,132,300             | 10   | 0.41  | %        |                        |      |   |          |
| Gulfstream Natural Gas           |                        |      |   |          | 49,662,000             | 3    | 4.85  | %        |
| Florida Gas Transmission         |                        |      |   |          | 38,692,020             | 4    | 4.85  | %        |
| Evonik Degussa Corporation       |                        |      |   |          | 29,158,180             | 6    | 4.85  | %        |
| Colonial Realty Limited          |                        |      |   |          | 18,008,840             | 8    | 6.35  | %        |
| Mobile Energy, LLC               |                        |      |   |          | 11,394,960             | 9    | 6.35  | %        |
| IPSCO Steel                      |                        |      |   |          | 8,047,140              | 10   | 4.85  | %        |
| Totals                           | <u>\$ 280,189,140</u>  |      | <u>11.39</u>                                    | <u>%</u> | <u>\$ 438,805,078</u>  |      | <u>5.09</u>                                       | <u>%</u> |

Source: Mobile County Revenue Commissioner

Note: Principal property taxpayers presented for 2014 are those property taxpayers in the City of Mobile. Principal property taxpayers presented for 2005 are those for the County as a whole as the information for the City-only taxpayers was not available for that year.

**CITY OF MOBILE, ALABAMA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

| Fiscal Year Ended<br>September 30 | Total Tax Levy for<br>Fiscal Year | Collected within the Fiscal Year of the Levy |                    |
|-----------------------------------|-----------------------------------|--|--------------------|
|                                   |                                   | Amount                                       | Percentage of Levy |
| 2014                              | \$ 13,686,098                     | \$ 11,036,067                                | 80.64              |
| 2013                              | 12,891,691                        | 8,770,478                                    | 68.03              |
| 2012                              | 12,999,487                        | 8,826,780                                    | 67.90              |
| 2011                              | 13,024,255                        | 12,302,822                                   | 94.46              |
| 2010                              | 13,177,824                        | 12,504,204                                   | 94.89              |
| 2009                              | 13,614,847                        | 12,854,087                                   | 94.41              |
| 2008                              | 13,136,355                        | 12,810,663                                   | 97.52              |
| 2007                              | 12,430,360                        | 12,193,226                                   | 98.09              |
| 2006                              | 10,899,543                        | 10,700,744                                   | 98.18              |
| 2005                              | 10,473,789                        | 10,281,664                                   | 98.17              |

\*Data not available

Source: Mobile County Revenue Commissioner



| Collection in<br>Subsequent Years |           | Total Collection to Date |                    |       |
|-----------------------------------|-----------|--------------------------|--------------------|-------|
|                                   |           | Amount                   | Percentage of Levy |       |
| \$                                | 2,060,535 | \$                       | 13,096,602         | 95.69 |
|                                   | 2,745,152 |                          | 11,515,630         | 89.33 |
|                                   | 3,486,486 |                          | 12,313,266         | 94.72 |
|                                   | -         |                          | 12,302,822         | 94.46 |
|                                   | -         |                          | 12,504,204         | 94.89 |
|                                   | -         |                          | 12,854,087         | 94.41 |
|                                   | -         |                          | 12,810,663         | 97.52 |
|                                   | -         |                          | 12,193,226         | 98.09 |
|                                   | -         |                          | 10,700,744         | 98.18 |
|                                   | -         |                          | 10,281,664         | 98.17 |

**CITY OF MOBILE, ALABAMA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

|      | Governmental Activities     |                             |               |                |
|------|-----------------------------|-----------------------------|---------------|----------------|
|      | General Obligation<br>Bonds | Limited Obligation<br>Bonds | Notes Payable | Capital Leases |
| 2014 | \$ 272,617,145              | \$ 6,505,000                | \$ 3,380,000  | \$ 2,424,244   |
| 2013 | 282,547,567                 | 7,050,000                   | 3,785,000     | 3,346,323      |
| 2012 | 298,261,879                 | 7,570,000                   | 4,170,000     | 4,240,411      |
| 2011 | 298,290,945                 | 8,070,000                   | 4,730,000     | 5,287,794      |
| 2010 | 300,138,191                 | 8,545,000                   | 1,360,000     | 3,641,054      |
| 2009 | 275,867,172                 | 9,000,000                   | 1,580,000     | 2,462,037      |
| 2008 | 283,890,000                 | 9,440,000                   | 1,790,000     | 5,660,073      |
| 2007 | 178,646,500                 | 9,860,000                   | 1,980,000     | 7,625,028      |
| 2006 | 185,056,754                 | 10,265,000                  | 2,160,000     | 9,576,004      |
| 2005 | 167,983,067                 | 10,655,000                  | 2,325,000     | 9,889,815      |

\*Data not available

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Demographic and Economic Statistics for personal income and population data.

| Business Type<br>Activities |                | Total Primary<br>Government | Percentage of<br>Personal Income | Per Capita |
|-----------------------------|----------------|-----------------------------|----------------------------------|------------|
| Capital Leases              |                |                             |                                  |            |
| \$ -                        | \$ 284,926,389 | *                           | *                                |            |
| 184,751                     | 296,913,641    | 2.18                        | 717                              |            |
| 362,090                     | 314,604,380    | 2.32                        | 766                              |            |
| 532,314                     | 316,911,053    | 2.35                        | 766                              |            |
| 695,707                     | 314,379,952    | 2.38                        | 761                              |            |
| 852,545                     | 289,761,754    | 2.52                        | 712                              |            |
| 1,003,091                   | 301,783,164    | 2.45                        | 743                              |            |
| 1,211,680                   | 199,323,208    | 1.73                        | 495                              |            |
| 1,393,250                   | 208,451,008    | 1.86                        | 516                              |            |
| 1,567,401                   | 192,420,283    | 1.90                        | 481                              |            |

**CITY OF MOBILE, ALABAMA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**

| Fiscal<br>Year | General<br>Obligation<br>Bonds | Less: Amounts<br>Available in<br>Debt Service<br>Fund | Total          | Percentage of<br>Estimated<br>Actual<br>Taxable<br>Value <sup>1</sup> of<br>Property | Per Capita <sup>2</sup> |
|----------------|--------------------------------|---|----------------|--|-------------------------|
| 2014           | \$ 272,617,145                 | \$ 719,022  | \$ 271,898,123 | 2.22 %   | *                       |
| 2013           | 282,547,567                    | 221,605   | 282,325,962    | 2.44 %   | 682                     |
| 2012           | 298,261,879                    | 4,516,268   | 293,745,611    | 2.50 %   | 710                     |
| 2011           | 298,290,944                    | 3,986,450   | 294,304,494    | 2.48 %   | 712                     |
| 2010           | 300,138,191                    | 3,494,130   | 296,644,061    | 2.46 %   | 718                     |
| 2009           | 275,867,112                    | 3,367,694   | 272,499,418    | 2.19 %   | 670                     |
| 2008           | 283,890,000                    | 3,338,316   | 280,551,684    | 2.30 %   | 690                     |
| 2007           | 178,646,500                    | 2,688,196   | 175,958,304    | 1.46 %   | 437                     |
| 2006           | 185,056,754                    | 2,400,188   | 182,656,566    | 1.70 %   | 452                     |
| 2005           | 167,983,067                    | 1,433,489   | 166,549,578    | 1.42 %   | 417                     |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value of data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics.

**CITY OF MOBILE, ALABAMA  
DIRECT AND OVERLAPPING GOVERNMENT DEBT  
AS OF SEPTEMBER 30, 2014**

| <u>Government Unit</u>                  | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable <sup>1</sup> | Estimated Share<br>of Overlapping<br>Debt |
|---|---------------------|--|---|
| Debt repaid with property taxes: County | \$ 507,941,358      | 46 %   | <u>\$ 233,653,025</u>                     |
| Subtotal, overlapping debt              |                     |  | 233,653,025                               |
| City of Mobile Direct Debt              | 284,926,389         | 100 %  | <u>284,926,389</u>                        |
| Total direct and overlapping debt       |                     |  | <u><u>\$ 518,579,414</u></u>              |

Sources: Assessed value data used to estimate applicable percentages provided by the Mobile County Commissioner's Office. Debt outstanding data provided by the County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Mobile. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

<sup>1</sup>The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

**CITY OF MOBILE, ALABAMA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

|  | Fiscal Year           |                       |                       |                         |
|--|-----------------------|-----------------------|-----------------------|-------------------------|
|  | 2014                  | 2013                  | 2012                  | 2011                    |
| Debt Limit   | \$ 504,987,932        | \$ 476,702,224        | \$ 468,309,460        | \$ 469,411,364          |
| Less: Total net debt applicable to limit                             | 235,615,896           | 243,221,226           | 249,936,851           | 260,122,205             |
| Legal debt margin  | <u>\$ 269,372,036</u> | <u>\$ 233,480,998</u> | <u>\$ 218,372,609</u> | <u>\$ 209,289,159</u>   |
| Total net debt applicable to the limit as a percentage of debt limit | 46.7 %                | 51.0 %                | 53.4 %                | 55.4 %                  |
| <br>Legal Debt Margin Calculation for Fiscal Year 2014               |                       |                       |                       |                         |
| Assessed value of real property, September 30, 2014                  |                       |                       |                       | \$ 1,857,315,540        |
| Assessed value of personal property, September 30, 2014              |                       |                       |                       | <u>667,624,120</u>      |
| Total assessed value   |                       |                       |                       | <u>\$ 2,524,939,660</u> |
| Debt Limit (20% of total assessed value)                             |                       |                       |                       | \$ 504,987,932          |
| Less: Total net debt applicable to limit                             |                       |                       |                       | <u>235,615,896</u>      |
| Legal debt margin  |                       |                       |                       | <u>\$ 269,372,036</u>   |

Note: Under state finance law, the City of Mobile's outstanding general obligation debt should not exceed 20 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Excludes general obligation warrants applicable to drainage improvements.

Fiscal Year

|    | 2010               | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  |
|----|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ | 468,281,604        | \$ 476,249,112        | \$ 462,473,648        | \$ 394,599,712        | \$ 373,155,832        | \$ 358,670,228        |
|    | 255,534,378        | 229,861,239           | 239,875,431           | 171,439,425           | 181,386,101           | 171,891,345           |
| \$ | <u>212,747,226</u> | <u>\$ 246,387,873</u> | <u>\$ 222,598,217</u> | <u>\$ 223,160,287</u> | <u>\$ 191,769,731</u> | <u>\$ 186,778,883</u> |
|    | 54.6 %             | 48.3 %                | 51.9 %                | 43.4 %                | 48.6 %                | 47.9 %                |

**CITY OF MOBILE, ALABAMA  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS**

Limited Obligation Tax Increment Financing Plan

| Year | Tax Increment | Debt Service |            |
|------|---------------|--------------|------------|
|      |               | Principal    | Interest   |
| 2014 | \$ 3,391,681  | \$ 545,000   | \$ 372,763 |
| 2013 | 2,487,111     | 520,000      | 400,230    |
| 2012 | 2,532,414     | 500,000      | 424,460    |
| 2011 | 2,548,928     | 475,000      | 447,135    |
| 2010 | 2,172,723     | 455,000      | 468,184    |
| 2009 | 2,133,818     | 440,000      | 487,878    |
| 2008 | 1,778,031     | 420,000      | 506,163    |
| 2007 | 1,416,398     | 405,000      | 522,876    |
| 2006 | 1,371,461     | 390,000      | 538,090    |
| 2005 | 1,283,642     | <sup>1</sup> | 545,305    |

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup>No principal payments were scheduled in this period.



**CITY OF MOBILE, ALABAMA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>Population</u> | <u>Personal Income (amounts<br/>expressed in millions)</u> | <u>Per Capital Personal<br/>Income</u> |
|--------------------|-------------------|--|--|
| 2014               | *                 | *  | *                                      |
| 2013               | 414,079           | 13,565   | 32,843                                 |
| 2012               | 413,936           | 13,565   | 32,771                                 |
| 2011               | 413,462           | 13,500   | 32,651                                 |
| 2010               | 412,992           | 13,200   | 31,962                                 |
| 2009               | 406,928           | 11,512   | 28,290                                 |
| 2008               | 406,309           | 12,330   | 30,346                                 |
| 2007               | 403,000           | 11,540   | 28,635                                 |
| 2006               | 404,111           | 11,235   | 28,080                                 |
| 2005               | 399,727           | 10,127   | 25,227                                 |

\*Data not available

Source: Mobile Chamber of Commerce

Note: All statistical data presented above are for the County of Mobile as the City of Mobile comprises the majority of the county.

| <u>Median Age</u> | <u>Education Level in Years<br/>of Formal Schooling</u> | <u>School Enrollment</u> | <u>Unemployment<br/>Rate</u> |
|-------------------|---|--------------------------|------------------------------|
| 37.0              | High School Graduate                                    | 59,216                   | 7.5%                         |
| 37.0              | High School Graduate                                    | 59,582                   | 7.4%                         |
| 37.2              | High School Graduate                                    | 59,821                   | 8.7%                         |
| 37.1              | High School Graduate                                    | 60,946                   | 10.4%                        |
| 36.0              | 2 Years of College                                      | 67,230                   | 10.8%                        |
| 36.1              | High School Graduate                                    | 63,914                   | 9.9%                         |
| 35.9              | High School Graduate                                    | 63,657                   | 4.7%                         |
| 35.3              | High School Graduate                                    | 65,614                   | 3.7%                         |
| 35.7              | High School Graduate                                    | 65,345                   | 3.3%                         |
| 35.3              | High School Graduate                                    | 64,818                   | 4.8%                         |

**CITY OF MOBILE, ALABAMA  
PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO**

| Taxpayer                           | 2014          |      |                                | 2005          |      |                                |
|------------------------------------|---------------|------|--------------------------------|---------------|------|--------------------------------|
|                                    | Employees     | Rank | Percentage of Total Employment | Employees     | Rank | Percentage of Total Employment |
| Mobile County Public School System | 7,400         | 1    | 4.11 %                         | 8,150         | 1    | 4.54 %                         |
| USA School and Medical Facilities  | 5,180         | 2    | 2.88 %                         | 5,000         | 2    | 2.79 %                         |
| Infirmara Health Systems           | 5,100         | 3    | 2.84 %                         | 4,800         | 3    | 2.68 %                         |
| Austal USA                         | 4,150         | 4    | 2.31 %                         |               |      |                                |
| City of Mobile                     | 2,280         | 5    | 1.27 %                         | 2,480         | 4    | 1.40 %                         |
| County of Mobile                   | 1,680         | 6    | 0.93 %                         | 1,550         | 6    | 0.90 %                         |
| AM/NS Calvert                      | 1,650         | 7    | 0.92 %                         |               |      |                                |
| Providence                         | 1,540         | 8    | 0.86 %                         | 1,930         | 5    | 1.08 %                         |
| VT MAE Aerospace                   | 1,280         | 9    | 0.71 %                         |               |      |                                |
| Springhill Medical Center          | 1,200         | 10   | 0.67 %                         | 1,320         | 7    | 0.81 %                         |
| ST Aerospace Mobile                |               |      |                                | 1,220         | 8    | 0.69 %                         |
| Winn Dixie                         |               |      |                                | 1,000         | 9    | 0.56 %                         |
| Degussa                            |               |      |                                | 920           | 10   | 0.51 %                         |
| Totals                             | <u>28,982</u> |      | <u>17.50 %</u>                 | <u>28,370</u> |      | <u>15.96 %</u>                 |

Source: Mobile Chamber of Commerce

**CITY OF MOBILE, ALABAMA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**AS OF SEPTEMBER 30**

|                         | <u>2014</u>  | <u>2013</u>  | <u>2012*</u> | <u>2011</u>  | <u>2010</u>  |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Function                |              |              |              |              |              |
| General government      | 203          | 223          | 195          | 197          | 190          |
| Economic development    | 13           | 12           | 12           | 13           | 14           |
| Public safety           | 1,399        | 1,288        | 1,546        | 1,374        | 1,327        |
| Public works            | 541          | 569          | 564          | 581          | 576          |
| Cultural and recreation | 485          | 414          | 383          | 306          | 303          |
| Finance                 | 96           | 91           | 91           | 96           | 93           |
| Golf course             | 26           | 22           | 26           | 21           | 20           |
| Firemedics              | 93           | 73           | 74           | 71           | 71           |
| Tennis Center           | 17           | 10           | 13           | 8            | 10           |
| Motor Pool              | 3            | 3            | 2            | 3            | 3            |
| Total                   | <u>2,876</u> | <u>2,705</u> | <u>2,906</u> | <u>2,670</u> | <u>2,607</u> |

Source: City Payroll Department

\*The method of calculating full-time equivalent employees was changed for year end September 30, 2010 to more accurately reflect full-time equivalent employees. This worksheet reflects the number of employees employed during the year.

| <u>2009</u>         | <u>2008</u>         | <u>2007</u>         | <u>2006</u>         | <u>2005</u>         |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| 197                 | 189                 | 196                 | 184                 | 173                 |
| 13                  | 12                  | 13                  | 7                   | 10                  |
| 1,312               | 1,307               | 1,273               | 1,178               | 1,190               |
| 575                 | 553                 | 585                 | 512                 | 547                 |
| 317                 | 294                 | 325                 | 323                 | 276                 |
| 91                  | 88                  | 91                  | 90                  | 87                  |
| 28                  | 28                  | 17                  | 27                  | 30                  |
| 66                  | 61                  | 59                  | 58                  | 60                  |
| 10                  | 10                  | 7                   | 11                  | 11                  |
| <u>3</u>            | <u>3</u>            | <u>3</u>            | <u>3</u>            | <u>3</u>            |
| <u><u>2,612</u></u> | <u><u>2,545</u></u> | <u><u>2,569</u></u> | <u><u>2,393</u></u> | <u><u>2,387</u></u> |

**CITY OF MOBILE, ALABAMA  
OPERATING INDICATORS BY FUNCTION  
LAST NINE<sup>1</sup> FISCAL YEARS**

| <b>Function</b>                               | 2014    | 2013    | 2012    | 2011    | 2010    |
|---|---------|---------|---------|---------|---------|
| <b>General Government</b>                     |         |         |         |         |         |
| <b>Urban Development</b>                      |         |         |         |         |         |
| Service request orders                        | 18,806  | 17,043  | 16,819  | 14,546  | 14,901  |
| Municipal offense tickets                     | 1,634   | 2,221   | 2,557   | 1,875   | 2,023   |
| Inspections/investigations                    | 65,763  | 63,407  | 63,213  | 82,961  | 76,510  |
| Plan reviews                                  | 7,453   | 8,043   | 5,363   | 4,303   | 3,315   |
| Plan reviews-right of way                     | 2,587   | 2,574   | 2,401   | 2,628   | 2,293   |
| Notice of violations                          | 6,445   | 6,913   | 6,112   | 7,152   | 7,974   |
| Permits                                       | 13,433  | 13,018  | 12,782  | 13,640  | 16,384  |
| Certificate of Occupancy                      | 330     | 267     | 367     | 643     | 458     |
| PC/BOA applications                           | 516     | 454     | 587     | 451     | 483     |
| Tree commission applications                  | 21      | 15      | 18      | 17      | 25      |
| Complete nuisance abatement cases             | 77      | 44      | 49      | 151     | 63      |
| Complete weed abatement cases                 | 320     | 340     | 320     | 680     | 540     |
| Removal of trees                              | 146     | 395     | 458     | 467     | 415     |
| Trimming removal                              | 4,307   | 5,691   | 5,611   | 4,556   | 7,612   |
| Stump removal                                 | 102     | 125     | 222     | 196     | 238     |
| <b>Human Resources<sup>2</sup></b>            |         |         |         |         |         |
| Medical claims                                | 221     | 262     | 251     | 279     | 226     |
| Indemnity claims                              | 31      | 42      | 37      | 40      | 51      |
| <b>Mobile 311</b>                             |         |         |         |         |         |
| Calls   | 110,776 | 115,594 | 115,398 | 109,681 | 116,030 |
| SROs created                                  | 56,559  | 60,512  | 60,916  | 59,725  | 64,147  |
| <b>Municipal Information Technology</b>       |         |         |         |         |         |
| <b>Telecommunications</b>                     |         |         |         |         |         |
| Buildings with computer equipment             | 185     | 184     | 181     | 180     | 180     |
| Miles of fiber                                | 825     | 825     | 825     | 825     | 920     |
| Wireless sites                                | 22      | 18      | 30      | 27      | 22      |
| Computer user accounts                        | 3,222   | 3,000   | 2,934   | 2,850   | 2,750   |
| Email accounts                                | 2,369   | 2,458   | 2,320   | 2,050   | 2,200   |
| Voicemail accounts                            | 1,461   | 1,541   | 1,547   | 1,738   | 1,735   |
| Computers/printers supported                  | 3,098   | 3,163   | 2,537   | 2,450   | 2,600   |
| Servers supported                             | 99      | 9,595   | 115     | 75      | 90      |
| 800Mhz subscribers                            | -       | -       | -       | 1,906   | 1,906   |
| City phone extensions                         | 2,756   | 2,730   | 2,724   | 2,426   | 2,267   |
| Broadband data cards                          | 63      | 88      | 89      | 110     | 103     |
| Software applications supported               | 426     | 420     | 409     | 409     | 408     |
| MIT Help Desk cases                           | 10,126  | 10,016  | 10,270  | 9,450   | 3,917   |
| Number of employees trained                   | -       | -       | -       | 75      | 599     |
| Cell phones                                   | 372     | 385     | 365     | 333     | 331     |
| Telecom Help Desk requests                    | 1,473   | 1,809   | 2,028   | 2,132   | 1,995   |
| <b>Economic Development</b>                   |         |         |         |         |         |
| <b>Mobile Historic Development Commission</b> |         |         |         |         |         |
| Applications reviewed                         | 412     | 430     | 449     | 471     | 469     |
| Certificates issued                           | 410     | 344     | 374     | 448     | 440     |
| Applications heard by review board            | 64      | 86      | 75      | 93      | 111     |
| Applications denied                           | 2       | 12      | 6       | 5       | 11      |
| <b>Public Safety</b>                          |         |         |         |         |         |
| <b>Mobile Police Department</b>               |         |         |         |         |         |
| <b>Crime incidents:</b>                       |         |         |         |         |         |
| Murder (or Non-Neg Manslaughter)              | 26      | 29      | 27      | 25      | 20      |
| Murder domestic                               | 4       | -       | 3       | 7       | 2       |

| 2009    | 2008    | 2007    | 2006   |
|---------|---------|---------|--------|
| 12,374  | 10,525  | 12,264  | 10,887 |
| 1,722   | 1,883   | 1,811   | 1,550  |
| -       | 48,626  | 57,494  | 50,838 |
| 5,191   | 6,094   | 3,576   | 3,720  |
| 2,850   | 3,238   | 3,815   | *      |
| 6,292   | 6,735   | 5,820   | *      |
| 11,787  | 13,808  | 16,940  | 16,871 |
| 560     | 507     | 793     | 290    |
| 700     | 1,282   | 1,260   | 608    |
| 27      | 16      | 29      | 40     |
| 39      | 26      | 35      | 20     |
| 660     | 410     | 480     | 160    |
| 371     | 499     | 294     | 266    |
| 4,557   | 1,813   | 806     | 665    |
| 221     | 366     | 381     | 406    |
| 265     | 290     | 298     | 236    |
| 29      | 24      | 34      | 37     |
| 110,655 | 110,168 | 100,234 | 72,126 |
| 60,345  | 55,644  | 51,725  | 36,348 |
| 175     | 170     | 166     | 155    |
| 820     | 810     | 800     | 560    |
| 20      | 25      | 35      | 45     |
| 2,680   | 2,850   | 2,821   | 2,407  |
| 2,203   | 2,050   | 1,810   | 1,576  |
| 1,584   | 1,545   | 1,285   | 1,311  |
| 2,496   | 2,450   | 2,397   | 2,302  |
| 90      | 75      | 60      | 81     |
| 1,906   | 1,906   | 1,906   | 1,906  |
| 2,544   | 2,442   | 2,475   | 2,351  |
| 102     | 97      | 86      | 69     |
| 391     | 375     | 342     | *      |
| 5,331   | 5,209   | 5,040   | *      |
| 889     | 510     | 620     | *      |
| 340     | 307     | 244     | 210    |
| 2,302   | 2,952   | 2,674   | 2,906  |
| 433     | 584     | 597     | 577    |
| 391     | 543     | 526     | 469    |
| 158     | 226     | 226     | 108    |
| 16      | 7       | 24      | 14     |
| 27      | 35      | 34      | 31     |
| 2       | 3       | 6       | 3      |

**CITY OF MOBILE, ALABAMA  
OPERATING INDICATORS BY FUNCTION  
LAST NINE<sup>1</sup> FISCAL YEARS**

| <b>Function</b>                | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| Negligent manslaughter         | 2           | -           | 1           | -           | -           |
| Forcible rape                  | 146         | 29          | 52          | 43          | 52          |
| Carjacking                     | 12          | 17          | 23          | 24          | 60          |
| Robbery                        | 431         | 452         | 526         | 622         | 686         |
| Aggravated assault             | 1,136       | 1,272       | 879         | 999         | 1,035       |
| Burglary                       | 2,878       | 2,828       | 3,119       | 3,884       | 3,882       |
| Larceny                        | 8,824       | 9,384       | 9,213       | 9,030       | 9,889       |
| Vehicle theft                  | 727         | 742         | 611         | 783         | 1,267       |
| Arson                          | 56          | 42          | 61          | 53          | 58          |
| Simple Assault                 | 2,134       | 2,140       | 2,349       | 3,818       | 1,171       |
| Sex offenses                   | 120         | 123         | 174         | 138         | 234         |
| Narcotics Laws                 | 2,148       | 3,879       | 3,077       | 1,333       | 3,888       |
| Weapons Offense                | 274         | 440         | 458         | 382         | 398         |
| Forgery-counterfeiting         | 226         | 325         | 337         | 401         | 395         |
| D.U.I.                         | 448         | 405         | 388         | 459         | 570         |
| All Other Offenses             | 26,606      | 29,750      | 31,953      | 31,748      | 35,262      |
| Tickets:                       |             |             |             |             |             |
| Following too close            | 79          | 66          | 105         | 66          | 101         |
| Run red light                  | 1,654       | 1,585       | 1,623       | 1,766       | 2,221       |
| Run stop sign                  | 1,156       | 1,248       | 1,592       | 1,336       | 2,143       |
| Speeding                       | 12,551      | 11,854      | 11,774      | 9,807       | 11,472      |
| Speeding in school zone        | 557         | 512         | 415         | 320         | 325         |
| Mobile Fire Rescue Department  |             |             |             |             |             |
| Total calls answered           | 33,486      | 31,906      | 31,529      | 32,858      | 35,713      |
| Inspections                    | 1,339       | 5,731       | 4,010       | 9,762       | 7,177       |
| Plans reviewed                 | 698         | 792         | 432         | 889         | 806         |
| Permits issued                 | 415         | 1,037       | 372         | 963         | 555         |
| Mobile Municipal Court         |             |             |             |             |             |
| Total cases processed          | 106,076     | 65,659      | 70,406      | 71,996      | 72,230      |
| Domestic violence cases        | 2,704       | 1,520       | 1,670       | 1,590       | 1,642       |
| Environmental cases            | 4,092       | 2,720       | 4,061       | 3,709       | 3,977       |
| Traffic cases                  | 67,096      | 52,622      | 55,030      | 56,149      | 56,823      |
| Criminal cases                 | 12,714      | 8,797       | 9,645       | 10,548      | 9,788       |
| Public works                   |             |             |             |             |             |
| Flood Control                  |             |             |             |             |             |
| Debris removed (cubic yards)   | 6,582       | 5,642       | 6,000       | 6,645       | 240         |
| Work on ditches (miles)        | 13          | 17          | 18          | 13          | 28          |
| Administration                 |             |             |             |             |             |
| Disciplinary actions processed | 171         | 191         | 225         | 379         | 385         |
| Claims/reports processed       | 122         | 189         | 118         | 111         | 103         |
| Concrete and sidewalk repair   |             |             |             |             |             |
| Concrete poured                | 1,743       | 3,198       | 1,575       | 2,452       | 2,919       |
| Repairs                        | 595         | 500         | 451         | 650         | 520         |
| Replacements                   | 3           | 5           | 10          | 8           | 39          |
| Right-of-way maintenance       |             |             |             |             |             |
| Material hauled (cubic yards)  | 27,609      | 28,985      | 33,200      | 23,568      | 37,880      |
| Material used (cubic yards)    | 14,265      | 17,700      | 13,165      | 5,590       | 9,220       |
| Repairs                        | 156         | 157         | 277         | 214         | 207         |
| Asphalt street repair          |             |             |             |             |             |
| Asphalt used (tons)            | 1,112       | 1,071       | 1,233       | 1,088       | 1,466       |
| Repairs                        | 18,096      | 16,725      | 21,711      | 14,451      | 19,087      |
| Street Sweeping                |             |             |             |             |             |
| Miles sweeper swept            | 19,252      | 31,003      | 26,336      | 15,902      | 17,400      |
| Debris removed (cubic yards)   | 17,944      | 19,142      | 16,947      | 15,716      | 14,807      |



| 2009   | 2008   | 2007   | 2006   |
|--------|--------|--------|--------|
| -      | -      | 2      | 1      |
| 30     | 22     | 30     | 54     |
| 73     | 68     | 59     | 46     |
| 775    | 833    | 639    | 601    |
| 301    | 311    | 370    | 398    |
| 3,493  | 3,182  | 3,416  | 3,349  |
| 9,555  | 9,707  | 9,749  | 9,655  |
| 972    | 1,192  | 1,278  | 1,432  |
| 56     | 78     | 89     | 56     |
| 5,639  | 5,822  | 5,929  | 6,230  |
| 233    | 275    | 266    | 294    |
| 3,096  | 3,059  | 3,115  | 3,189  |
| 400    | 383    | 354    | 352    |
| 382    | 652    | 623    | 623    |
| 478    | 589    | 565    | 472    |
| 31,223 | 33,085 | 33,885 | 34,512 |
| 129    | 118    | 57     | 45     |
| 2,105  | 2,765  | 2,165  | 1,994  |
| 1,971  | 2,251  | 1,097  | 1,149  |
| 12,774 | 15,500 | 12,234 | 9,314  |
| 255    | 218    | 183    | 132    |
| 34,248 | 31,712 | 30,579 | 2,588  |
| 695    | 641    | 872    | 658    |
| 1,619  | 3,854  | 871    | 196    |
| 1,331  | 1,265  | 1,191  | 350    |
| 67,571 | 76,578 | 69,951 | 57,772 |
| 1,485  | 1,567  | 1,698  | 1,691  |
| 3,285  | 4,311  | 2,614  | 2,610  |
| 52,590 | 61,096 | 56,363 | 43,489 |
| 10,211 | 9,604  | 9,276  | 9,982  |
| 1,720  | 180    | 940    | 18,120 |
| 30     | 36     | 32     | 141    |
| 320    | 102    | 152    | 175    |
| 147    | 117    | 100    | 106    |
| 4,114  | 5,305  | 3,238  | 2,342  |
| 1,193  | 886    | 1,049  | 881    |
| 507    | 526    | 540    | 522    |
| 55,341 | 40,572 | 47,654 | 20,845 |
| 9,450  | 8,845  | 9,930  | 7,825  |
| 244    | 320    | 261    | 126    |
| 2,402  | 2,376  | 3,152  | 2,467  |
| 18,925 | 17,801 | 21,332 | 21,376 |
| 16,400 | 17,623 | 18,319 | 19,260 |
| 14,304 | 17,460 | 17,697 | 20,310 |

**CITY OF MOBILE, ALABAMA  
OPERATING INDICATORS BY FUNCTION  
LAST NINE<sup>1</sup> FISCAL YEARS**

| <b>Function</b>                        | 2014      | 2013      | 2012      | 2011      | 2010      |
|--|-----------|-----------|-----------|-----------|-----------|
| Water used (gallons)                   | 211,500   | 242,500   | 269,640   | 220,750   | 276,397   |
| Dredge                                 |           |           |           |           |           |
| Material dredged/removed (cubic yards) | 23,147    | 29,508    | 7,920     | 13,745    | 24,344    |
| Storm drain and heavy equipment        |           |           |           |           |           |
| Drains cleaned                         | 3,884     | 2,797     | 3,423     | 4,186     | 4,224     |
| Material hauled (cubic yards)          | 2,730     | 7,824     | 3,481     | 4,176     | 15,744    |
| Solid waste                            |           |           |           |           |           |
| Waste removal (tons)                   | 53,125    | 52,615    | 54,269    | 54,513    | 56,306    |
| Other waste removal                    | 318       | 305 (ton) | 291 (ton) | 110 (ton) | 93 (ton)  |
| Special events                         | 345       | 330       | 315       | 240       | 199       |
| Carcass removal                        | 3,650     | 3,617     | 3,610     | 3,947     | 4,986     |
| Trash division                         |           |           |           |           |           |
| Trash picked up                        | 164,200   | 171,260   | 173,820   | 189,960   | 191,300   |
| Pay pile loads                         | 680       | 542       | 349       | 570       | 600       |
| Environmental Response Crew            |           |           |           |           |           |
| Collections (gallons)                  | 1,499     | 1,215     | 2,954     | 734       | 1,240     |
| Other collections (yards)              | -         | -         | -         | -         | -         |
| Cleaned (feet)                         | 25,928    | 29,666    | 27,852    | 28,080    | 35,665    |
| Culture and Recreation                 |           |           |           |           |           |
| Museum of Mobile                       |           |           |           |           |           |
| Total admissions                       | 57,173    | 64,462    | 63,014    | 61,628    | 80,414    |
| Mobile Public Library                  |           |           |           |           |           |
| Items circulated                       | 1,702,092 | 1,798,526 | 1,899,180 | 1,871,251 | 1,979,929 |
| Customer visits                        | 1,447,113 | 1,439,398 | 1,369,945 | 1,417,588 | 1,441,980 |

<sup>1</sup> Only years available

<sup>2</sup> 2006-2008 data restated per information from the Human Resource Department.

\*Data not available

\*\*Method for reporting has changed.

Source: Various City Departments

| 2009        | 2008      | 2007      | 2006        |
|-------------|-----------|-----------|-------------|
| 299,604     | 369,640   | 467,000   | 840,000     |
| 15,035      | 25,130    | 49,650    | 46,809      |
| 5,387       | 4,455     | 3,506     | 4,859       |
| 16,188      | 5,472     | 11,448    | 13,458      |
| 55,972      | 56,647    | 58,235    | 58,734      |
| 68.27 (ton) | 57 (ton)  | 227 (ton) | 61,800 (cy) |
| 245         | 242       | 160       | 560         |
| 5,525       | 6,925     | 7,588     | 4,512       |
| 201,900     | 231,900   | 264,602   | 333,285     |
| 526         | 896       | 977       | 610         |
| 805         | 1,442     | 1,338     | 4,643       |
| -           | -         | 13        | -           |
| 34,805      | 19,555    | 19,707    | 6,285       |
| 92,483      | 87,815    | 201,629   | 39,598      |
| 2,121,584   | 1,975,446 | 1,830,942 | 1,739,028   |
| 1,469,049   | 1,369,611 | 1,264,125 | 1,123,116   |

**CITY OF MOBILE, ALABAMA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST NINE<sup>1</sup> FISCAL YEARS**

| <b>Function</b>                        | <b>2014</b> | <b>2013</b> | <b>2012</b> | <b>2011</b> | <b>2010</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Streets and Highways                   |             |             |             |             |             |
| Paved                                  | 1,267.5     | 1,267.7     | 1,267.2     | 1,264.4     | 1,263.3     |
| Unimproved                             | 18.9        | 19.6        | 19.8        | 21.8        | 21.8        |
| Traffic Signals                        | 316         | 316         | 315         | 453         | 431         |
| Street Lights                          | 5,200       | 5,200       | 5,200       | 5,200       | 4,922       |
| Public Safety                          |             |             |             |             |             |
| Police                                 |             |             |             |             |             |
| Precincts and Mini-Precincts           | 7           | 8           | 8           | 9           | 8           |
| Fire                                   |             |             |             |             |             |
| Number of Stations                     | 21          | 21          | 21          | 20          | 20          |
| Culture and Recreation                 |             |             |             |             |             |
| Number of Parks                        | 68          | 92          | 93          | 95          | 91          |
| Parks Acreage                          | 1,294       | 1,754       | 1,754       | 1,754       | 1,740       |
| Swimming Pools                         | 6           | 6           | 6           | 5           | 7           |
| Wading Pools                           | 9           | 6           | 5           | *           | *           |
| Spray Grounds                          | 3           | 3           | 3           | *           | *           |
| Tennis Courts                          | 93          | 93          | 97          | 97          | 97          |
| Community Centers                      | 14          | 14          | 15          | 15          | 17          |
| Senior Centers                         | 3           | 4           | *           | *           | *           |
| Motor Pool                             |             |             |             |             |             |
| Number of Sanitation Collection Trucks | 36          | 37          | 38          | 37          | 36          |

\*Information not available

<sup>1</sup>Only years available

\*\*Method for reporting has changed.

Source: Various City Departments

| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|-------------|-------------|-------------|-------------|
| 1,262.5     | 1,261.5     | 1,179.7     | 1,164.1     |
| 21.8        | 20.9        | 15.8        | 12.8        |
| 452         | 452         | 398         | 283         |
| 4,922       | 4,922       | 4,922       | 4,893       |
| 9           | 10          | 10          | 8           |
| 20          | 20          | 19          | 17          |
| 91          | 89          | 68          | 67          |
| 1740        | 1740        | 1740**      | 1740**      |
| 7           | 7           | 6           | 6           |
| *           | *           | *           | *           |
| *           | *           | *           | *           |
| 97          | 97          | 97          | 87          |
| 17          | 17          | 16          | 16          |
| *           | *           | *           | *           |
| 48          | 34          | 31          | *           |