

**CITY OF MOBILE, ALABAMA**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2013

**AT SEPTEMBER 30, 2013**

Samuel L. Jones, Mayor  
Barbara S. Malkove, Executive Director of Finance

**BEGINNING NOVEMBER 4, 2013**

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, 2013**

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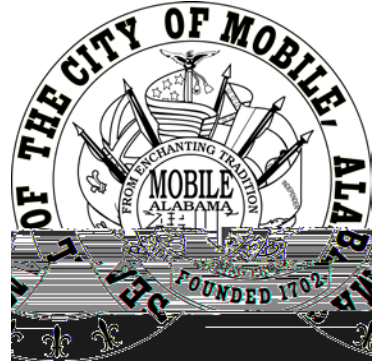
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WILLIAM S. STIMPSON  
MAYOR

# Part I Introductory Section





## THE CITY OF MOBILE, ALABAMA

March 31, 2014

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, 2013. 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 2012, the United States Census Bureau estimated that there were 194,822 people residing within the city limits of Mobile and that there were 413,936 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 established criteria to be included in the reporting entity as component units, and accordingly are included 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 related entities but have not met the established criteria for inclusion in the reporting entity, and accordingly 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 the 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 the beginning of the fiscal year each October.

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. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary 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.

At the close of Fiscal Year 2013, the total fund balance for the general fund, including restricted and nonspendable assets, was \$3.3 million.

Sales and use tax, the City's single largest revenue source, increased \$30.7 million from the prior year primarily due to a temporary one cent sales tax increase effective November 1, 2012 and expiring July 31, 2015.

## **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 has approved plans 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 has begun and will create an estimated 2,500 jobs over a two year period.

Austal USA in Mobile has been commissioned by the US Navy to build ten ships under a joint high speed vessel contract. 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 4,000 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. Moody's Investor Service maintained the City's bond rating at Aa2 and Standard and Poor's maintained their AA- (stable) rating.

With the deterioration in the City's general fund during fiscal year 2013, Mayor Sandy Stimpson determined that a full review of the 2014 budget was in order. This review resulted in the submission of an amended budget to the City Council. As of this writing, the City Council has not acted on the amended budget, although the administration is confident that the amended budget will be adopted.

Should the amended budget be adopted, the negative unassigned fund balance in the general fund will be restored. This is intended as the first step in restoring the City's financial health and in maintaining its credit ratings.



## RELEVANT FINANCIAL POLICIES

Management of the City 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 made to determine that the City's single audit for the fiscal year ended September 30, 2013 provided no instances of material weaknesses in internal controls 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 \$1,124,845 at September 30, 2013 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 \$11.34 million at September 30, 2013 and are accounted for in the Government-wide financial statements. The liability for employee health insurance claims of approximately \$1.76 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.



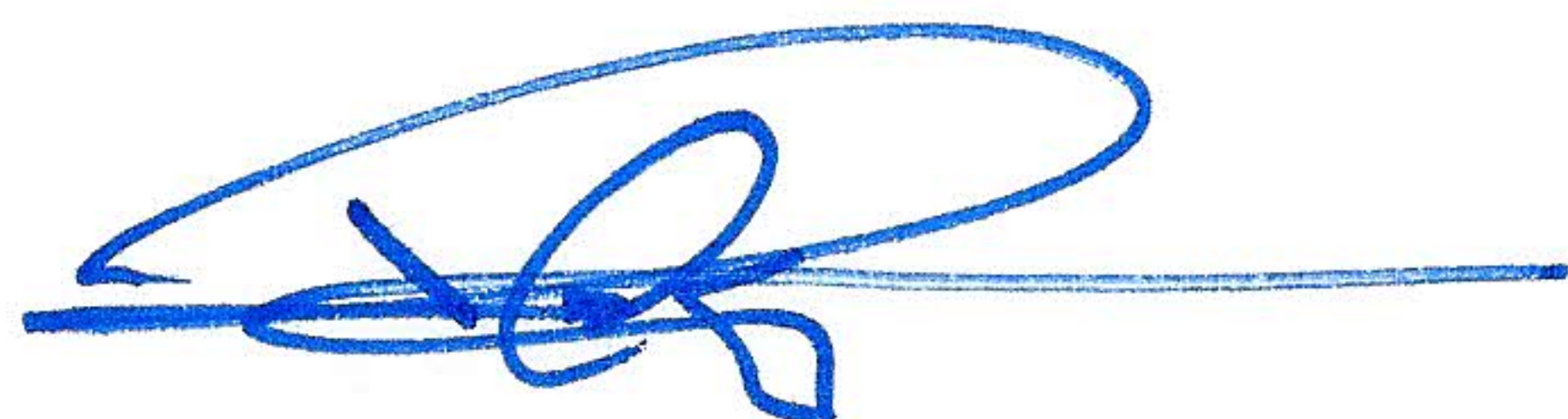
## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its 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, 2012**

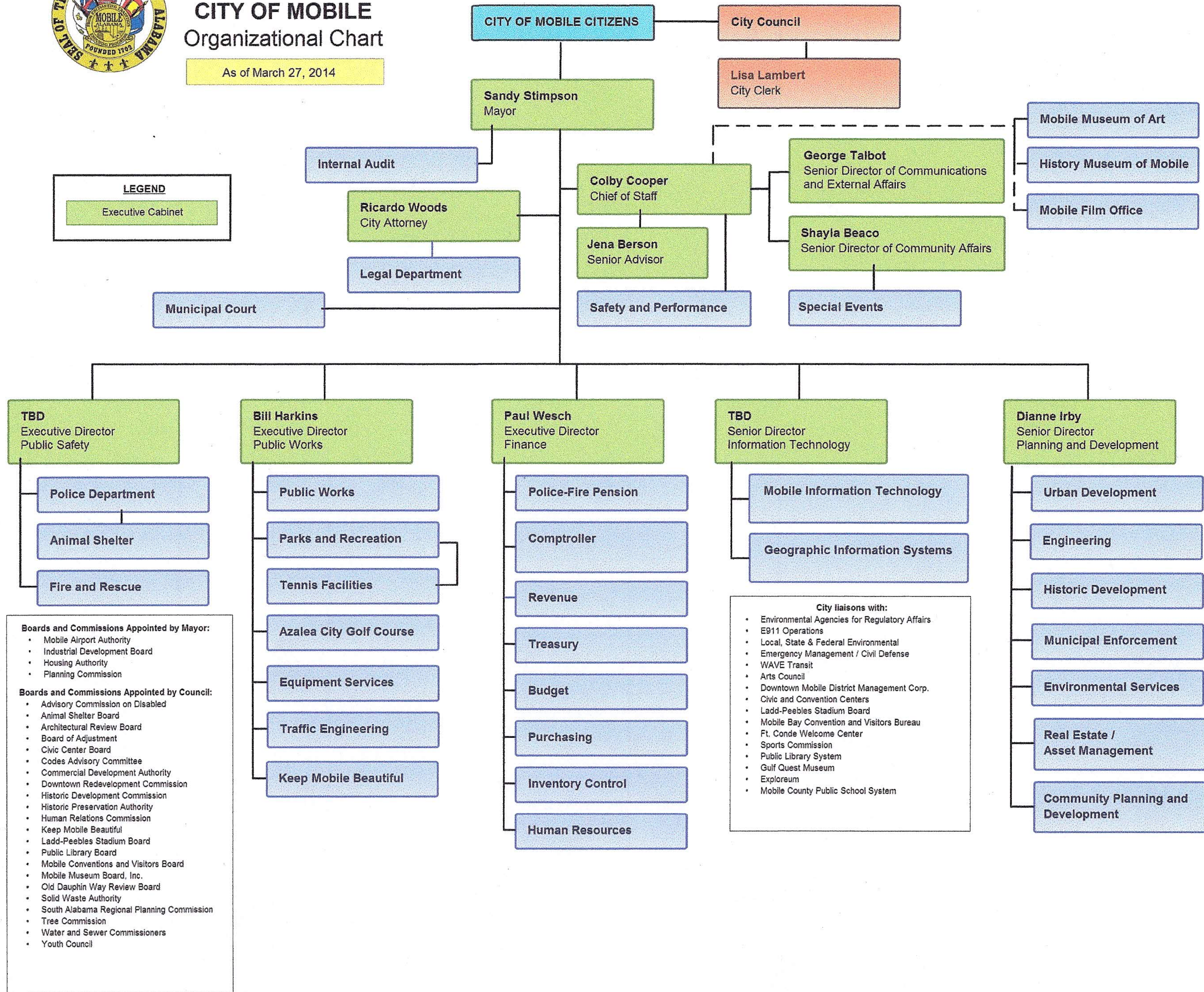
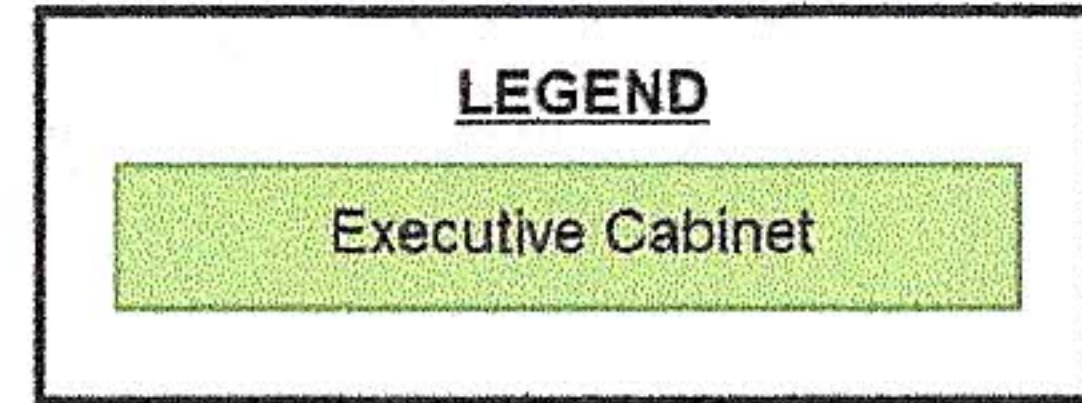
Executive Director/CEO





# CITY OF MOBILE Organizational Chart

As of March 27, 2014



- Boards and Commissions Appointed by Mayor:**
- Mobile Airport Authority
  - Industrial Development Board
  - Housing Authority
  - Planning Commission
- Boards and Commissions Appointed by Council:**
- Advisory Commission on Disabled
  - Animal Shelter Board
  - Architectural Review Board
  - Board of Adjustment
  - 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



**CITY OF MOBILE, ALABAMA**

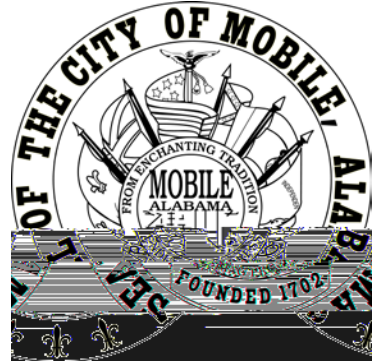
**LIST OF PRINCIPAL OFFICIALS**

**AT SEPTEMBER 30, 2013**

<b>TITLE</b>	<b>NAME</b>
Mayor	Samuel L. Jones
City Council	
District 1	Fredrick D. Richardson, Jr.
District 2	William Carroll
District 3	C.J. Small
District 4	John C. Williams
District 5	Reggie Copeland, Sr.
District 6	Bess Rich
District 7	Gina Gregory
Executive Director of Finance	Barbara S. Malkove
City Clerk	Lisa C. Lambert

**BEGINNING NOVEMBER 4, 2013**

<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, 2013, 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 2.43 percent, and 0.47 percent, respectively, of the assets, 5.02 percent and 0.86 percent, respectively, of the net position, and 1.79 percent and 0.32 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, 2013, 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 82-85 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, 2014 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 & Buckalew, L.L.P.*

Mobile, Alabama  
March 31, 2014

**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, 2013. 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 \$413.9 million (net position). Of this amount the City had a deficit in unrestricted net position of \$147.7 million offset by \$93.3 million in restricted net position and \$468.3 million in net investment in capital assets.
- ◆ The City's total net position decreased \$23.9 million, or 5.46%, as a result of this year's operations. Net position of governmental activities decreased \$29.7 million, or 8.94%, and net position of business-type activities increased \$5.73 million, or 5.40%.
- ◆ The City made nine prior period adjustments in the current year which affected beginning net position. A detailed explanation of these adjustments can be found at Note 19.
- ◆ At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$73.2 million. This was a decrease of \$11.9 million or 13.4% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General Fund was \$3.3 million, a decrease of 63.7% from the prior year. General Fund unassigned fund balance had a (\$4.3) million deficit at the end of the current fiscal year.
- ◆ On December 4, 2012 the City issued \$5.1 million G.O. Private Placement Warrant, Series 2012 for the purpose of purchasing certain police, fire and public service equipment. See Note 9 for additional information.
- ◆ Sales and use tax, the City's single largest revenue source, increased \$30.7 million or 21.6% from the prior year primarily due to a temporary one cent sales tax increase effective November 1, 2012.

### 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 cruise terminal.

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 82.

## **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 two separate legal entities in its report – Mobile Public Library and The Public Park and Recreation Board (Ladd-Peebles Stadium).

Although legally separate, these "component units" are important because the City is financially accountable for them. More comprehensive information about the City's 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 Justice). 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 \$413.9 million. This is a \$23.9 million decrease over last year's net assets of \$437.8 million. The following table provides a summary of the City's net assets:

	<b>City of Mobile, Alabama</b>						Amount Change	% Change
	Governmental Activities		Business-type Activities		Total Primary Government			
	2013	Restated 2012	2013	Restated 2012	2013	Restated 2012		
Current and other assets	\$ 178,608	\$ 194,136	\$ 17,491	\$ 12,486	\$ 196,099	\$ 206,622	\$ (10,523)	(5.09)%
Capital assets	<u>641,276</u>	<u>633,655</u>	<u>101,748</u>	<u>102,280</u>	<u>743,024</u>	<u>735,935</u>	<u>7,089</u>	0.96 %
Total assets	<u>\$ 819,884</u>	<u>\$ 827,791</u>	<u>\$ 119,239</u>	<u>\$ 114,766</u>	<u>\$ 939,123</u>	<u>\$ 942,557</u>	<u>\$ (3,434)</u>	(0.36)%
Deferred outflows	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.00 %
Long-term liabilities	\$ 481,736	\$ 461,447	\$ 621	\$ 797	\$ 482,357	\$ 462,244	\$ 20,113	4.35 %
Other liabilities	<u>36,061</u>	<u>34,621</u>	<u>2,702</u>	<u>7,855</u>	<u>38,763</u>	<u>42,476</u>	<u>(3,713)</u>	(8.74)%
Total liabilities	<u>517,797</u>	<u>496,068</u>	<u>3,323</u>	<u>8,652</u>	<u>521,120</u>	<u>504,720</u>	<u>16,400</u>	3.25 %
Deferred inflows:								
Deferred SCA receipts	<u>-</u>	<u>-</u>	<u>4,069</u>	<u>-</u>	<u>4,069</u>	<u>-</u>	<u>4,069</u>	100.00 %
Net position:								
Net investment in capital assets	366,742	360,178	101,563	101,479	468,305	461,657	6,648	1.44 %
Restricted	93,283	97,601	-	-	93,283	97,601	(4,318)	(4.42)%
Unrestricted	<u>(157,938)</u>	<u>(126,056)</u>	<u>10,284</u>	<u>4,635</u>	<u>(147,654)</u>	<u>(121,421)</u>	<u>(26,233)</u>	21.60 %
Total net position	<u>302,087</u>	<u>331,723</u>	<u>111,847</u>	<u>106,114</u>	<u>413,934</u>	<u>437,837</u>	<u>(23,903)</u>	(5.46)%

The largest portion of the City's net assets (113.1%) 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 (22.5%) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets may 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 \$157.9 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 \$25.8 million during the current fiscal year.

The unrestricted net assets for business-type activities show a balance of \$10.3 million which is a \$5.7 million increase from the prior year. This increase is due primarily to the transfer in of capital assets from governmental activities to the newly created Saenger Theater enterprise fund and positive net income for the Convention Center and the WAVE Transit for the year.

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)

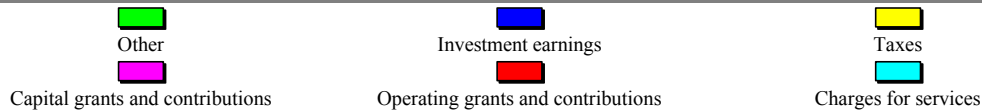
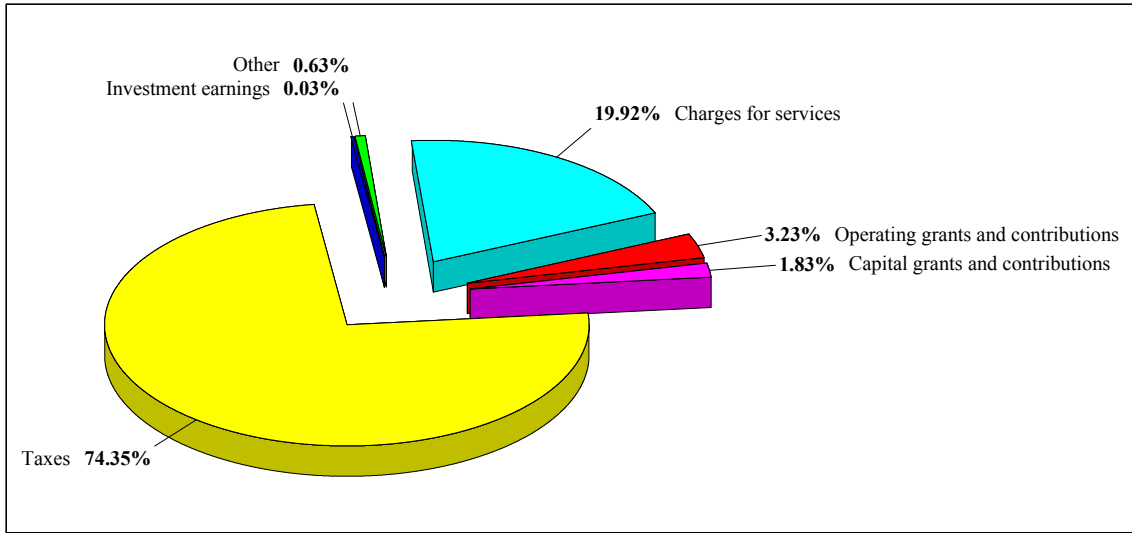
	Governmental Activities		Business-type Activities		Total Primary Government		Amount Change	% Change
	2013	Restated 2012	2013	Restated 2012	2013	Restated 2012		
Program Revenues:								
Charges for services	\$ 55,666	\$ 54,550	\$ 10,131	\$ 10,020	\$ 65,797	\$ 64,570	\$ 1,227	1.90 %
Operating grants and contributions	9,032	5,984	2,911	2,429	11,943	8,413	3,530	41.96 %
Capital grants and contributions	5,105	14,497	1,276	4,142	6,381	18,639	(12,258)	(65.77)%
General revenues:								
Taxes	207,741	175,334	10,617	10,377	218,358	185,711	32,647	17.58 %
Investment earnings	94	283	-	1	94	284	(190)	(66.90)%
Other	1,767	1,410	-	-	1,767	1,410	357	25.32 %
Total revenues	<u>279,405</u>	<u>252,058</u>	<u>24,935</u>	<u>26,969</u>	<u>304,340</u>	<u>279,027</u>	<u>25,313</u>	9.07 %
Program Expenses:								
General government	89,601	74,952	-	-	89,601	74,952	14,649	19.54 %
Economic development	1,271	976	-	-	1,271	976	295	30.23 %
Public safety	116,800	109,211	-	-	116,800	109,211	7,589	6.95 %
Public works	41,981	42,860	-	-	41,981	42,860	(879)	(2.05)%
Culture and recreation	24,346	23,928	-	-	24,346	23,928	418	1.75 %
Finance	5,314	5,326	-	-	5,314	5,326	(12)	(0.23)%
Interest on long-term debt	14,532	14,880	-	-	14,532	14,880	(348)	(2.34)%
Alabama Cruise Terminal	-	-	1,303	1,046	1,303	1,046	257	24.57 %
Civic Center	-	-	3,563	3,524	3,563	3,524	39	1.11 %
Convention Center	-	-	8,526	8,415	8,526	8,415	111	1.32 %
Golf Course	-	-	1,546	1,428	1,546	1,428	118	8.26 %
Firemedics	-	-	6,796	6,385	6,796	6,385	411	6.44 %
Parking Garage	-	-	227	280	227	280	(53)	(18.93)%
Tennis Center	-	-	640	602	640	602	38	6.31 %
Neighborhood Renewal Program	-	-	2	26	2	26	(24)	(92.31)%
Saenger Theater	-	-	259	-	259	-	259	100.00 %
WAVE Transit	-	-	11,551	12,369	11,551	12,369	(818)	(6.61)%
Total expenses	<u>293,845</u>	<u>272,133</u>	<u>34,413</u>	<u>34,075</u>	<u>328,258</u>	<u>306,208</u>	<u>22,050</u>	7.20 %
Change in net assets before capital contributions and transfers	(14,440)	(20,075)	(9,478)	(7,106)	(23,918)	(27,181)	3,263	(12.00)%
Transfers	<u>(15,212)</u>	<u>(4,207)</u>	<u>15,212</u>	<u>4,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	- %
Change in net assets	(29,652)	(24,282)	5,734	(2,899)	(23,918)	(27,181)	3,263	(12.00)%
Net position, beginning	331,723	356,005	106,114	109,013	437,837	465,018	(27,181)	(5.85)%
Adjustments to beginning net position	16	-	-	-	16	-	16	100.00 %
Net position, ending	<u>\$ 302,087</u>	<u>\$ 331,723</u>	<u>\$ 111,848</u>	<u>\$ 106,114</u>	<u>\$ 413,935</u>	<u>\$ 437,837</u>	<u>\$ (23,902)</u>	(5.46)%

\*Prior period adjustments were made to correct the presentation of various assets in accordance with current generally accepted accounting principles. See Note 19 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 2013.

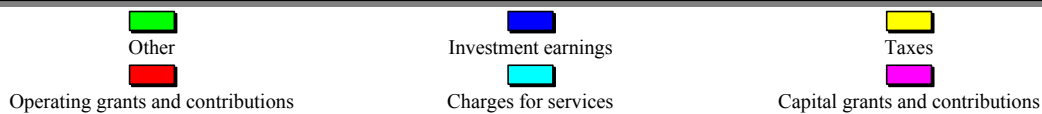
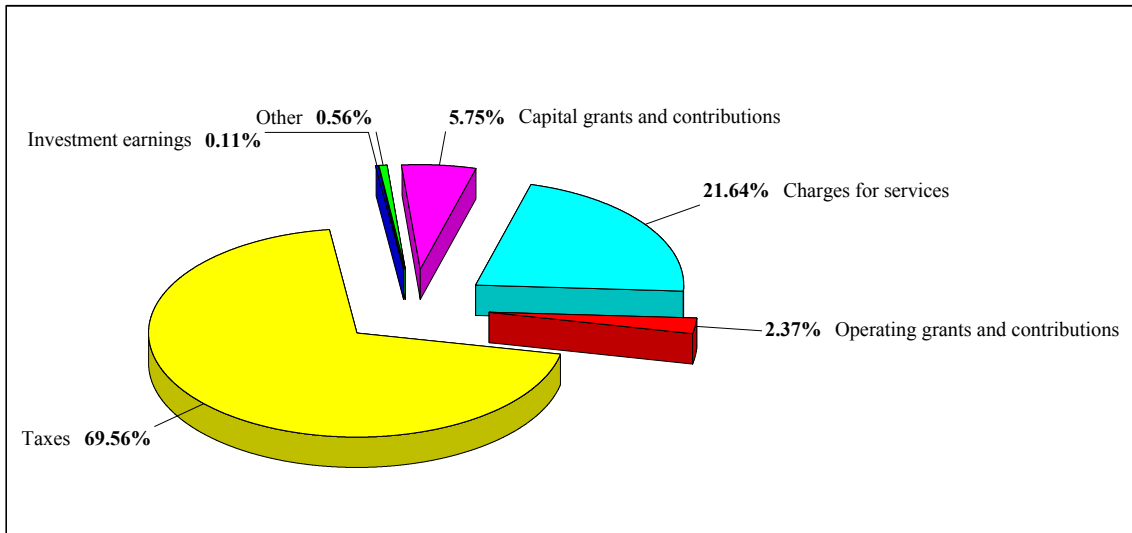
## GOVERNMENTAL REVENUES

2013



## GOVERNMENTAL REVENUES

2012

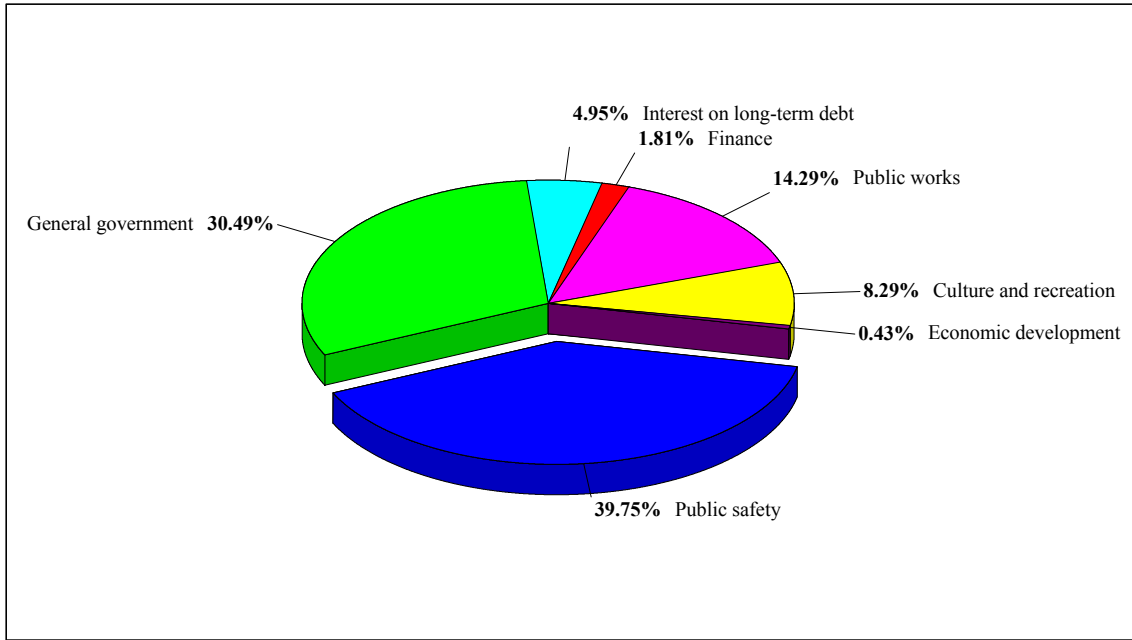


As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 74.35% and 69.56% of the City's total governmental revenues in fiscal years 2013 and 2012, respectively.



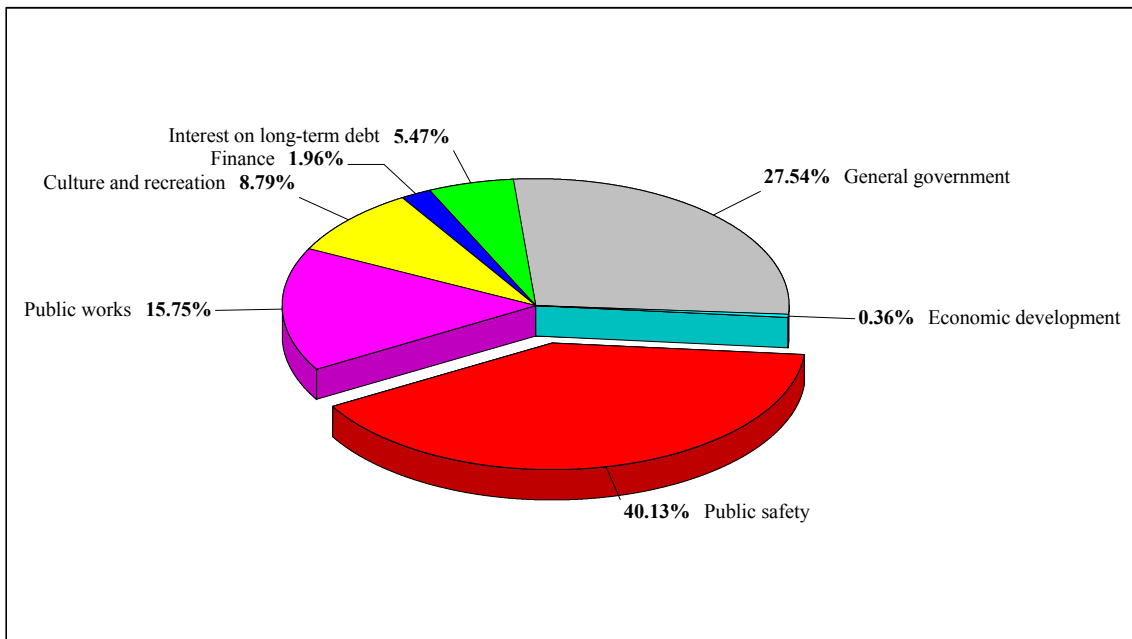
## GOVERNMENTAL FUNCTIONAL EXPENSES

2013



## GOVERNMENTAL FUNCTIONAL EXPENSES

2012



See the following page for discussion of these graphs.

## **Governmental activities**

Governmental activities decreased the City's net assets by \$29.7 million. The key elements of this decrease are as follows:

- Excess expenses over revenue for governmental activities amounted to \$224.0 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$94,013 which was a decrease of \$189,021 from the prior year.
- Tax revenues amounted to \$207.7 million which was an increase of 18.5% over the prior year and was due primarily to a temporary one percent sales tax which went into effect November 1, 2012.
- Other revenue amounted to \$1.8 million.
- Transfers out of governmental activities totaled \$15.2 million.

Governmental activity expenses increased from the prior year. Of the \$293.8 million of governmental activity expenses, public safety was the largest operating cost, at 39.7% of total costs in 2013. For the government-wide full accrual statements, capital outlay expenses were eliminated and capital assets were reported.

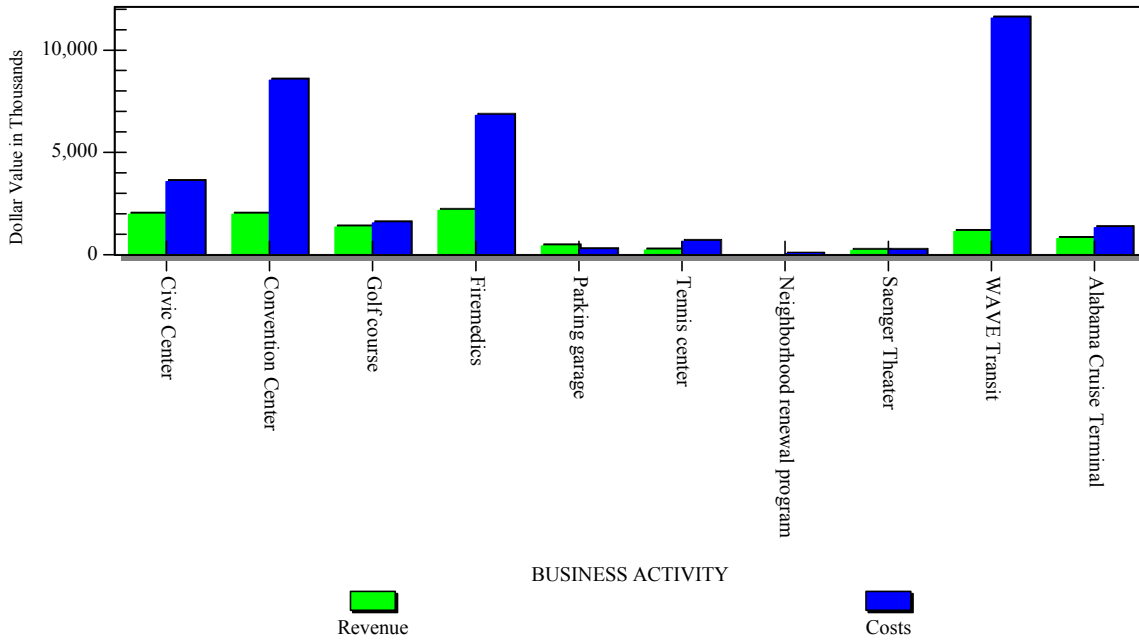
## **Business-type activities**

Business-type activities increased the City's total net assets by \$5.7 million. Business-type activities are shown comparing costs to revenues generated by related services. The parking garage business-type activity is 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.

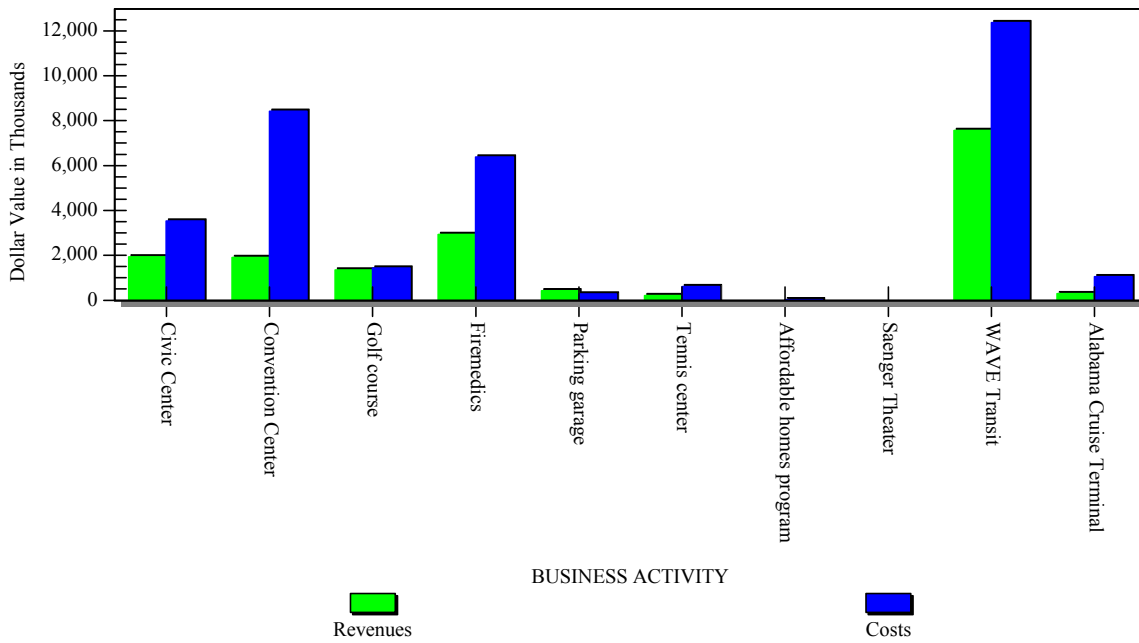
## BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2013



## BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2012



## 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 \$73.2 million, of which \$(4.3) million is unassigned. The nonspendable fund balance is \$2.3 million and stems from inventory and prepaid expenses. Restricted fund balance is \$21.0 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$7.2 million and comprises funds with constraints imposed by formal action of the City Council. Finally assigned fund balance is \$47.1 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 \$11.9 million decrease from the prior year. This decrease is primarily due to certain general fund cost centers which incurred expenditures above budgeted amounts.

#### 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 decreased by approximately \$12.6 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$35.7 million which includes a net increase of \$9.7 million. The increase is primarily due to the temporary one-cent sales tax effective November 1, 2013 from which this fund benefits.

### 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 increased by \$5.7 million during the current fiscal year. This increase is due primarily to the transfer in of capital assets from governmental activities to the newly created Saenger Theater enterprise fund and positive net income for the Convention Center and the WAVE Transit for the year.

#### 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 \$0.8 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 \$4.6 million. The following are the main components of the excess:

- Tax revenue was over expected budgeted amounts by \$5.4 million.
- State and federal assistance revenue was over budget by \$9.2 million. These amounts are not included in the original or final budget.
- Departmental expenditures were under budget by \$1.4 million
- Nondepartmental expenditures which include mandated activities, joint ventures, agencies, employee cost, state and federal projects, etc. were over budget by \$11.9 million primarily due to state and federal assistance expenditures which are not included in the original or final budget.

The amended budget for fiscal year 2013 was approximately \$191 million. This was an increase of \$6 million over the prior year amended budget.

Total revenues were approximately \$17.8 million over budget while expenditures were \$10.5 million over budget. This was due primarily to grants received and expensed which are not included in the budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of September 30, 2013, the City's net investment in capital assets for governmental and business-type activities was \$366.7 million and \$101.6 million, respectively. The increase was \$6.6 million from 2012 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 % Change
	<b>Net of Accumulated Depreciation</b>				<b>Total</b>		
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>		
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
Non-depreciable capital assets:							
Land	\$ 27,478	\$ 27,344	\$ 10,616	\$ 10,616	\$ 38,094	\$ 37,960	0.35 %
Infrastructure-in-progress	19,981	16,696	-	-	19,981	16,696	19.68 %
Construction-in-progress	62,636	51,318	1,750	2,589	64,386	53,907	19.44 %
Intangible assets	3,944	3,279	-	-	3,944	3,279	20.28 %
Depreciable capital assets, net							
Buildings	42,398	43,825	73,863	75,787	116,261	119,612	(2.80)%
Improvements	67,695	75,193	10,357	5,928	78,052	81,121	(3.78)%
Vehicular equip	21,570	17,650	5,006	5,974	26,576	23,624	12.50 %
Other equip	8,994	9,524	156	1,386	9,150	10,910	(16.13)%
Infrastructure	<u>386,581</u>	<u>388,826</u>	<u>-</u>	<u>-</u>	<u>386,581</u>	<u>388,826</u>	(0.58)%
Total capital assets, net	<u>\$ 641,277</u>	<u>\$ 633,655</u>	<u>\$ 101,748</u>	<u>\$ 102,280</u>	<u>\$ 743,025</u>	<u>\$ 735,935</u>	0.96 %



## Long-Term Debt

As of September 30, 2013, the City had \$296.9 million of long-term debt outstanding, including bonds and warrants payable, notes payable, and obligations under capital leases. In the current fiscal year, the City retired principal on long-term debt in the amount of \$11.7 million and made payments of \$0.9 million for capital lease obligations. Interest payments on long-term debt totaled \$14.2 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:

### Outstanding Long-term Debt (dollars are in thousands)

	Governmental Activities		Business-type Activities		Total		Total % Change
	2013	2012	2013	2012	2013	2012	
Bonds and warrants	\$ 289,598	\$ 295,149	\$ -	\$ -	\$ 289,598	\$ 295,149	(1.88)%
Notes payable	3,785	4,170	-	-	3,785	4,170	(9.23)%
Obligations under capital leases	3,346	4,240	185	362	3,531	4,602	(23.27)%
Total long-term debt	<u>\$ 296,729</u>	<u>\$ 303,559</u>	<u>\$ 185</u>	<u>\$ 362</u>	<u>\$ 296,914</u>	<u>\$ 303,921</u>	(2.31)%

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. Subsequent to year end, both S & P and Moody's increased the City's underlying rating. 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, 2013, the City's permissible debt limit exceeded actual debt by approximately \$233.5 million.

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

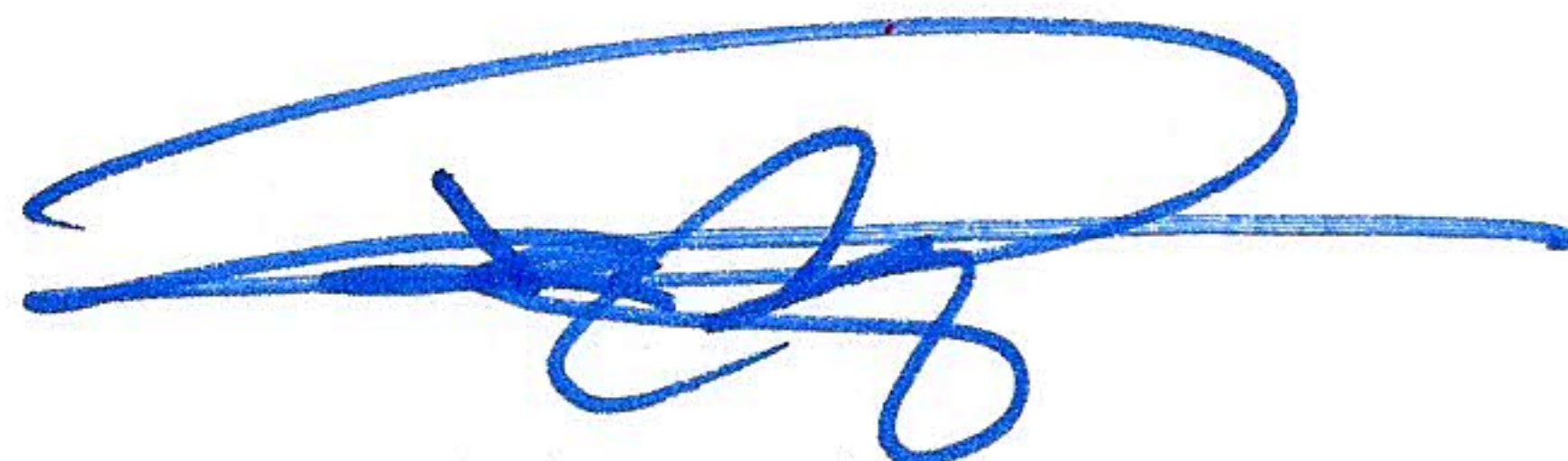
A temporary one-cent sales tax was implemented November 1, 2012 and will remain in effect until July 31, 2015.

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

Airbus began construction of a \$600 million aircraft assembly plant in Mobile at Brookley Aeroplex in 2013. The construction phase of the project will create an estimated 2,500 jobs over a two year period.

### 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.



Paul C. Wesch  
Executive Director of Finance



**BASIC  
FINANCIAL STATEMENTS**

**CITY OF MOBILE, ALABAMA  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2013**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 71,587,848	\$ 12,034,315	\$ 83,622,163	\$ 4,243,964
Restricted cash - capital purchases	167,842	-	167,842	-
Receivables (net)	25,870,140	4,965,199	30,835,339	308,851
Internal balances	185,486	(185,486)	-	-
Inventories	2,241,159	290,397	2,531,556	-
Other assets	2,445,629	386,807	2,832,436	-
P&F Pension - negative net pension obligation (asset)	76,109,691	-	76,109,691	-
Nondepreciable capital assets	114,039,733	12,365,650	126,405,383	-
Depreciable capital assets, net	527,236,752	89,382,221	616,618,973	524,314
Total assets	<u>819,884,280</u>	<u>119,239,103</u>	<u>939,123,383</u>	<u>5,077,129</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-	-	-
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	18,326,966	1,868,488	20,195,454	497,015
Unearned revenue	496,915	247,584	744,499	-
P&F Pension employer contribution payable	17,237,393	586,378	17,823,771	-
Long-term liabilities:				
Due within 1 year:				
Bonds and warrants payable	11,104,559	-	11,104,559	-
Notes payable	405,000	-	405,000	-
Capital lease obligations	922,079	184,751	1,106,830	-
Compensated absences	1,442,075	95,340	1,537,415	40,588
Insurance claims	5,744,299	-	5,744,299	-
Landfill postclosure liability	44,337	-	44,337	-
Due in more than 1 year:				
Bonds and warrants payable	278,493,008	-	278,493,008	-
Notes payable	3,380,000	-	3,380,000	-
Capital lease obligations	2,424,244	-	2,424,244	-
Compensated absences	12,685,833	340,353	13,026,186	442,902
Self-insured liability - legal	1,124,845	-	1,124,845	-
Insurance claims	7,356,922	-	7,356,922	-
Landfill postclosure liability	765,740	-	765,740	-
Postemployment benefits	155,843,000	-	155,843,000	-
Total liabilities	<u>517,797,215</u>	<u>3,322,894</u>	<u>521,120,109</u>	<u>980,505</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	-	4,068,877	4,068,877	-
<b>NET POSITION</b>				
Net investment in capital assets	366,741,756	101,563,121	468,304,877	524,314
Restricted for:				
Police and Fire Pension	76,109,691	-	76,109,691	-
Capital projects	7,841,920	-	7,841,920	-
Debt Service	221,605	-	221,605	-
Economic development	7,116,343	-	7,116,343	-
Grant programs	1,993,528	-	1,993,528	-
Unrestricted (deficit)	<u>(157,937,778)</u>	<u>10,284,211</u>	<u>(147,653,567)</u>	<u>3,572,310</u>
Total net position	<u>302,087,065</u>	<u>111,847,332</u>	<u>413,934,397</u>	<u>4,096,624</u>

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

**CITY OF MOBILE, ALABAMA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 89,601,242	\$ 48,203,217	\$ 5,564,326	\$ -
Economic development	1,271,271	-	160,016	4,562,341
Public safety	116,799,647	6,282,468	3,247,698	-
Public works	41,980,768	654,746	-	542,670
Culture and recreation	24,345,756	525,468	60,076	-
Finance	5,313,958	-	-	-
Interest on long-term debt	14,531,680	-	-	-
Total governmental activities	<u>293,844,322</u>	<u>55,665,899</u>	<u>9,032,116</u>	<u>5,105,011</u>
Business-Type Activities:				
Alabama Cruise Terminal	1,303,494	771,780	-	-
Civic Center	3,562,838	1,960,052	-	-
Convention Center	8,525,656	1,969,680	-	-
Golf course	1,545,563	1,339,025	-	-
Firemedics	6,795,760	2,149,941	-	-
Parking garage	228,298	410,482	-	-
Tennis Center	639,725	214,030	-	-
Neighborhood renewal program	1,408	-	-	-
Saenger Theater	259,127	200,270	-	-
WAVE Transit	11,551,094	1,115,896	2,910,578	1,275,691
Total business-type activities	<u>34,412,963</u>	<u>10,131,156</u>	<u>2,910,578</u>	<u>1,275,691</u>
Total primary government	<u>328,257,285</u>	<u>65,797,055</u>	<u>11,942,694</u>	<u>6,380,702</u>
<b>Component units:</b>				
Mobile Public Library	9,711,230	680,748	271,864	2,601
Public Park and Recreation Board	953,149	1,009,808	-	-
Total component units	<u>\$ 10,664,379</u>	<u>\$ 1,690,556</u>	<u>\$ 271,864</u>	<u>\$ 2,601</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 Activities	Business-Type Activities	Totals	Component Units
\$ (35,833,699)	\$ -	\$ (35,833,699)	\$ -
3,451,086	-	3,451,086	-
(107,269,481)	-	(107,269,481)	-
(40,783,352)	-	(40,783,352)	-
(23,760,212)	-	(23,760,212)	-
(5,313,958)	-	(5,313,958)	-
(14,531,680)	-	(14,531,680)	-
<u>(224,041,296)</u>	<u>-</u>	<u>(224,041,296)</u>	<u>-</u>
-	\$ (531,714)	(531,714)	-
-	(1,602,786)	(1,602,786)	-
-	(6,555,976)	(6,555,976)	-
-	(206,538)	(206,538)	-
-	(4,645,819)	(4,645,819)	-
-	182,184	182,184	-
-	(425,695)	(425,695)	-
-	(1,408)	(1,408)	-
-	(58,857)	(58,857)	-
-	(6,248,929)	(6,248,929)	-
-	<u>(20,095,538)</u>	<u>(20,095,538)</u>	<u>-</u>
<u>(224,041,296)</u>	<u>(20,095,538)</u>	<u>(244,136,834)</u>	<u>-</u>
-	-	-	\$ (8,756,017)
-	-	-	56,659
-	-	-	<u>\$ (8,699,358)</u>
16,364,039	-	16,364,039	-
163,725,091	8,894,387	172,619,478	-
9,499,092	-	9,499,092	-
5,182,775	1,722,186	6,904,961	-
2,078,693	-	2,078,693	-
8,015,194	-	8,015,194	-
1,993,093	-	1,993,093	-
432,831	-	432,831	-
363,317	-	363,317	-
87,364	-	87,364	-
-	-	-	8,384,029
94,013	763	94,776	70,346
1,766,581	-	1,766,581	-
<u>(15,212,065)</u>	<u>15,212,065</u>	<u>-</u>	<u>-</u>
<u>194,390,018</u>	<u>25,829,401</u>	<u>220,219,419</u>	<u>8,454,375</u>
<u>(29,651,278)</u>	<u>5,733,863</u>	<u>(23,917,415)</u>	<u>(244,983)</u>
331,722,788	106,113,469	437,836,257	4,341,607
15,555	-	15,555	-
<u>\$ 302,087,065</u>	<u>\$ 111,847,332</u>	<u>\$ 413,934,397</u>	<u>\$ 4,096,624</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, 2013**

	General Fund	Capital Improvements Fund
<b>ASSETS</b>		
Cash, equity in pooled cash and investments	\$ -	\$ 33,369,242
Restricted cash - capital purchases	-	-
Receivables (net)	20,148,056	3,590,186
Due from other funds	574,330	1,120,785
Inventories	2,241,159	-
Other assets	10,000	-
Total assets	\$ 22,973,545	\$ 38,080,213
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 16,865,698	\$ 2,285,136
Unearned revenue	496,915	141,574
Due to other funds	1,309,630	-
Compensated absences - terminated employees	360,519	-
Insurance claims payable	664,483	-
Escrowed funds liability	18,282	-
Total liabilities	19,715,527	2,426,710
<b>FUND BALANCES</b>		
Nonspendable	2,251,159	-
Restricted	2,468,988	-
Committed	-	-
Assigned	2,834,071	35,653,503
Unassigned	(4,296,200)	-
Total fund balances	3,258,018	35,653,503
Total liabilities and fund balances	\$ 22,973,545	\$ 38,080,213

See Accompanying Notes to the Financial Statements.

Governmental Funds - Non Major	Total Governmental Funds
\$ 35,729,600	\$ 69,098,842
167,842	167,842
1,189,226	24,927,468
-	1,695,115
-	2,241,159
-	10,000
<u>\$ 37,086,668</u>	<u>\$ 98,140,426</u>
\$ 2,593,787	\$ 21,744,621
-	638,489
200,000	1,509,630
-	360,519
-	664,483
-	18,282
<u>2,793,787</u>	<u>24,936,024</u>
-	2,251,159
18,521,380	20,990,368
7,162,797	7,162,797
8,615,297	47,102,871
(6,593)	(4,302,793)
<u>34,292,881</u>	<u>73,204,402</u>
<u>\$ 37,086,668</u>	<u>\$ 98,140,426</u>

**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, 2013**

Total fund balances - governmental funds		\$ 73,204,402
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	\$ 868,982,331	
Less accumulated depreciation	<u>(235,447,237)</u>	633,535,094
Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Bond costs	3,533,096	
Less accumulated amortization	<u>(1,097,466)</u>	2,435,630
Police & Fire Pension negative net pension obligation		76,109,691
Long-term notes receivable		800,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest payable	(1,766,636)	
P&F Pension employer contribution payable	(11,299,165)	
Bonds and warrants payable	(289,597,567)	
Notes payable	(3,785,000)	
Capital lease obligations	(2,393,296)	
Compensated absences	(13,767,389)	
Insurance claims payable	(10,679,338)	
Landfill postclosure liability	(810,077)	
OPEB liability	<u>(155,843,000)</u>	(489,941,468)
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.		141,574
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>5,802,142</u>
Total net position - governmental activities		<u>\$ 302,087,065</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, 2013**

	<u>General Fund</u>	<u>Capital Improvements Fund</u>
<b>Revenues</b>		
Taxes	\$ 152,093,165	\$ 39,428,552
Licenses and permits	33,651,069	-
Intergovernmental	137,740	-
Charges for services	8,214,246	-
Fines and forfeitures	4,548,189	-
State and federal assistance	9,208,009	-
Interest	68,184	-
Other revenue	785,554	1,200,334
Total revenues	<u>208,706,156</u>	<u>40,628,886</u>
<b>Expenditures</b>		
Current:		
General government	16,795,637	-
Economic development	832,668	-
Public safety	83,692,248	-
Public works	32,913,792	-
Culture and recreation	13,475,345	-
Finance	4,542,960	-
Nondepartmental	51,717,516	-
Capital outlay	-	12,653,500
Debt Service:		
Principal payments	-	671,354
Interest and fee payments	48,635	108,807
Total expenditures	<u>204,018,801</u>	<u>13,433,661</u>
Excess (deficiency) of revenues over expenditures	<u>4,687,355</u>	<u>27,195,225</u>
<b>Other financing sources (uses)</b>		
Transfers in	8,060,543	1,597,677
Transfers out	(25,394,124)	(19,124,131)
Capital-related debt issued	-	-
Bond issuance costs	-	-
Proceeds from disposal of assets	18,121	-
Total other financing sources (uses)	<u>(17,315,460)</u>	<u>(17,526,454)</u>
Net change in fund balance	(12,628,105)	9,668,771
Fund balances - beginning of year	19,839,878	25,984,732
Adjustment to beginning fund balance	(3,953,755)	-
Fund balances - end of year	<u>\$ 3,258,018</u>	<u>\$ 35,653,503</u>

See Accompanying Notes to the Financial Statements.

Governmental Funds - Non Major	Total Governmental Funds
\$ 16,219,772	\$ 207,741,489
2,881,038	36,532,107
-	137,740
509,437	8,723,683
-	4,548,189
4,386,448	13,594,457
25,829	94,013
1,394	1,987,282
<u>24,023,918</u>	<u>273,358,960</u>
-	16,795,637
-	832,668
-	83,692,248
-	32,913,792
-	13,475,345
-	4,542,960
5,368,335	57,085,851
20,706,298	33,359,798
11,280,795	11,952,149
13,776,907	13,934,349
<u>51,132,335</u>	<u>268,584,797</u>
<u>(27,108,417)</u>	<u>4,774,163</u>
29,606,737	39,264,957
(16,525,788)	(61,044,043)
5,100,000	5,100,000
(10,529)	(10,529)
-	18,121
<u>18,170,420</u>	<u>(16,671,494)</u>
(8,937,997)	(11,897,331)
43,230,878	89,055,488
-	(3,953,755)
<u>\$ 34,292,881</u>	<u>\$ 73,204,402</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, 2013**

Net change in fund balances - total governmental funds		\$(11,897,331)
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	\$ 26,109,110	
Less accumulated depreciation	<u>(18,364,767)</u>	7,744,343
Contributions of capital assets are not reported as income in governmental funds		542,670
Capital assets transferred to business-type activities		(3,242,463)
Change in deferred revenue		6,401
Change in P&F Pension negative net pension obligation		(247,569)
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.		
Capital-related debt issued	(5,100,000)	
Bond issuance costs	10,529	
Principal payments - capital lease obligations	671,355	
Principal payments - bonds and notes payable	<u>11,665,794</u>	7,247,678
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 costs	(187,339)	
Amortization of current year bond discount	(19,307)	
Change in long-term compensated absences	(796)	
Change in long-term insurance claims	(1,588,578)	
Change in long-term landfill postclosure liability	42,632	
Change in accrued interest	60,435	
Change in pension contribution	(2,405,635)	
Change in OPEB liability	(25,820,000)	
Gain (loss) on disposal of capital assets	<u>(88,614)</u>	(30,617,148)
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>812,141</u>
Change in net position of governmental activities		<u><u>\$(29,651,278)</u></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, 2013**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
<b>ASSETS</b>			
Current assets:			
Cash, equity in pooled cash and investments	\$ 156,663	\$ 9,060,705	\$ 185,838
Receivables (net)	50,029	852,409	2,729,125
Due from other funds	-	-	388,845
Other assets	2,722	11,162	355,112
Inventories	13,755	44,744	158,714
Total current assets	<u>223,169</u>	<u>9,969,020</u>	<u>3,817,634</u>
Capital assets:			
Non-depreciable capital assets	224,350	6,626,965	2,044,941
Depreciable capital assets, net	7,110,921	38,348,176	17,100,163
Total capital assets	<u>7,335,271</u>	<u>44,975,141</u>	<u>19,145,104</u>
Total assets	<u>7,558,440</u>	<u>54,944,161</u>	<u>22,962,738</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	276,602	414,659	803,614
Unearned revenue	145,691	87,043	-
Capital lease obligations - current portion	-	-	184,751
Compensated absences - current portion	-	-	95,340
Insurance claims payable	-	-	-
Due to other funds	-	-	574,332
Total current liabilities	<u>422,293</u>	<u>501,702</u>	<u>1,658,037</u>
Long-term liabilities:			
Capital lease obligations - net of current portion	-	-	-
Compensated absences - net of current portion	-	-	340,353
Self-insured liability - legal	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>340,353</u>
Total liabilities	<u>422,293</u>	<u>501,702</u>	<u>1,998,390</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	7,335,272	44,975,141	18,960,352
Unrestricted (deficit)	(199,125)	9,467,318	2,003,996
Total net position	<u>\$ 7,136,147</u>	<u>\$ 54,442,459</u>	<u>\$ 20,964,348</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 1,774,855	\$ -	\$ 856,254	\$ 12,034,315	\$ 2,489,006
235,000	11,241	1,087,395	4,965,199	142,672
-	-	-	388,845	-
-	17,811	-	386,807	-
-	-	73,184	290,397	-
<u>2,009,855</u>	<u>29,052</u>	<u>2,016,833</u>	<u>18,065,563</u>	<u>2,631,678</u>
1,895,790	115,964	1,457,640	12,365,650	-
<u>4,100,089</u>	<u>17,368,680</u>	<u>5,354,192</u>	<u>89,382,221</u>	<u>7,741,391</u>
<u>5,995,879</u>	<u>17,484,644</u>	<u>6,811,832</u>	<u>101,747,871</u>	<u>7,741,391</u>
<u>8,005,734</u>	<u>17,513,696</u>	<u>8,828,665</u>	<u>119,813,434</u>	<u>10,373,069</u>
-	-	-	-	-
-	52,769	907,222	2,454,866	735,655
-	13,850	1,000	247,584	-
-	-	-	184,751	228,776
-	-	-	95,340	-
-	-	-	-	1,757,400
-	-	-	574,332	-
<u>-</u>	<u>66,619</u>	<u>908,222</u>	<u>3,556,873</u>	<u>2,721,831</u>
-	-	-	-	724,251
-	-	-	340,353	-
-	-	-	-	1,124,845
-	-	-	340,353	1,849,096
<u>-</u>	<u>66,619</u>	<u>908,222</u>	<u>3,897,226</u>	<u>4,570,927</u>
<u>4,068,877</u>	<u>-</u>	<u>-</u>	<u>4,068,877</u>	<u>-</u>
5,995,879	17,484,644	6,811,833	101,563,121	6,788,364
(2,059,022)	(37,567)	1,108,610	10,284,210	(986,222)
<u>\$ 3,936,857</u>	<u>\$ 17,447,077</u>	<u>\$ 7,920,443</u>	<u>\$ 111,847,331</u>	<u>\$ 5,802,142</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, 2013**

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
<b>OPERATING REVENUES</b>			
Facility rent	\$ 404,483	\$ 648,967	\$ -
Sales revenue	-	-	-
Parking fees	309,904	147,038	-
User charges	776,710	196,434	1,043,068
Concessions	238,644	895,539	-
Retiree drug subsidy	-	-	-
Miscellaneous revenue	230,311	81,702	72,828
Total operating revenues	<u>1,960,052</u>	<u>1,969,680</u>	<u>1,115,896</u>
<b>OPERATING EXPENSES</b>			
Personnel services	1,295,384	2,110,952	6,524,047
Commodities	91,748	821,727	2,010,877
Utilities	643,055	614,353	223,350
Cost of goods sold	-	-	-
Professional and technical	293,936	2,698,443	322,243
Architectural	-	19,803	-
Maintenance and repairs	11,391	181,274	-
Printing and reproduction	-	-	-
Insurance payments	97,576	406,011	603,087
Increase (decrease) in provision for self-insured loss	-	-	-
Event expenses	665,871	88,185	-
Other charges	57,378	305,568	288,135
Depreciation	406,499	1,258,376	1,521,135
Capital outlay	-	20,963	-
Total operating expenses	<u>3,562,838</u>	<u>8,525,655</u>	<u>11,492,874</u>
Operating income (loss)	<u>(1,602,786)</u>	<u>(6,555,975)</u>	<u>(10,376,978)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes	-	10,616,571	-
Investment income	-	-	-
Interest and fee payments	-	-	(14,505)
Gain (loss) on disposal of capital assets	-	-	-
Federal grants	-	-	2,910,578
Capital transfer to other governmental entity	-	-	(43,715)
Damaged vehicles reimbursement	-	-	-
Capital contribution	-	-	1,275,691
Net nonoperating revenues (expenses)	<u>-</u>	<u>10,616,571</u>	<u>4,128,049</u>
Net income (loss) before contributions and transfers	<u>(1,602,786)</u>	<u>4,060,596</u>	<u>(6,248,929)</u>
Transfers in	1,105,909	1,600,000	7,936,595
Transfers out	<u>-</u>	<u>(4,154,016)</u>	<u>(247,321)</u>
Change in net position	<u>(496,877)</u>	<u>1,506,580</u>	<u>1,440,345</u>
Net position - beginning of year	7,633,024	52,935,879	19,524,003
Net position - end of year	<u>\$ 7,136,147</u>	<u>\$ 54,442,459</u>	<u>\$ 20,964,348</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 410,483	\$ 193,499	\$ 190,061	\$ 1,847,493	\$ -
-	-	149,556	149,556	-
-	15,748	-	472,690	-
-	562,533	3,547,698	6,126,443	23,377,121
-	-	5,324	1,139,507	-
-	-	-	-	433,421
-	-	10,627	395,468	2,943
<u>410,483</u>	<u>771,780</u>	<u>3,903,266</u>	<u>10,131,157</u>	<u>23,813,485</u>
-	124,059	6,955,761	17,010,203	86,230
26,655	8,805	919,555	3,879,367	2,947,523
-	157,431	267,060	1,905,249	37,180
-	299,318	122,505	421,823	-
-	168,701	351,077	3,834,400	985,035
-	-	-	19,803	-
-	17,679	46,816	257,160	-
-	1,846	2,216	4,062	-
-	106,211	69,421	1,282,306	26,179,975
-	-	-	-	(311,788)
-	-	-	754,056	-
-	12,583	349,790	1,013,454	1,426,678
201,644	406,861	172,887	3,967,402	1,485,117
-	-	100	21,063	-
<u>228,299</u>	<u>1,303,494</u>	<u>9,257,188</u>	<u>34,370,348</u>	<u>32,835,950</u>
<u>182,184</u>	<u>(531,714)</u>	<u>(5,353,922)</u>	<u>(24,239,191)</u>	<u>(9,022,465)</u>
-	-	-	10,616,571	-
763	-	-	763	-
-	-	-	(14,505)	(28,515)
-	-	15,605	15,605	22,406
-	-	-	2,910,578	-
-	-	-	(43,715)	-
-	-	-	-	31,232
-	-	3,242,463	4,518,154	-
<u>763</u>	<u>-</u>	<u>3,258,068</u>	<u>18,003,451</u>	<u>25,123</u>
<u>182,947</u>	<u>(531,714)</u>	<u>(2,095,854)</u>	<u>(6,235,740)</u>	<u>(8,997,342)</u>
-	2,027,158	5,673,391	18,343,053	9,809,483
<u>(475,380)</u>	<u>(1,496,734)</u>	<u>-</u>	<u>(6,373,451)</u>	<u>-</u>
<u>(292,433)</u>	<u>(1,290)</u>	<u>3,577,537</u>	<u>5,733,862</u>	<u>812,141</u>
<u>4,229,290</u>	<u>17,448,367</u>	<u>4,342,906</u>	<u>106,113,469</u>	<u>4,990,001</u>
<u>\$ 3,936,857</u>	<u>\$ 17,447,077</u>	<u>\$ 7,920,443</u>	<u>\$ 111,847,331</u>	<u>\$ 5,802,142</u>

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

**CITY OF MOBILE, ALABAMA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
<b>Cash flows from operating activities</b>			
Cash received from:			
User charges	\$ 776,710	\$ 196,434	\$ 1,110,746
Sales revenue	-	-	-
Internal billings	-	-	-
Employee contributions	-	-	-
Facility rent	435,152	713,464	-
Parking fees	309,904	147,038	-
Concessions	238,644	895,539	-
Miscellaneous	176,752	87,402	-
Cash payments for insurance claims	-	-	-
Cash payments for operating expenses	(1,866,820)	(5,198,343)	(3,576,148)
Cash payments for internal services	(329,154)	(541,657)	-
Cash payments to employees for services	(1,107,460)	(1,583,904)	(7,190,464)
Net cash provided (used) by operating activities	<u>(1,366,272)</u>	<u>(5,284,027)</u>	<u>(9,655,866)</u>
<b>Cash flows from non-capital financing activities</b>			
Taxes	-	10,685,565	-
Non-capital grants and contributions	-	-	2,437,918
Transfers out to other governmental entity	-	-	(43,714)
Transfers in from other funds	1,105,909	1,600,000	7,891,065
Transfers out to other funds	-	(4,154,016)	(1,474,777)
Retiree drug subsidy	-	-	-
Net cash provided by non-capital financing activities	<u>1,105,909</u>	<u>8,131,549</u>	<u>8,810,492</u>
<b>Cash flows from capital and related financing activities</b>			
Principal Payments	-	-	(177,339)
Interest payments	-	-	(15,135)
Acquisition of capital assets	-	(27,390)	(226,016)
Proceeds from sale of capital assets	-	-	-
Reimbursement for damaged vehicles	-	-	-
Capital grants and contributions	-	-	1,285,236
Net cash used by capital and related financing activities	<u>-</u>	<u>(27,390)</u>	<u>866,746</u>
<b>Cash flows from investing activities</b>			
Investment income received	-	-	-
Net cash flows provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	(260,363)	2,820,132	21,372
Pooled cash and investments - beginning of the year, restated	417,026	6,240,573	164,466
Pooled cash and investments - end of the year	<u>\$ 156,663</u>	<u>\$ 9,060,705</u>	<u>\$ 185,838</u>

See Accompanying Notes to the Financial Statements.



				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ -	\$ 554,210	\$ 4,268,854	\$ 6,906,954	\$ 1,179,015
-	-	146,556	146,556	-
-	-	-	-	17,892,562
-	-	-	-	4,311,055
308,441	199,099	193,061	1,849,217	-
-	15,748	-	472,690	-
-	-	5,324	1,139,507	-
-	-	12,868	277,022	1,538
-	-	-	-	(26,197,064)
(65,156)	(758,271)	(1,978,635)	(13,443,373)	(5,690,150)
-	-	(518,612)	(1,389,423)	-
-	(118,919)	(6,556,294)	(16,557,041)	(85,005)
<u>243,285</u>	<u>(108,133)</u>	<u>(4,426,878)</u>	<u>(20,597,891)</u>	<u>(8,588,049)</u>
-	-	-	10,685,565	-
-	-	-	2,437,918	-
-	-	-	(43,714)	-
350,000	1,597,158	4,560,263	17,104,395	9,809,483
-	(1,496,734)	-	(7,125,527)	(1,308,267)
-	-	-	-	433,421
<u>350,000</u>	<u>100,424</u>	<u>4,560,263</u>	<u>23,058,637</u>	<u>8,934,637</u>
-	-	-	(177,339)	(222,733)
-	-	-	(15,135)	(28,515)
-	-	(10,927)	(264,333)	(1,092,790)
-	-	87,429	87,429	134,121
-	-	-	-	31,232
-	-	-	1,285,236	-
<u>-</u>	<u>-</u>	<u>76,502</u>	<u>915,858</u>	<u>(1,178,685)</u>
763	-	-	763	-
763	-	-	763	-
594,048	(7,709)	209,887	3,377,367	(832,097)
1,180,807	7,709	646,367	8,656,948	3,321,103
<u>\$ 1,774,855</u>	<u>\$ -</u>	<u>\$ 856,254</u>	<u>\$ 12,034,315</u>	<u>\$ 2,489,006</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, 2013**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (1,602,786)	\$ (6,555,975)	\$ (10,376,978)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	406,499	1,258,376	1,521,135
Non-capital financing cash flow included in operating income	-	-	-
Change in assets and liabilities -			
Decrease (increase) in:			
Accounts receivable	30,669	121,675	(5,149)
Materials and supplies	(2,201)	(626)	4,201
Prepaid expenses	1,145	-	(108,597)
Increase (decrease) in:			
Accounts payable	(139,538)	(57,172)	(13,027)
Accrued liabilities	-	-	27,714
Payroll payable	(6,501)	1,173	-
Retainage payable	-	-	(11,034)
Pension liability	-	-	(694,131)
Insurance claims payable	-	-	-
Self-insured liability - legal	-	-	-
Advance collections	(53,559)	(51,478)	-
Total adjustments	<u>236,514</u>	<u>1,271,948</u>	<u>721,112</u>
Net cash provided (used) by operating activities	<u>\$ (1,366,272)</u>	<u>\$ (5,284,027)</u>	<u>\$ (9,655,866)</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 182,184	\$ (531,714)	\$ (5,353,922)	\$ (24,239,191)	\$ (9,022,465)
201,644	406,861	172,887	3,967,402	1,485,117
-	-	-	-	(433,421)
-	(8,323)	721,156	860,028	(125,959)
-	-	4,720	6,094	-
-	1,589	-	(105,863)	-
(38,503)	12,714	(6,233)	(241,759)	(60,305)
-	-	-	27,714	1,226
-	5,140	35,014	34,826	-
-	-	-	(11,034)	-
-	-	-	(694,131)	-
-	-	-	-	(311,787)
-	-	-	-	(120,455)
(102,040)	5,600	(500)	(201,977)	-
61,101	423,581	927,044	3,641,300	434,416
<u>\$ 243,285</u>	<u>\$ (108,133)</u>	<u>\$ (4,426,878)</u>	<u>\$ (20,597,891)</u>	<u>\$ (8,588,049)</u>

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

## **COMPONENT UNITS**

Mobile Public Library  
The Public Park and Recreation Board

**CITY OF MOBILE, ALABAMA  
STATEMENT OF NET POSITION  
COMPONENT UNITS  
SEPTEMBER 30, 2013**

	<u>Mobile Public Library</u>	<u>Public Park and Recreation Board</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 3,978,162	\$ 265,802	\$ 4,243,964
Receivables:			
Accounts, notes and other - net	84,520	224,331	308,851
Depreciable capital assets, net	<u>346,235</u>	<u>178,079</u>	<u>524,314</u>
Total assets	<u>\$ 4,408,917</u>	<u>\$ 668,212</u>	<u>\$ 5,077,129</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 339,189	\$ 157,826	\$ 497,015
Due within one year:			
Compensated absences - current portion	40,588	-	40,588
Due after one year:			
Compensated absences - net of current portion	<u>442,902</u>	<u>-</u>	<u>442,902</u>
Total liabilities	<u>822,679</u>	<u>157,826</u>	<u>980,505</u>
<b>NET POSITION</b>			
Net investment in capital assets	346,235	178,079	524,314
Unrestricted (deficit)	<u>3,240,003</u>	<u>332,307</u>	<u>3,572,310</u>
Total net position	<u>\$ 3,586,238</u>	<u>\$ 510,386</u>	<u>\$ 4,096,624</u>

See Accompanying Notes to the Financial Statements.



**CITY OF MOBILE, ALABAMA  
STATEMENT OF ACTIVITIES  
COMPONENTS UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Mobile Public Library</b>				
Culture and recreation	\$ 9,711,230	\$ 680,748	\$ 271,864	\$ 2,601
Total Mobile Public Library	<u>9,711,230</u>	<u>680,748</u>	<u>271,864</u>	<u>2,601</u>
<b>Public Park and Recreation Board</b>				
Culture and recreation	953,149	1,009,808	-	-
Total Public Park and Recreation Board	<u>953,149</u>	<u>1,009,808</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 10,664,379</u>	<u>\$ 1,690,556</u>	<u>\$ 271,864</u>	<u>\$ 2,601</u>

**General Revenues:**

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

See Accompanying Notes to the Financial Statements.

Net (Expenses) Revenue and  
Changes in Net Position

Public Library	Public Park and Recreation Board	Totals
<u>\$ (8,756,017)</u>		<u>\$ (8,756,017)</u>
<u>(8,756,017)</u>		<u>(8,756,017)</u>
	<u>\$ 56,659</u>	<u>56,659</u>
	<u>56,659</u>	<u>56,659</u>
		<u>(8,699,358)</u>
6,607,912	-	6,607,912
1,238,342	-	1,238,342
171,000	-	171,000
366,775	-	366,775
<u>70,346</u>	<u>-</u>	<u>70,346</u>
<u>8,454,375</u>	<u>-</u>	<u>8,454,375</u>
(301,642)	56,659	(244,983)
<u>3,887,880</u>	<u>453,727</u>	<u>4,341,607</u>
<u>\$ 3,586,238</u>	<u>\$ 510,386</u>	<u>\$ 4,096,624</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**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, 2013**

**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.
- Solid Waste Disposal Authority - This blended component unit is reported as a special revenue fund of the City. It is used to account for the revenues and expenses of the Solid Waste Disposal Authority related to Chastang landfill.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

**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.
- 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 both 2008B and 2008C General Obligation Refunding and Capital Improvement Warrants.
- 2009 General Obligation Warrants - Copiers - This fund is used to service the debt outstanding on the 2009 General Obligation Warrants - Copiers.
- 2009A General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the 2002 & 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.



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

**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.
- 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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

- 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.
- 2008-C 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.
- 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 ten 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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

- 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.
- 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 (previously the Affordable Homes 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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

**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 enterprise 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.

**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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

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.
- 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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

**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.

**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 cost of \$5,000 or more as purchase and construction outlays occur.

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



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

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, Bridges, Sidewalks and Docking)	50 years
Infrastructure (Utilities and Landscaping)	25 years
Machinery and equipment	5-10 years
Automotive equipment	3-15 years
Office equipment	6 years

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, premiums and issuance costs 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 whereas issuance costs are recorded as other assets.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

**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 11).
- Unrestricted net position - All other net position which does not meet the definition of "restricted" or "net investment in capital assets."

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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

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.

**Adoption of new GASB pronouncements:**

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. Issued November 2010, the objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. GASB 60 will be effective for financial statements with periods beginning after December 15, 2011.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34*. Issued November 2010, the objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, The Financial Reporting Entity, and the related financial reporting requirements of Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Issued December 2010, the objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions or Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011.



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Issued June 2011, this Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

**Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2013:**

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 is currently evaluating the impact, if any, that GASB 65 will have on its financial statements.

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 are effective for financial statements for periods beginning after December 15, 2012. The City is currently evaluating the impact, if any, that GASB 66 will have on its financial statement.

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 is effective for financial statements for fiscal years beginning after June 15, 2013. The City is currently evaluating the impact, if any, that GASB 67 will have on its financial statements.

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, if any, that GASB 68 will have on its financial statements.

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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*

Issued April 2013, this Statement provides accounting and financial reporting guidance to state and local governments that offer nonexchange financial guarantees and for governments that receive guarantees on their obligations. This statement is effective for fiscal years beginning after June 15, 2013. The City is currently evaluating the impact, if any, that GASB 70 will have on its financial statements.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*

Issued November 2013, this Statement amends GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for pension contributions that it made after the measurement date of the beginning net position liability. The provisions of this statement should be applied simultaneously with provisions of Statement 68. 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, entities for which the government is considered financially accountable. Because the City appoints the Boards of Directors for these entities and there is a financial burden or benefit from these entities, they are considered governmental fund type component units and are reported in a separate column in the government-wide statements to emphasize that they are legally separate from the primary government. Each discretely presented component unit has a September 30 fiscal year-end.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**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 of the City of Mobile and there is a financial burden or benefit to the City of Mobile. Therefore, the City of Mobile is financially accountable for the Library. The Library's other sources of revenue come from State and Federal financial assistance, other municipalities, Mobile County and user fees.

• **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. There is a financial burden or benefit to the City of Mobile. All of the members of the Board are appointed by the City Council of the City of Mobile. The Board's other sources of revenue come from the rental of Ladd – Peebles Stadium to third parties.

Complete financial statements of the individual component units can be obtained directly from their administrative offices as provided below.

Mobile Public Library  
700 Government Street  
Mobile, AL 36602

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

Both the Mobile Public Library and The Public Park and Recreation Board are discretely presented component units of the City of Mobile.

Blended Component Units

• **The Solid Waste Disposal Authority** – In 1993, by Ordinance 65-002, the City Council transferred to the Authority the City's solid waste stream, its Chastang Landfill site, and the equipment used in the operation of that site. While the Authority, by this agreement, is responsible for associated revenues and expenses of the landfill, the City has agreed to pay the costs of disposal and receive the associated royalty payments.

The City Council appoints the board of the Authority. However, City management has primary operational responsibility for the Authority. Transactions of the Authority are processed by the City. The Authority does not operate as an independent agency. It does not retain any employees, conduct daily operations, have any bank accounts, or maintain any offices. Therefore, the City of Mobile is financially accountable for the Authority. The Authority does not issue separate financial statements.

For these reasons, the Solid Waste Disposal Authority is classified as a blended component unit of the City of Mobile. The Authority is reported as a Non-Major Special Revenue Fund per GASB Statement No. 61.



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

**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.

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 \$550,000 to the Mobile Board of Health during the fiscal year ended September 30, 2013. 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 \$396,803 to Mobile Emergency Management during the fiscal year ended September 30, 2013. 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.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

• **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 \$1,074,175 to the Mobile Personnel Board during the fiscal year ended September 30, 2013. 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.

• **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, 2013 the City contributed \$3,465,890 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, 2013. At year-end, the carrying amount of the City's deposits was \$83,790,005 and the bank balance was \$84,839,580. Included in the bank balances are certificates of deposit totaling \$7,642,510. Of the total bank balance, \$3,705,814 was covered by Federal Depository Insurance and \$81,133,766 was covered under the SAFE program.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

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

**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, 2013, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 14,683,325	0.0027
Sweep accounts	1,545,000	0.0027
Certificates of deposit	7,642,510	0.0822
	<u>\$ 23,870,835</u>	

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, 2013, 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.



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 4 - RECEIVABLES**

Receivables at September 30, 2013 consist of the following:

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total Primary Government</b>
<b>Receivables</b>			
Taxes	\$ 16,526,593	\$ 796,510	\$ 17,323,103
Customers and other	4,887,564	8,213,555	13,101,119
Other governmental units	7,580,486	2,714,210	10,294,696
<b>Gross receivables</b>	28,994,643	11,724,275	40,718,918
Allowance for uncollectables	(3,124,503)	(6,759,076)	(9,883,579)
<b>Net receivables</b>	<b>\$ 25,870,140</b>	<b>\$ 4,965,199</b>	<b>\$ 30,835,339</b>

Substantially all receivables are due in fiscal year 2013, except Capital Projects Funds assessments receivable for public improvements of \$141,574.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**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, 2013, are as follows:

	<b>Transfer In</b>	<b>Transfer Out</b>
Major Governmental Funds		
General Fund		
Capital Improvements Fund	\$ 3,738,430	\$ 28,672
Other Governmental Funds	4,074,793	2,668,458
Internal Service Funds	-	9,809,483
Mobile Civic Center	-	1,105,909
Cruise Terminal	-	100,424
WAVE Transit	247,320	7,436,595
Other Enterprise Funds	-	4,244,583
Total General Fund	8,060,543	25,394,124
Capital Improvements Fund		
General Fund	28,672	3,738,430
Other Governmental Funds	1,569,005	12,661,016
WAVE Transit	-	500,000
Cruise Terminal	-	1,864,685
Other Enterprise Funds	-	360,000
Total Capital Improvements Fund	1,597,677	19,124,131
Other Governmental Funds		
General Fund	2,668,458	4,074,793
Capital Improvements Fund	12,661,016	1,569,005
Other Governmental Funds	8,258,562	8,258,562
Mobile Convention Center	4,154,016	1,600,000
Alabama Cruise Terminal	1,864,685	-
Other Enterprise Funds	-	1,023,428
Total Other Governmental Funds	29,606,737	16,525,788
Internal Service Funds		
General Fund	9,809,483	-
Total Internal Service Funds	9,809,483	-
Major Enterprise Funds		
Mobile Civic Center		
General Fund	1,105,909	-
Total Mobile Civic Center	1,105,909	-
Mobile Convention Center		
Other Governmental Funds	1,600,000	4,154,016
Total Mobile Convention Center	1,600,000	4,154,016
WAVE Transit		
General Fund	7,436,595	247,320
Capital Improvements Fund	500,000	-
Total WAVE Transit	7,936,595	247,320
Municipal Parking Garage		
Cruise Terminal	-	430,000
Other Enterprise Funds	-	45,380
Total Municipal Parking Garage	-	475,380
Alabama Cruise Terminal		
General Fund	100,424	-
Capital Improvement Fund	1,496,734	-
Municipal Parking Garage	430,000	-
Other Governmental Funds	-	1,496,734
Total Alabama Cruise Terminal	2,027,158	1,496,734
Other Enterprise Funds		
General Fund	4,244,583	-
Capital Improvements Fund	360,000	-
Other Governmental Funds	1,023,428	-
Municipal Parking Garage	45,380	-
Total Other Enterprise Funds	5,673,391	-
	<b>\$ 67,417,493</b>	<b>\$ 67,417,493</b>

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**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, 2013, are as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Major Governmental Funds		
General Fund		
Capital Improvements Fund	\$ 920,785	\$ -
WAVE Transit	<u>388,845</u>	<u>574,332</u>
Total General Fund	<u>1,309,630</u>	<u>574,332</u>
Capital Improvements Fund		
General Fund	-	920,785
Other Governmental Funds	<u>-</u>	<u>200,000</u>
Total Capital Improvements Fund	<u>-</u>	<u>1,120,785</u>
Other Governmental Funds		
Capital Improvements Fund	<u>200,000</u>	<u>-</u>
Total Other Governmental Funds	<u>200,000</u>	<u>-</u>
Major Enterprise Funds		
WAVE Transit		
General Fund	<u>574,332</u>	<u>388,845</u>
Total WAVE Transit	<u>574,332</u>	<u>388,845</u>
	<u>\$ 2,083,962</u>	<u>\$ 2,083,962</u>

Substantially all interfund balances are expected to be repaid within one year except \$200,000 due to the Capital Improvements Fund from the Strategic Plan Fund.



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 7 - CAPITAL ASSETS**

Governmental Activities

The following is a summary of changes in capital assets for the year ended September 30, 2013:

	Capital Assets, Not Depreciated				Capital Assets, Depreciated						Totals
	Land	Construction in Progress	Infrastructure in Progress	Intangible Assets	Buildings	Improvements Other Than Buildings	Vehicular Equipment	Other Equipment	Infrastructure		
Balance, 10/1/12	\$ 27,344,382	\$ 51,318,406	\$ 16,696,045	\$ 3,279,053	\$ 71,999,933	\$ 115,450,281	\$ 58,341,753	\$ 44,349,119	\$ 493,514,176	\$ 882,293,148	
Additions	133,855	11,318,055	7,569,529	664,571	-	-	6,910,075	949,942	5,354,842	32,900,869	
Deductions	-	-	(4,284,163)	-	(500,000)	(3,953,526)	(1,372,924)	(411,238)	-	(10,521,851)	
Balance, 9/30/13	<u>27,478,237</u>	<u>62,636,461</u>	<u>19,981,411</u>	<u>3,943,624</u>	<u>71,499,933</u>	<u>111,496,755</u>	<u>63,878,904</u>	<u>44,887,823</u>	<u>498,869,018</u>	<u>904,672,166</u>	
Accumulated Depreciation											
Balance, 10/1/12	-	-	-	-	28,175,345	40,257,613	40,691,915	34,824,726	104,688,263	248,637,862	
Additions	-	-	-	-	1,075,101	4,607,134	2,830,875	1,439,900	9,896,874	19,849,884	
Deductions	-	-	-	-	(148,125)	(1,062,938)	(1,213,482)	(370,349)	(2,297,171)	(5,092,065)	
Balance, 9/30/13	-	-	-	-	<u>29,102,321</u>	<u>43,801,809</u>	<u>42,309,308</u>	<u>35,894,277</u>	<u>112,287,966</u>	<u>263,395,681</u>	
Capital Assets, Net	<u>\$ 27,478,237</u>	<u>\$ 62,636,461</u>	<u>\$ 19,981,411</u>	<u>\$ 3,943,624</u>	<u>\$ 42,397,612</u>	<u>\$ 67,694,946</u>	<u>\$ 21,569,596</u>	<u>\$ 8,993,546</u>	<u>\$ 386,581,052</u>	<u>\$ 641,276,485</u>	

Construction in progress consists of the following:

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
Waterfront Development	\$ 44,472,674	\$ 9,775,772	\$ -	\$ 54,248,446
Kidd Park Improvements	15,928	-	-	15,928
Police-Renovate 850 St. Anthony Bldg	88,523	54,804	-	143,327
Bienville Park Restrooms	78,695	-	-	78,695
Theodore Area Park	98,631	-	-	98,631
Metro 800 MHZ Emergency Radios	5,926,369	16,787	-	5,943,156
Parks - Mardi Gras Park	1,327	-	-	1,327
Ft. Conde Welcome Center-Roof Repairs	260,001	186,175	-	446,176
Parks - Annexed Areas	376,258	338,472	-	714,730
Parks - Copeland/Cox Tennis Center Improvements	-	177,333	-	177,333
Parks - Public Safety-Skateboard Park	-	23,873	-	23,873
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	-	40,152
CDBG 2011 - PFC Howard Johnson Park Impr	-	44,617	-	44,617
CDBG 2011 - Maitre Park Improvements	-	102,393	-	102,393
CDBG 2012 - Theodore Park Improvements	-	194,777	-	194,777
Total	<u>\$ 51,318,406</u>	<u>\$ 11,318,055</u>	<u>\$ -</u>	<u>\$ 62,636,461</u>

As of September 30, 2013, commitments to contractors on capital projects totaled approximately \$13.7 million. Budgeted costs to complete projects in progress totaled approximately \$34.2 million.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

Depreciation expense was charged to governmental activities as follows:

General government	\$ 14,784,485
Economic development	2,450
Public safety	2,057,456
Public works	890,931
Culture and recreation	2,110,392
Finance	4,170
Total depreciation expense	<u>\$ 19,849,884</u>

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2013:

	<u>Capital Assets, Not Depreciated</u>		<u>Capital Assets, Depreciated</u>				<u>Totals</u>
	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Vehicular Equipment</u>	<u>Other Equipment</u>	
Balance, 10/1/12	\$ 10,615,755	\$ 2,588,838	\$ 126,242,196	\$ 12,734,167	\$ 13,797,805	\$ 6,660,615	\$ 172,639,376
Additions	-	27,390	609,928	4,819,859	25,429	101,856	5,584,462
Deductions	-	(866,333)	(101,700)	-	-	(5,975)	(974,008)
Balance, 9/30/13	<u>10,615,755</u>	<u>1,749,895</u>	<u>126,750,424</u>	<u>17,554,026</u>	<u>13,823,234</u>	<u>6,756,496</u>	<u>177,249,830</u>
<i>Accumulated Depreciation</i>							
Balance, 10/1/12	-	-	50,454,900	6,806,537	7,823,223	5,274,415	70,359,075
Additions	-	-	2,466,413	390,873	992,684	1,331,677	5,181,647
Deductions	-	-	(33,629)	-	-	(5,134)	(38,763)
Balance, 9/30/13	<u>-</u>	<u>-</u>	<u>52,887,684</u>	<u>7,197,410</u>	<u>8,815,907</u>	<u>6,600,958</u>	<u>75,501,959</u>
Capital Assets, Net	<u>\$ 10,615,755</u>	<u>\$ 1,749,895</u>	<u>\$ 73,862,740</u>	<u>\$ 10,356,616</u>	<u>\$ 5,007,327</u>	<u>\$ 155,538</u>	<u>\$ 101,747,871</u>

Approximately \$6.2 million (cost of \$12.1 million and accumulated depreciation of \$5.9 million) of the Municipal Parking Garage property is leased to others as of September 30, 2013. (See Note 12)

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

Civic center	\$ 406,499
Convention center	1,258,376
Cruise Terminal	406,861
WAVE Transit	1,521,135
Parking garage	201,644
Golf course	146,083
Firemedics	5,680
Tennis center	3,887
Saenger Theater	15,711
Neighborhood renewal program	1,526
Total depreciation expense	<u>\$ 3,967,402</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 8 - LONG-TERM DEBT**

The general and limited obligation bonds/warrants and notes of the City include the following at September 30, 2013:

\$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	\$ 7,050,000
\$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	48,000,000
\$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	1,090,000
\$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	60,750,000
\$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	20,635,000
\$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	644,065
\$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	4,092,020
Total bonds/warrants payable	<u>\$ 292,081,085</u>
\$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%	\$ 800,000
\$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%	490,000
\$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%	600,000
\$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%	1,895,000
Total notes payable	<u>\$ 3,785,000</u>



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**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
2014		\$ 11,104,559	\$ 13,597,419	\$ 24,701,978
2015		13,403,935	13,105,070	26,509,005
2016		13,740,736	12,558,301	26,299,037
2017		15,511,855	11,958,565	27,470,420
2018		13,950,000	11,309,030	25,259,030
2019-2023		79,690,000	45,582,609	125,272,609
2024-2028		99,055,000	24,391,026	123,446,026
2029-2030		<u>45,625,000</u>	<u>2,399,943</u>	<u>48,024,943</u>
Subtotals		292,081,085	134,901,963	426,983,048
Plus: Bond Premium		3,563,894	(3,563,894)	-
Less: Deferred Bond Discount		(273,561)	273,561	-
Less: Deferred amount on refunding		<u>(5,773,851)</u>	<u>5,773,851</u>	<u>-</u>
Totals		<u>\$ 289,597,567</u>	<u>\$ 137,385,481</u>	<u>\$ 426,983,048</u>
Notes Payable				
2014		\$ 405,000	\$ 162,011	\$ 567,011
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
2019-2023		1,245,000	317,751	1,562,751
2024-2025		<u>390,000</u>	<u>33,790</u>	<u>423,790</u>
Totals		<u>\$ 3,785,000</u>	<u>\$ 1,034,594</u>	<u>\$ 4,819,594</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
2014	922,079	94,902	1,016,981
2015	950,961	66,020	1,016,981
2016	980,764	36,217	1,016,981
2017	<u>492,519</u>	<u>9,977</u>	<u>502,496</u>
Totals	<u>\$ 3,346,323</u>	<u>\$ 207,116</u>	<u>\$ 3,553,439</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

The City previously entered into a capital lease for six diesel transit buses for use in public transportation. Future debt service payments under these business-type activity capital leases are as follows:

<u>Fiscal Year Ending September 30</u>	<u>Present Value of Net Minimum Lease Payments</u>	<u>Amount Representing Interest</u>	<u>Total Minimum Future Lease Payments</u>
2014	184,751	7,723	192,474
Totals	<u>\$ 184,751</u>	<u>\$ 7,723</u>	<u>\$ 192,474</u>

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

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Vehicles	\$ 5,544,896	\$ 1,527,798
Equipment	128,360	-
Other	84,908	-
	<u>5,758,164</u>	<u>1,527,798</u>
Less: Accumulated amortization	<u>1,274,257</u>	<u>1,375,018</u>
	<u>\$ 4,483,907</u>	<u>\$ 152,780</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

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

The following is a summary of the changes in liabilities reported in the Statement of Net Position for the year ended September 30, 2013:

	<u>Balance</u> <u>October 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>September 30</u>	<u>Due Within</u> <u>One Year</u>
<u>Governmental Activities</u>					
General and limited obligation bonds/warrants	\$ 298,261,880	\$ 5,100,000	\$ 11,280,795	\$ 292,081,085	\$ 11,104,559
Plus: Bond premium	3,873,194	-	309,300	3,563,894	-
Less: Bond discount	(292,867)	-	(19,306)	(273,561)	-
Less: Deferred amount on refunding	<u>(6,693,097)</u>	<u>-</u>	<u>(919,246)</u>	<u>(5,773,851)</u>	<u>-</u>
Total general and limited obligation bonds/warrants	295,149,110	5,100,000	10,651,543	289,597,567	11,104,559
Notes payable	4,170,000	-	385,000	3,785,000	405,000
Obligations under capital leases	4,240,411	-	894,088	3,346,323	922,079
Compensated absences	14,036,614	1,533,369	1,442,075	14,127,908	1,442,075
Self-insured legal liability	1,245,300	1,290,956	1,411,411	1,124,845	-
Insurance claims	11,729,640	30,488,227	29,116,646	13,101,221	5,744,299
Landfill postclosure liability	852,709	-	42,632	810,077	44,337
OPEB liability	<u>130,023,000</u>	<u>25,820,000</u>	<u>-</u>	<u>155,843,000</u>	<u>-</u>
Total governmental activities	<u>461,446,784</u>	<u>64,232,552</u>	<u>43,943,395</u>	<u>481,735,941</u>	<u>19,662,349</u>
<u>Business-type Activities</u>					
Obligations under capital leases	362,090	-	177,339	184,751	184,751
Compensated absences	<u>435,385</u>	<u>492,117</u>	<u>491,809</u>	<u>435,693</u>	<u>95,340</u>
Total business-type activities	<u>797,475</u>	<u>492,117</u>	<u>669,148</u>	<u>620,444</u>	<u>280,091</u>
Total primary government	<u>\$ 462,244,259</u>	<u>\$ 64,724,669</u>	<u>\$ 44,612,543</u>	<u>\$ 482,356,385</u>	<u>\$ 19,942,440</u>

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, 2013, the permissible debt limit exceeded actual debt by approximately \$233.5 million.



**CITY OF MOBILE, ALABAMA  
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SEPTEMBER 30, 2013**

**NOTE 9 - DEBT ISSUANCE**

On December 4, 2012, the City issued \$5,100,000 General Obligation Private Placement Warrant, Series 2012 with semi-annual principal payments and semi-annual interest payments of 1.53% per annum to maturity on August 15, 2017.

The Series 2012 Warrants were issued for the purpose of purchasing certain police, fire and public service equipment, comprised of police cars, 2 ladder fire trucks, 3 garbage trucks, 4 knuckle boom loaders and chassis, 1 digger derrick truck, and 4 shuttle trucks.

**NOTE 10 - 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)	\$ 4,190,109
Police and Firefighters Retirement Plan (PFFRP)	19,707,446
General Municipal Employee Pension Trust Fund (GMEPTF)	<u>13,280</u>
Total	<u><u>\$ 23,910,835</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 70 -71.

Employees' Retirement System of Alabama - All of the City's employees, other than police and fire 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 vest after 10 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. 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. The plan permits early retirement at the age of 60 and completion of 10 years of creditable 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. 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.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

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

Employees participating in the plan are required to contribute 5% of their earnings to the plan. Employer contributions during fiscal 2013 were based on 9.52% 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 2013 amounted to \$6,406,699 of which \$4,190,109 and \$2,216,590 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, 2012.

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.

Additional information:

Valuation date	9/30/12
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

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

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

Trend information for the Plan:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
Septmeber 30, 2010	\$ 4,242,201	100%	-
September 30, 2011	\$ 4,616,105	100%	-
September 30, 2012	\$ 3,886,077	100%	-

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) Entry Age <sup>1</sup> (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
9/30/2007	\$ 134,013,310	\$ 155,672,218	\$ 21,658,908	86.1 %	\$ 42,240,873	51.3 %
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 %
9/30/2012 <sup>3,5</sup>	\$ 121,539,714	\$ 173,347,974	\$ 51,808,260	70.1 %	\$ 41,982,743	123.4 %

<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>5</sup>Reflects changes to interest smoothing methodology

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



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 10 - 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, 2013**

**NOTE 10 - 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	7.59 %	\$ 2,770,896
Fire insurance premiums	2.50 %	913,146
Municipal court fines	0.30 %	109,578
City of Mobile	<u>52.08 %</u>	<u>19,022,772</u>
	<u>62.47 %</u>	<u>\$ 22,816,392</u>

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 10 - 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 Required Contribution (ARC)</u>	<u>% Contrib. /APC</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2009	\$ 9,904,212	166 %	\$ 8,307,711	198 %	\$ (68,680,695)
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)

The schedule of funding progress is as follows:

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (2)-(1)	Funded Ratio (1)/(2)	Covered Payroll	UAAL as a % of Covered Payroll (3)/(5)
10/1/2007	\$105,396,066	\$ 222,111,577	\$ 116,715,511	47.5 %	\$36,488,843	319.9 %
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 %

**Additional Information:**

Valuation Date: October 1, 2012

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: 8.00%

Projected Salary Increase Rate: 4.00%

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

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

Net Pension Obligation (Asset) as of October 1, 2011	\$ (76,357,260)
Annual Pension Cost for the 2011/12 Plan Year	17,755,853
Employer Contributions for the 2011/12 Plan Year	<u>(17,508,284)</u>
Net Increase (Decrease) in NPO	247,569
Net Pension Obligation (Asset) as of October 1, 2012	<u>\$ (76,109,691)</u>

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

Normal Cost	\$ 4,812,592
Expense Allowance	91,315
Expected Employee Contribution	(2,770,896)
Amortization of the UAAL	24,172,326
Amortization of the Net Pension Obligation (Asset)	(6,259,841)
Interest Adjustment	-
Annual Required Contribution (ARC)	<u>\$ 20,045,496</u>

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

Annual Required Contribution (ARC)	20,045,496
Interest on the Net Pension Obligation (Asset)	(6,088,775)
Adjustment to the ARC	<u>6,259,841</u>
Annual Pension Cost (APC)	<u>\$ 20,216,562</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, 2013, the ARC was \$20,045,496, the interest on the NPO was \$6,088,775, the adjustment to the ARC was \$6,259,841. The net increase (decrease) in the NPO was \$247,569. The NPO at the reporting date was \$(76,109,691).

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, 2013, 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, 2013, 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, 2013 were \$13,280.



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 10 - 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, 2013**

**NOTE 10 - 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 Required Contribution	Percentage Contributed	Net Pension Obligation
June 30, 2008	\$ 541,179	100 %	-
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 %	-

The schedule of funding progress is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
7/1/2007	\$ 2,645,002	\$ 4,537,095	\$ 1,892,093	58.30 %	\$ 3,280,678	57.67 %
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 %

Additional information:

Valuation Date: July 1, 2012

Actuarial Cost Method: Unit Credit

Amortization Method: Level percentage, closed

Remaining Amortization Period: 7 years

Asset Valuation Method: Market value

Investment Rate of Return: 6.61%

Salary Increase Rate: 4.00%

Cost of Living Adjustments: None

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 10 - 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 2013, those costs totaled approximately \$6,895,739 and the liability for incurred and not paid claims totaled \$2,390,000.

*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 2013, 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 \$761 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, 2013**

**NOTE 10 - 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 September 30, 2013
Annual OPEB Cost	\$ 34,293,000
Employer Contributions	(8,308,000)
Interest on Employer Contributions	(165,000)
Increase in the Net OPEB Obligation	25,820,000
Net OPEB Obligation, beginning of year	130,023,000
Net OPEB Obligation, end of year	\$ 155,843,000

*Development of the Annual OPEB Cost:*

ARC	\$ 40,337,000
Interest on the Net OPEB Obligation	5,201,000
Adjustment to the ARC	(11,245,000)
Total Annual OPEB Cost	\$ 34,293,000

Trend information for the OPEB Plan:

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed	Annual OPEB Cost	% Contributed
September 30, 2011	\$ 37,458,000	20%	\$ 33,891,000	22%
September 30, 2012	\$ 38,973,000	19%	\$ 34,174,000	22%
September 30, 2013	\$ 40,337,000	21%	\$ 34,293,000	25%

*Funding Status and Funding Progress*

As of September 30, 2013, 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, 2013**

**NOTE 10 - 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 Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) Net OPEB Obligation (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; level-dollar payment
Investment return	4.0% per annum (includes inflation at 2.5% per annum)

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

Healthcare cost trend rate(s):	<u>Medical</u>	<u>Dental</u>
Select rates	7% for 2013/2014 graded 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 11 - RESTRICTED NET POSITION**

The following is a summary of the restricted net position at September 30, 2013:

<u>Activity</u>	<u>Restricted By</u>	<u>Amount</u>
Police & Fire Pension	Enabling Legislation	\$ 76,109,691
Capital Projects	Enabling Legislation	867,110
Capital Projects	Legal Restriction	6,974,810
Debt Service	Legal Restriction	221,605
Economic Development	Enabling Legislation	7,116,343
Grant Programs	Grant Agreements	1,993,528
		<u>\$ 93,283,087</u>

**NOTE 12 - 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, 2013**

**NOTE 12 - 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, 2013 was \$4,068,877 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 \$410,483 for fiscal year 2013 is included in the Enterprise Funds - Municipal Parking Garage fund. Also see Note 7 for additional information relating to leased property.

**NOTE 13 - 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 \$1,341,634 for the year ended September 30, 2013.

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.

University of South Alabama Cancer Center

The City entered into a performance agreement with the University of South Alabama dated December 7, 2004 to pay to the University a sum sufficient to pay debt service on \$6 million (plus interest at 5% per annum) of the total construction and start-up costs of the Cancer Center. The funds will be paid over a ten year period commencing August 1, 2005. In order to provide for a method of paying the sums agreed, the City adopted Ordinance No. 34-055 effective December 7, 2004 to amend the tax rate imposed on hotels, motels, tourist courts, tourist cabins, lodging houses and rooming houses (the Lodging Tax) within the City, in addition to all license taxes already imposed upon them, a license tax equal to 8% of gross receipts and that in the Police Jurisdiction to an additional 3% of gross receipts. The City has specially and irrevocably pledged this increase for the payment of the principal and interest to the University.

Future payments under this agreement are due as follows:

Fiscal Year Ending September 30	Amount Representing Principal	Amount Representing Interest	Total Future Commitments
2014	600,000	163,671	763,671
Totals	\$ 600,000	\$ 163,671	\$ 763,671

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 13 - COMMITMENTS AND CONTINGENCIES (continued)**

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 \$1,124,845 and \$1,701,345. Consequently, the City has accrued at September 30, 2013, the lesser of the range equal to \$1,124,845. Loss contingencies categorized as "reasonably possible" range between \$5,886,692 and \$6,209,692.

Governmental Funds Encumbrances

Major Governmental Funds:

General Fund	\$ 924,907
Capital Improvements Fund	3,802,155
Governmental Funds - Non-Major	<u>420,578</u>
Total Governmental Funds Encumbrances	<u>\$ 5,147,640</u>

Encumbrances for the year ended September 30, 2013 are disclosed for each major fund and for all other governmental funds in the aggregate.

**NOTE 14 - 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 13, the City has determined and recorded an estimate of \$1,124,845 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, 2013 is \$11,343,822.

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, 2013 is \$1,757,400.



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 14 - 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 Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
Claims and judgments, general liability and general and automotive liability				
2011-2012	\$ 815,000	\$ 1,756,273	\$ 1,325,973	\$ 1,245,300
2012-2013	\$ 1,245,300	\$ 1,290,956	\$ 1,411,411	\$ 1,124,845
Employee Health				
2011-2012	\$ 2,117,465	\$ 24,603,710	\$ 24,651,988	\$ 2,069,187
2012-2013	\$ 2,069,187	\$ 25,868,187	\$ 26,179,974	\$ 1,757,400
Workers' Compensation				
2011-2012	\$ 8,002,258	\$ 4,463,984	\$ 2,805,789	\$ 9,660,453
2012-2013	\$ 9,660,453	\$ 4,674,634	\$ 2,991,265	\$ 11,343,822

**NOTE 15 - FUNDS DEFICITS OF NON-MAJOR FUNDS**

Deficits in net position/fund balance of non-major funds at September 30, 2013, are as follows:

Non-major Special Revenue Fund	
7-Cent Gasoline Tax	\$ 6,593
Internal Service Fund	
Employee Health Fund	\$ 2,243,208
Insurance Fund	\$ 352,910

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2013**

**NOTE 16 - 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 one of the landfills has been transferred to another entity. At September 30, 2013, 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 \$810,077 reported in the Statement of Net Position as a landfill postclosure liability at September 30, 2013 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 17 - 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 May 16, 2013 with the terms and conditions requiring an annual renewal of the agreement.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 18 - FUND BALANCE**

The components of fund balance for the City's governmental funds as of September 30, 2013 are as follows:

	General Fund	Capital Improvements Fund	Special Revenue Funds - Non Major	Debt Service Funds - Non Major	Capital Projects Fund - Non Major	Total Governmental Funds
<b>Nonspendable:</b>						
Inventory	\$ 2,241,159	\$ -	\$ -	\$ -	\$ -	\$ 2,241,159
Prepaid Items	10,000	-	-	-	-	10,000
<b>Restricted for:</b>						
Grants	1,993,528	-	-	-	-	1,993,528
Debt Service	-	-	-	221,605	-	221,605
Capital Projects	-	-	-	-	17,425,661	17,425,661
Road and Bridge Construction	-	-	291,265	-	-	291,265
Road and Bridge Repair	-	-	582,849	-	-	582,849
Law Enforcement	475,460	-	-	-	-	475,460
<b>Committed for:</b>						
Tax Increment Program	-	-	7,078,953	-	-	7,078,953
Flood Management	-	-	-	-	83,844	83,844
<b>Assigned for:</b>						
Economic Development	-	-	37,390	-	-	37,390
Designated and Donated Funds	871,274	-	-	-	-	871,274
General Fund Encumbrances	924,907	-	-	-	-	924,907
Athletic Fund	67,165	-	-	-	-	67,165
Municipal Court	970,725	-	-	-	-	970,725
Capital Improvements Fund	-	35,653,503	-	-	-	35,653,503
Strategic Plan Fund	-	-	-	-	8,577,907	8,577,907
<b>Unassigned</b>	<b>(4,296,200)</b>	<b>-</b>	<b>(6,593)</b>	<b>-</b>	<b>-</b>	<b>(4,302,793)</b>
<b>Total Fund Balance</b>	<b><u>\$ 3,258,018</u></b>	<b><u>\$ 35,653,503</u></b>	<b><u>\$ 7,983,864</u></b>	<b><u>\$ 221,605</u></b>	<b><u>\$ 26,087,412</u></b>	<b><u>\$ 73,204,402</u></b>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2013**

**NOTE 19 - PRIOR PERIOD ADJUSTMENTS**

General Fund - Long Term Note Receivable

During the current year, a prior period adjustment was made to write off a balance for a long-term note receivable in the General Fund. The balance of the long term receivable as of September 30, 2012 was \$865,000.

Statement of Net Position (Government Wide) - Long Term Note Receivable

During the current year, a prior period adjustment was made to record a long-term note receivable which had previously been reported in the General Fund in error. The balance of the long term receivable as of September 30, 2012 was \$865,000.

General Fund - Weed Lien Receivables

During the current year, a prior period adjustment was made to record an allowance for estimated uncollectible receivables related to weed liens in the General Fund. The balance of the estimated uncollectible for weed liens receivable as of September 30, 2012 was \$1,387,320.

General Fund - Building Demolition Receivables

During the current year, a prior period adjustment was made to record an allowance for estimated uncollectible receivables related to building demolitions in the General Fund. The balance of the estimated uncollectible for building demolitions receivable as of September 30, 2012 was \$1,556,054.

General Fund - Accrued Revenue Receivable

During the current year, it was determined that certain prior year accrued revenue receivables totaling \$210,381 were not properly reversed. To correct this error, the beginning fund balance and related receivables were reduced by this amount.

Statement of Net Position (Government Wide) - Accumulated Depreciation

During the current year, it was determined that excess depreciation totaling \$2,297,173 had been recorded in fiscal years 2008-2012 for certain infrastructure assets. The beginning balance in accumulated depreciation was decreased and net position was increased by this amount.

Statement of Net Position (Government Wide) - Intangible Assets

During the current year, it was determined that certain intangible assets (easements) totaling \$264,009 had been recorded in error in fiscal year 2012. To correct this error, the beginning net position and the corresponding assets were reduced by this amount.

Statement of Net Position (Government Wide) - Adopted Streets

During the current year, it was determined that certain infrastructure assets related to streets adopted during the prior fiscal year totaling \$1,661,886 were not properly recorded as assets. To correct this error, the beginning net position and the corresponding assets were increased by this amount.

Statement of Net Position (Government Wide) – Infrastructure Assets

During the current year, it was determined that certain costs totaling \$525,740 were capitalized as infrastructure assets in prior fiscal years which should have instead been expensed. To correct this error, the beginning net position and the corresponding assets were reduced by this amount.



## **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, 2013**

	Budgeted Amounts		Actual (Budgetary	Variance with Final Budget Positive/  (Negative)
	Original	Final	Basis)	
<b>Revenues</b>				
Taxes	\$ 146,730,409	\$ 146,730,409	\$ 152,093,165	\$ 5,362,756
Licenses and permits	33,870,446	33,870,446	33,651,069	(219,377)
Intergovernmental	110,000	110,000	137,740	27,740
Charges for services	7,787,021	7,787,021	8,214,246	427,225
Fines and forfeitures	2,112,484	2,112,484	4,548,189	2,435,705
State and federal assistance	-	-	9,208,009	9,208,009
Interest	225,000	225,000	68,184	(156,816)
Miscellaneous (other)	50,000	50,000	785,554	735,554
Total revenues	190,885,360	190,885,360	208,706,156	17,820,796
<b>Expenditures</b>				
<b>Departmental</b>				
<b>General government</b>				
City clerk	612,246	614,183	530,997	83,186
Mayor's office	727,774	731,023	635,066	95,957
Mayor's office of strategic initiatives	-	75,144	70,155	4,989
City council	447,346	448,972	460,537	(11,565)
CitiSmart	261,903	261,967	233,726	28,241
City hall overhead	4,054,592	4,063,152	4,810,410	(747,258)
Archives	321,241	324,287	241,217	83,070
Legal	1,368,330	1,370,239	1,198,820	171,419
Urban development	4,523,957	4,542,549	3,607,444	935,105
Administrative services	240,973	241,469	237,157	4,312
Human resources	389,194	389,967	355,690	34,277
Municipal info. technology	2,933,996	2,983,112	2,945,182	37,930
Geographical info. system	764,946	768,314	767,378	936
Telecommunications	735,593	740,761	679,475	61,286
Total general government	17,382,091	17,555,139	16,773,254	781,885
<b>Economic development</b>				
Mobile film office	184,534	184,616	149,206	35,410
Historic development	370,173	371,955	276,872	95,083
Neighborhood and community services	543,085	545,022	410,104	134,918
Total economic development	1,097,792	1,101,593	836,182	265,411
<b>Public safety</b>				
Police	46,388,733	46,603,306	42,548,317	4,054,989
Fire	28,535,821	28,561,855	29,080,410	(518,555)
Municipal court	4,015,833	4,029,842	3,110,731	919,111
Mobile metro jail	7,377,188	7,377,188	8,215,892	(838,704)
Animal shelter	852,820	873,436	772,003	101,433
Total public safety	87,170,395	87,445,627	83,727,353	3,718,274

**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, 2013**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive/ (Negative)
<b>Departmental (Cont'd)</b>				
<b>Public works</b>				
Public service administration	\$ 241,527	\$ 251,702	\$ 249,541	\$ 2,161
Flood control	1,536,709	1,541,144	1,265,276	275,868
Administration	1,180,431	1,171,992	821,391	350,601
Concrete and sidewalk repair	1,608,760	1,638,518	1,277,535	360,983
Right-of-way maintenance	921,882	924,097	611,669	312,428
Asphalt street repair	1,294,444	1,320,360	596,536	723,824
Street sweeping	656,947	662,056	351,057	310,999
Dredge	893,998	896,115	673,762	222,353
Storm drain & heavy equipment	1,407,268	1,414,519	964,098	450,421
Landfill	2,241,732	2,361,445	153,807	2,207,638
Solid waste	3,606,606	3,609,921	3,170,370	439,551
Trash	3,471,489	3,473,526	2,588,479	885,047
Electrical	2,054,384	2,077,903	2,105,963	(28,060)
Engineering	1,931,229	1,940,384	1,388,490	551,894
Real estate office	231,295	231,595	225,077	6,518
Real estate management	172,034	172,034	170,202	1,832
Keep mobile beautiful	333,345	333,577	327,086	6,491
Municipal garage	9,645,421	9,808,730	9,430,568	378,162
Architectural engineering	1,314,035	1,416,692	1,009,749	406,943
Environmental services	711,665	712,390	508,643	203,747
Public buildings	2,223,274	2,226,795	2,026,687	200,108
Mechanical systems	1,773,971	1,786,862	1,655,861	131,001
Municipal enforcement	-	-	87,045	(87,045)
Traffic engineering	1,344,667	1,352,070	1,254,714	97,356
<b>Total public works</b>	<b>40,797,113</b>	<b>41,324,427</b>	<b>32,913,606</b>	<b>8,410,821</b>
<b>Culture and recreation</b>				
Parks and recreation director	154,263	154,331	140,619	13,712
Community activities	98,420	100,830	116,324	(15,494)
Mobile museum of art	2,044,817	2,060,927	2,075,029	(14,102)
History museum	1,348,690	1,198,419	1,033,351	165,068
Parks maintenance	4,511,945	4,533,703	3,420,166	1,113,537
Recreation - athletics	849,795	849,172	788,775	60,397
Recreation	3,597,186	3,605,218	2,909,225	695,993
Special activities	842,738	843,708	560,344	283,364
Parks and cemeteries	2,026,680	2,035,166	2,064,283	(29,117)
Mobile regional senior community center	485,217	488,019	383,863	104,156
<b>Total culture and recreation</b>	<b>15,959,751</b>	<b>15,869,493</b>	<b>13,491,979</b>	<b>2,377,514</b>
<b>Finance</b>				
Finance administration	450,528	456,447	443,783	12,664
Budget	278,477	293,642	245,034	48,608
Purchasing	403,499	404,090	357,580	46,510
Accounting	823,483	834,142	623,184	210,958
Inventory control	468,009	468,248	398,053	70,195
Treasury	334,811	339,870	320,066	19,804
Payroll	226,554	226,944	217,848	9,096
Police and fire pension	193,566	193,938	145,310	48,628
Revenue	2,237,471	2,237,334	1,809,740	427,594
<b>Total finance</b>	<b>5,416,398</b>	<b>5,454,655</b>	<b>4,560,598</b>	<b>894,057</b>



**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, 2013**

	Budgeted Amounts		Actual (Budgetary)	Variance with Final Budget Positive/ Negative
	Original	Final	Basis)	(Negative)
Attrition savings	\$ (14,542,836)	\$ (14,542,836)	\$ -	\$ (14,542,836)
Reserve for retirement	1,100,000	1,100,000	1,631,814	(531,814)
Total departmental expenditures	<u>154,380,704</u>	<u>155,308,098</u>	<u>153,934,786</u>	<u>1,373,312</u>
Nondepartmental				
Mandated activities				
Personnel board	1,165,000	1,165,000	1,074,175	90,825
Board of health	600,000	600,000	550,000	50,000
Juvenile court and youth center	2,730,000	2,730,000	3,465,890	(735,890)
Total mandated activities	<u>4,495,000</u>	<u>4,495,000</u>	<u>5,090,065</u>	<u>(595,065)</u>
Joint activities				
Board of equalization	7,152	7,152	7,143	9
Emergency management	432,876	432,876	396,803	36,073
Mobile legislative delegation	9,972	9,972	4,242	5,730
Total joint activities	<u>450,000</u>	<u>450,000</u>	<u>408,188</u>	<u>41,812</u>
Agencies				
Public library	6,499,185	6,499,185	6,499,185	-
Total agencies	<u>6,499,185</u>	<u>6,499,185</u>	<u>6,499,185</u>	<u>-</u>
Employee cost				
Retired employees insurance	4,200,000	4,200,000	4,679,465	(479,465)
Employee education	120,000	120,000	95,345	24,655
Workmen's compensation	2,650,000	2,651,172	3,116,346	(465,174)
Unemployment compensation	125,000	125,000	103,133	21,867
Employees' pension	99,672	99,672	106,523	(6,851)
Police and firefighter's retirement	9,806,366	9,806,366	10,404,772	(598,406)
Total employee cost	<u>17,001,038</u>	<u>17,002,210</u>	<u>18,505,584</u>	<u>(1,503,374)</u>
Other				
Fire insurance	2,542,000	2,542,000	1,691,301	850,699
Contractual	4,129,190	4,129,190	4,158,453	(29,263)
South alabama regional planning	-	-	2,737	(2,737)
Dues	439,826	439,826	357,311	82,515
Athletic fund	154,000	154,000	33,067	120,933
Police drug fund	-	11,583	445,695	(434,112)
State and federal projects	-	160,110	10,019,239	(9,859,129)
Interest payments	-	-	48,635	(48,635)
General miscellaneous	55,000	2,395,468	2,873,925	(478,457)
Total other	<u>7,320,016</u>	<u>9,832,177</u>	<u>19,630,363</u>	<u>(9,798,186)</u>
Total nondepartmental expenditures	<u>35,765,239</u>	<u>38,278,572</u>	<u>50,133,385</u>	<u>(11,854,813)</u>
Total expenditures	<u>190,145,943</u>	<u>193,586,670</u>	<u>204,068,171</u>	<u>(10,481,501)</u>
Excess (deficiency) of revenues over expenditures	<u>739,417</u>	<u>(2,701,310)</u>	<u>4,637,985</u>	<u>7,339,295</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, 2013**

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Other financing sources (uses):</b>				
Transfers in	\$ 7,364,702	\$ 7,364,702	\$ 8,060,543	\$ 695,841
Transfers out	(17,323,319)	(17,479,548)	(25,394,124)	(7,914,576)
Sales of general capital assets	2,400	2,400	18,121	15,721
Total other financing sources (uses)	<u>(9,956,217)</u>	<u>(10,112,446)</u>	<u>(17,315,460)</u>	<u>(7,203,014)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(9,216,800)</u>	<u>(12,813,756)</u>	<u>(12,677,475)</u>	<u>\$ 136,281</u>
Fund balances				
Beginning of year			<u>15,010,586</u>	
End of year			<u>\$ 2,333,111</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			\$ (12,677,475)	
Encumbrances outstanding at September 30, 2013			924,907	
Encumbrances outstanding at September 30, 2012			<u>(875,537)</u>	
Net change in fund balance per the statement of revenues, expenditures, and changes in fund balance			<u>\$ (12,628,105)</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, 2013**

**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, 2013:

GAAP expenditures	\$ 204,018,801
Encumbrances at:	
September 30, 2013	924,907
September 30, 2012	<u>(875,537)</u>
Budgetary expenditures	<u>\$ 204,068,171</u>

For the fiscal year ended September 30, 2013, general fund expenditures exceeded budgetary appropriations by \$10,481,501.

**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, 2013	\$ 2,333,111
Add encumbrances:	
Function	
General government	87,928
Economic development	7,315
Public safety	278,184
Public works	435,347
Culture and recreation	81,698
Finance	34,435
Other	<u>-</u>
Total encumbrances	<u>924,907</u>
Fund balance - GAAP basis at September 30, 2013	<u>\$ 3,258,018</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, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 9,071,331	\$ 221,548	\$ 26,436,721	\$ 35,729,600
Restricted cash - capital purchases	-	57	167,785	167,842
Receivables (net)	381,299	-	807,927	1,189,226
Total assets	\$ 9,452,630	\$ 221,605	\$ 27,412,433	\$ 37,086,668
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,468,766	\$ -	\$ 1,125,021	\$ 2,593,787
Due to other funds	-	-	200,000	200,000
Total liabilities	1,468,766	-	1,325,021	2,793,787
<b>FUND BALANCES</b>				
Restricted	874,114	221,605	17,425,661	18,521,380
Committed	7,078,953	-	83,844	7,162,797
Assigned	37,390	-	8,577,907	8,615,297
Unassigned	(6,593)	-	-	(6,593)
Total fund balances	7,983,864	221,605	26,087,412	34,292,881
Total liabilities and fund balances	\$ 9,452,630	\$ 221,605	\$ 27,412,433	\$ 37,086,668

**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, 2013**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
<b>Revenues</b>				
Taxes	\$ 6,658,093	\$ -	\$ 9,561,679	\$ 16,219,772
Licenses and permits	-	-	2,881,038	2,881,038
State and federal assistance	-	-	4,386,448	4,386,448
Interest	18	423	25,388	25,829
Charges for services	214,074	-	295,363	509,437
Other revenue	1,344	-	50	1,394
Total revenues	<u>6,873,529</u>	<u>423</u>	<u>17,149,966</u>	<u>24,023,918</u>
<b>Expenditures</b>				
Current:				
Nondepartmental	4,768,335	-	600,000	5,368,335
Capital outlay	5,317,951	-	15,388,347	20,706,298
Debt Service:				
Principal payments	-	11,280,795	-	11,280,795
Interest and fee payments	-	13,502,320	274,587	13,776,907
Total expenditures	<u>10,086,286</u>	<u>24,783,115</u>	<u>16,262,934</u>	<u>51,132,335</u>
Excess (deficiency) of revenues over expenditures	<u>(3,212,757)</u>	<u>(24,782,692)</u>	<u>887,032</u>	<u>(27,108,417)</u>
<b>Other financing sources (uses)</b>				
Capital-related debt issued	-	-	5,100,000	5,100,000
Bond issuance costs	-	-	(10,529)	(10,529)
Transfers in	2,668,458	25,297,750	1,640,529	29,606,737
Transfers out	(1,903,001)	(4,809,721)	(9,813,066)	(16,525,788)
Total other financing sources (uses)	<u>765,457</u>	<u>20,488,029</u>	<u>(3,083,066)</u>	<u>18,170,420</u>
Net change in fund balance	<u>(2,447,300)</u>	<u>(4,294,663)</u>	<u>(2,196,034)</u>	<u>(8,937,997)</u>
Fund balances - beginning of year	<u>10,431,164</u>	<u>4,516,268</u>	<u>28,283,446</u>	<u>43,230,878</u>
Fund balances - end of year	<u>\$ 7,983,864</u>	<u>\$ 221,605</u>	<u>\$ 26,087,412</u>	<u>\$ 34,292,881</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.
- Solid Waste Disposal Authority – This blended component unit is reported as a special revenue fund of the City. It is used to account for the revenues and expenses of the Solid Waste Disposal Authority related to Chastang landfill.



**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2013**

Gasoline Tax Funds

	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 787,868	\$ 233,961	\$ -	\$ 1,021,829
Receivables (net)	116,426	57,304	200,565	374,295
Total assets	<u>\$ 904,294</u>	<u>\$ 291,265</u>	<u>\$ 200,565</u>	<u>\$ 1,396,124</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 253,834	\$ -	\$ 207,158	\$ 460,992
Retainage payable	74,615	-	-	74,615
Total liabilities	<u>328,449</u>	<u>-</u>	<u>207,158</u>	<u>535,607</u>
Fund Balances:				
Restricted	575,845	291,265	-	867,110
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(6,593)	(6,593)
Total fund balances	<u>575,845</u>	<u>291,265</u>	<u>(6,593)</u>	<u>860,517</u>
Total liabilities and fund balances	<u>\$ 904,294</u>	<u>\$ 291,265</u>	<u>\$ 200,565</u>	<u>\$ 1,396,124</u>

<u>Fuel Inspection Fees</u>	<u>Economic Development</u>	<u>Tax Increment</u>	<u>Solid Waste Disposal Authority</u>	<u>Total</u>
\$ -	\$ 37,390	\$ 8,012,112	\$ -	\$ 9,071,331
<u>7,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,299</u>
<u>\$ 7,004</u>	<u>\$ 37,390</u>	<u>\$ 8,012,112</u>	<u>\$ -</u>	<u>\$ 9,452,630</u>
\$ -	\$ -	\$ 933,159	\$ -	\$ 1,394,151
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,615</u>
<u>-</u>	<u>-</u>	<u>933,159</u>	<u>-</u>	<u>1,468,766</u>
7,004	-	-	-	874,114
-	-	7,078,953	-	7,078,953
-	37,390	-	-	37,390
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,593)</u>
<u>7,004</u>	<u>37,390</u>	<u>7,078,953</u>	<u>-</u>	<u>7,983,864</u>
<u>\$ 7,004</u>	<u>\$ 37,390</u>	<u>\$ 8,012,112</u>	<u>\$ -</u>	<u>\$ 9,452,630</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, 2013**

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
<b>Revenues</b>				
Taxes	\$ 1,273,144	\$ 626,621	\$ 2,193,173	\$ 4,092,938
Interest	-	-	-	-
Other revenue	-	-	-	-
Royalty revenue	-	-	-	-
Total revenues	<u>1,273,144</u>	<u>626,621</u>	<u>2,193,173</u>	<u>4,092,938</u>
<b>Expenditures</b>				
Nondepartmental				
Tipping Fees	-	-	-	-
Gas	-	-	48,079	48,079
Electricity	-	-	2,429,201	2,429,201
Professional and technical	-	-	-	-
Total nondepartmental	<u>-</u>	<u>-</u>	<u>2,477,280</u>	<u>2,477,280</u>
Capital outlay				
Construction	3,387,952	-	-	3,387,952
Testing	23,848	-	-	23,848
Right-of-way and realty	782	-	-	782
Engineering	145,387	-	-	145,387
Commodities	-	-	-	-
Other	2,317	-	-	2,317
Total capital outlay	<u>3,560,286</u>	<u>-</u>	<u>-</u>	<u>3,560,286</u>
Total expenditures	<u>3,560,286</u>	<u>-</u>	<u>2,477,280</u>	<u>6,037,566</u>
Excess (deficiency) of revenues over expenditures	(2,287,142)	626,621	(284,107)	(1,944,628)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	591,477	591,477
Transfers out	-	(600,000)	(304,514)	(904,514)
Net change in fund balance	(2,287,142)	26,621	2,856	(2,257,665)
Fund balances - beginning of year	<u>2,862,987</u>	<u>264,644</u>	<u>(9,449)</u>	<u>3,118,182</u>
Fund balances - end of year	<u>\$ 575,845</u>	<u>\$ 291,265</u>	<u>\$ (6,593)</u>	<u>\$ 860,517</u>

<u>Fuel Inspection Fees</u>	<u>Economic Development</u>	<u>Tax Increment</u>	<u>Solid Waste Disposal Authority</u>	<u>Total</u>
\$ 78,044	\$ -	\$ 2,487,111	\$ -	\$ 6,658,093
-	18	-	-	18
-	1,344	-	-	1,344
-	-	-	214,074	214,074
<u>78,044</u>	<u>1,362</u>	<u>2,487,111</u>	<u>214,074</u>	<u>6,873,529</u>
-	-	-	2,238,974	2,238,974
-	-	-	-	48,079
-	-	-	-	2,429,201
-	-	-	52,081	52,081
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,291,055</u>	<u>4,768,335</u>
-	-	1,095,198	-	4,483,150
-	-	-	-	23,848
-	-	-	-	782
-	-	438,998	-	584,385
-	-	223,469	-	223,469
-	-	-	-	2,317
<u>-</u>	<u>-</u>	<u>1,757,665</u>	<u>-</u>	<u>5,317,951</u>
<u>-</u>	<u>-</u>	<u>1,757,665</u>	<u>2,291,055</u>	<u>10,086,286</u>
78,044	1,362	729,446	(2,076,981)	(3,212,757)
-	-	-	2,076,981	2,668,458
<u>(78,007)</u>	<u>-</u>	<u>(920,480)</u>	<u>-</u>	<u>(1,903,001)</u>
37	1,362	(191,034)	-	(2,447,300)
<u>6,967</u>	<u>36,028</u>	<u>7,269,987</u>	<u>-</u>	<u>10,431,164</u>
<u>\$ 7,004</u>	<u>\$ 37,390</u>	<u>\$ 7,078,953</u>	<u>\$ -</u>	<u>\$ 7,983,864</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2013**

<u>Program/Project Name</u>	<u>Project Cost Prior Years</u>	<u>Current Activity</u>	<u>Total Project to September 30 2013</u>
4 Cent Gasoline Tax Fund			
Resurfacing projects	\$ 129,605	\$ 3,557,968	\$ 3,687,573
Total 4 cent gasoline tax fund	<u>129,605</u>	<u>3,557,968</u>	<u>3,687,573</u>
Tax Increment Fund			
Gulfquest maritime museum	-	1,757,665	1,757,665
Total tax increment fund	<u>-</u>	<u>1,757,665</u>	<u>1,757,665</u>
Total special revenue funds projects	<u>\$ 129,605</u>	<u>\$ 5,315,633</u>	<u>\$ 5,445,238</u>



Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 2,789,333	\$ -	\$ 898,240
-	2,789,333	-	898,240
-	1,757,665	-	-
-	1,757,665	-	-
\$ -	\$ 4,546,998	\$ -	\$ 898,240

## **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.
- 2009 General Obligation Warrants - Copiers - This fund is used to service the remaining debt outstanding on the 2009 General Obligation Warrants - Copiers.
- 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, 2013**

	2001 General Obligation Refunding and School Warrants	Bank Service Charges - Various Issues	2002 Limited Obligation Tax Increment Warrants	2006 General Obligation Refunding and Improvement Warrants	2006 General Obligation Private Placement Warrants	2008 General Obligation Cap Impv Warrants
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$ 116	\$ 122,499	\$ -	\$ 5,921	\$ 3,068	\$ 985
Restricted cash - capital purchases	-	-	-	-	-	-
Total assets	<u>\$ 116</u>	<u>\$ 122,499</u>	<u>\$ -</u>	<u>\$ 5,921</u>	<u>\$ 3,068</u>	<u>\$ 985</u>
<b>FUND BALANCES</b>						
Restricted	<u>\$ 116</u>	<u>\$ 122,499</u>	<u>\$ -</u>	<u>\$ 5,921</u>	<u>\$ 3,068</u>	<u>\$ 985</u>

<u>2008B &amp; C General Obligation Ref &amp; Cap Warrants</u>	<u>2009 General Obligation Warrants - Copiers</u>	<u>2009A General Obligation Refunding Warrants</u>	<u>2009B General Obligation BAB Cap Taxable Warrants</u>	<u>2009C General Obligation ARRA Cap Taxable Warrants</u>	<u>Small Issue Warrants</u>	<u>2011 General Obligation Private Placement Warrants</u>	<u>2012 General Obligation Private Placement Warrants</u>	<u>Total</u>
\$ 618	\$ -	\$ 6,377	\$ 21,451	\$ 52,940	\$ 7,570	\$ 3	\$ -	\$ 221,548
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57</u>	<u>57</u>
<u>\$ 618</u>	<u>\$ -</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>\$ -</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>

**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, 2013**

	2001 General Obligation Refunding and School Warrants	Bank Service Charges - Various Issues	2002 Limited Obligation Tax Increment Warrants	2006 General Obligation Refunding and Improvement Warrants	2006 General Obligation Private Placement Warrants	2008 General Obligation Cap Impv Warrants
<b>Revenues</b>						
Interest	\$ 222	\$ 122	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>222</u>	<u>122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
Principal payments	-	-	520,000	2,885,000	330,000	-
Interest	-	-	400,355	2,419,675	60,188	2,492,900
Interest reimbursement	-	-	-	-	-	-
Bank fees	-	-	125	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>920,480</u>	<u>5,304,675</u>	<u>390,188</u>	<u>2,492,900</u>
Excess (deficiency) of revenues over expenditures	<u>222</u>	<u>122</u>	<u>(920,480)</u>	<u>(5,304,675)</u>	<u>(390,188)</u>	<u>(2,492,900)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	920,480	5,304,675	390,188	2,492,900
Transfers out	<u>(401,810)</u>	<u>(10,716)</u>	<u>-</u>	<u>(1,630,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(401,810)</u>	<u>(10,716)</u>	<u>920,480</u>	<u>3,674,675</u>	<u>390,188</u>	<u>2,492,900</u>
Net change in fund balances	(401,588)	(10,594)	-	(1,630,000)	-	-
Fund balances - beginning of year	<u>401,704</u>	<u>133,093</u>	<u>-</u>	<u>1,635,921</u>	<u>3,068</u>	<u>985</u>
Fund balances - end of year	<u>\$ 116</u>	<u>\$ 122,499</u>	<u>\$ -</u>	<u>\$ 5,921</u>	<u>\$ 3,068</u>	<u>\$ 985</u>



2008B & C General Obligation Ref & Cap Warrants	2009 General Obligation Warrants - Copiers	2009A General Obligation Refunding Warrants	2009B General Obligation BAB Cap Taxable Warrants	2009C General Obligation ARRA Cap Taxable Warrants	Small Issue Warrants	2011 General Obligation Private Placement Warrants	2012 General Obligation Private Placement Warrants	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46	\$ -	\$ 33	\$ 423
-	-	-	-	-	46	-	33	423
6,130,000	-	-	-	-	407,815	-	1,007,980	11,280,795
4,014,947	-	2,742,600	1,020,150	391,265	40,123	394,916	51,103	14,028,222
-	-	-	(341,521)	(168,410)	(16,256)	-	-	(526,187)
-	-	-	-	-	-	59	101	285
<u>10,144,947</u>	<u>-</u>	<u>2,742,600</u>	<u>678,629</u>	<u>222,855</u>	<u>431,682</u>	<u>394,975</u>	<u>1,059,184</u>	<u>24,783,115</u>
<u>(10,144,947)</u>	<u>-</u>	<u>(2,742,600)</u>	<u>(678,629)</u>	<u>(222,855)</u>	<u>(431,636)</u>	<u>(394,975)</u>	<u>(1,059,151)</u>	<u>(24,782,692)</u>
10,147,451	-	2,742,600	1,020,150	391,266	433,854	394,978	1,059,208	25,297,750
<u>(405,000)</u>	<u>(2,195)</u>	<u>(760,000)</u>	<u>(1,100,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,809,721)</u>
<u>9,742,451</u>	<u>(2,195)</u>	<u>1,982,600</u>	<u>(79,850)</u>	<u>(108,734)</u>	<u>433,854</u>	<u>394,978</u>	<u>1,059,208</u>	<u>20,488,029</u>
<u>(402,496)</u>	<u>(2,195)</u>	<u>(760,000)</u>	<u>(758,479)</u>	<u>(331,589)</u>	<u>2,218</u>	<u>3</u>	<u>57</u>	<u>(4,294,663)</u>
<u>403,114</u>	<u>2,195</u>	<u>766,377</u>	<u>779,930</u>	<u>384,529</u>	<u>5,352</u>	<u>-</u>	<u>-</u>	<u>4,516,268</u>
<u>\$ 618</u>	<u>\$ -</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>

## 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.
- 2008C General Obligation Capital Improvement Projects - This fund is used to pay the cost of certain improvements to the Alabama Cruise Terminal.
- 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, 2013**

	<u>Strategic Plan</u>	<u>1995 Capital Projects</u>	<u>1996 General Obligation Capital Projects</u>	<u>Municipal Government Capital Improvements</u>	<u>1998 General Obligation Capital Projects</u>	<u>1998 General Obligation Refunding and Capital Projects</u>
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$ 7,973,660	\$ 54,323	\$ 145,137	\$ 6,829,888	\$ 1,386,229	\$ 975,976
Restricted cash - capital purchases	-	-	-	-	-	-
Receivables (net)	<u>807,927</u>	-	-	-	-	-
Total assets	<u>\$ 8,781,587</u>	<u>\$ 54,323</u>	<u>\$ 145,137</u>	<u>\$ 6,829,888</u>	<u>\$ 1,386,229</u>	<u>\$ 975,976</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 3,680	\$ 30,660	\$ -	\$ 63,504	\$ 14,424	\$ 11,839
Retainage payable	-	-	-	8,944	313	17,106
Due to other funds	<u>200,000</u>	-	-	-	-	-
Total liabilities	<u>203,680</u>	<u>30,660</u>	<u>-</u>	<u>72,448</u>	<u>14,737</u>	<u>28,945</u>
Fund balances						
Restricted	-	23,663	145,137	6,757,440	1,371,492	947,031
Committed	-	-	-	-	-	-
Assigned	<u>8,577,907</u>	-	-	-	-	-
Total fund balances	<u>8,577,907</u>	<u>23,663</u>	<u>145,137</u>	<u>6,757,440</u>	<u>1,371,492</u>	<u>947,031</u>
Total liabilities and fund balances	<u>\$ 8,781,587</u>	<u>\$ 54,323</u>	<u>\$ 145,137</u>	<u>\$ 6,829,888</u>	<u>\$ 1,386,229</u>	<u>\$ 975,976</u>

1999 General Obligation Private Placement - IPSCO	2000 Capital Projects	2002 Limited Obligation Tax Increment Capital Projects	Flood Management	2006 G. O. Refunding and Capital Projects Funds	2008 General Capital Improvements Projects	2008B General Obligation Capital Improvement Projects	2008C General Obligation Capital Improvement Projects
\$ 9,687	\$ 588,894	\$ 133,526	\$ 83,844	\$ 1,262,064	\$ 4,838,886	\$ 676,358	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 9,687</u>	<u>\$ 588,894</u>	<u>\$ 133,526</u>	<u>\$ 83,844</u>	<u>\$ 1,262,064</u>	<u>\$ 4,838,886</u>	<u>\$ 676,358</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,440	\$ -	\$ -
-	-	-	-	61,171	45,914	-	-
-	-	-	-	-	-	-	-
-	-	-	-	61,171	48,354	-	-
9,687	588,894	133,526	-	1,200,893	4,790,532	676,358	-
-	-	-	83,844	-	-	-	-
-	-	-	-	-	-	-	-
<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>-</u>
<u>\$ 9,687</u>	<u>\$ 588,894</u>	<u>\$ 133,526</u>	<u>\$ 83,844</u>	<u>\$ 1,262,064</u>	<u>\$ 4,838,886</u>	<u>\$ 676,358</u>	<u>\$ -</u>

**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
SEPTEMBER 30, 2013**

	2009B G O Cap Proj - BAB 2009 Taxable WTS	2009C General Obligation ARRA Cap Taxable Warrants	Small Issue General Obligation Warrants	2011 General Obligation Private Placement Capital Improvements	2012 General Obligation Private Placement Capital Equipment	Total
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$ 1,130,154	\$ 15,224	\$ 142,754	\$ 190,117	\$ -	\$ 26,436,721
Restricted cash - capital purchases	-	-	-	-	167,785	167,785
Receivables (net)	-	-	-	-	-	807,927
Total assets	<u>\$ 1,130,154</u>	<u>\$ 15,224</u>	<u>\$ 142,754</u>	<u>\$ 190,117</u>	<u>\$ 167,785</u>	<u>\$ 27,412,433</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 436,548	\$ -	\$ -	\$ 94,492	\$ -	\$ 657,587
Retainage payable	316,748	-	-	17,238	-	467,434
Due to other funds	-	-	-	-	-	200,000
Total liabilities	<u>753,296</u>	<u>-</u>	<u>-</u>	<u>111,730</u>	<u>-</u>	<u>1,325,021</u>
Fund balances						
Restricted	376,858	15,224	142,754	78,387	167,785	17,425,661
Committed	-	-	-	-	-	83,844
Assigned	-	-	-	-	-	8,577,907
Total fund balances	<u>376,858</u>	<u>15,224</u>	<u>142,754</u>	<u>78,387</u>	<u>167,785</u>	<u>26,087,412</u>
Total liabilities and fund balances	<u>\$ 1,130,154</u>	<u>\$ 15,224</u>	<u>\$ 142,754</u>	<u>\$ 190,117</u>	<u>\$ 167,785</u>	<u>\$ 27,412,433</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 Projects	1996 General Obligation Capital Projects	Municipal Government Capital Improvements	1998 General Obligation Capital Projects	1998 General Obligation Refunding and Capital Projects
<b>Revenues</b>						
Sales tax	\$ 3,746,566	\$ -	\$ -	\$ -	\$ -	\$ -
Lease/rental - tax	1,974,954	-	-	-	-	-
Motor fuel - tax	2,112,624	-	-	-	-	-
Room - tax	1,727,535	-	-	-	-	-
Business license	2,881,038	-	-	-	-	-
State and federal assistance	-	-	-	4,386,448	-	-
Interest	6,580	-	98	2,580	1,815	649
Other revenue	-	-	-	50	-	-
Charges for services	295,363	-	-	-	-	-
Total revenues	<u>12,744,660</u>	<u>-</u>	<u>98</u>	<u>4,389,078</u>	<u>1,815</u>	<u>649</u>
<b>Expenditures</b>						
Current						
Nondepartmental	600,000	-	-	-	-	-
Interest and fee payments	163,671	-	-	91,608	-	-
Capital outlay						
Capitalized equipment	646,479	-	-	106,940	-	-
Right-of-way and realty	-	-	-	6,633	-	-
Testing	-	-	-	7,647	-	-
Engineering	-	-	-	46,114	25,224	11,839
Architectural	-	-	-	23,720	-	-
Commodities	72,360	30,660	-	176,156	-	95,572
Construction	5,481	-	-	450,564	94,587	-
Professional services	130,660	-	75,000	93,962	3,053	-
Other	1,261,283	-	-	124,913	-	-
Total capital outlay	<u>2,116,263</u>	<u>30,660</u>	<u>75,000</u>	<u>1,036,649</u>	<u>122,864</u>	<u>107,411</u>
Total expenditures	<u>2,879,934</u>	<u>30,660</u>	<u>75,000</u>	<u>1,128,257</u>	<u>122,864</u>	<u>107,411</u>
Excess (deficiency) of revenues over expenditures	<u>9,864,726</u>	<u>(30,660)</u>	<u>(74,902)</u>	<u>3,260,821</u>	<u>(121,049)</u>	<u>(106,762)</u>
<b>Other financing sources (uses)</b>						
Transfers in	1,630,000	-	-	-	-	-
Transfers out	(9,420,375)	-	-	(390,188)	-	-
Capital-related debt issued	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total other financing sources (uses)	<u>(7,790,375)</u>	<u>-</u>	<u>-</u>	<u>(390,188)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,074,351	(30,660)	(74,902)	2,870,633	(121,049)	(106,762)
Fund balances - beginning of year	6,503,556	54,323	220,039	3,886,807	1,492,541	1,053,793
Fund balances - end of year	<u>\$ 8,577,907</u>	<u>\$ 23,663</u>	<u>\$ 145,137</u>	<u>\$ 6,757,440</u>	<u>\$ 1,371,492</u>	<u>\$ 947,031</u>

1999 General Obligation Private Placement - IPSCO	2000 Capital Projects	2002 Limited Obligation Tax Increment Capital Projects	Flood Management	2006 G. O. Refunding and Capital Projects Funds	2008 General Capital Improvements Projects	2008B General Obligation Capital Improvement Proj	2008C General Obligation Capital Improvement Projects
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11	-	-	42	358	3,013	37	1
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>11</u>	<u>-</u>	<u>-</u>	<u>42</u>	<u>358</u>	<u>3,013</u>	<u>37</u>	<u>1</u>
-	-	-	-	-	-	-	-
-	-	19,261	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	6,395	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	139,758	-	-
-	-	-	-	-	18,525	-	-
-	-	-	-	-	19,228	2,330	-
-	-	-	-	-	355,603	-	-
-	-	-	-	-	7,450	-	-
-	-	-	-	-	-	14,177	-
-	-	-	-	-	546,959	16,507	-
-	-	19,261	-	-	546,959	16,507	-
<u>11</u>	<u>-</u>	<u>(19,261)</u>	<u>42</u>	<u>358</u>	<u>(543,946)</u>	<u>(16,470)</u>	<u>1</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(2,503)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(2,503)
11	-	(19,261)	42	358	(543,946)	(16,470)	(2,502)
<u>9,676</u>	<u>588,894</u>	<u>152,787</u>	<u>83,802</u>	<u>1,200,535</u>	<u>5,334,478</u>	<u>692,828</u>	<u>2,502</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>\$ -</u>

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

	2009B G O Cap Proj - BAB 2009 Taxable WTS	2009C General Obligation ARRA Cap Taxable Warrants	Small Issue General Obligation Warrants	2011 General Obligation Private Placement Capital Improvements	2012 General Obligation Private Placement Capital Equipment	Total
<b>Revenues</b>						
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,746,566
Lease/rental - tax	-	-	-	-	-	1,974,954
Motor fuel - tax	-	-	-	-	-	2,112,624
Room - tax	-	-	-	-	-	1,727,535
Business license	-	-	-	-	-	2,881,038
State and federal assistance	-	-	-	-	-	4,386,448
Interest	3,766	59	72	2,304	4,003	25,388
Other revenue	-	-	-	-	-	50
Charges for services	-	-	-	-	-	295,363
<b>Total revenues</b>	<b>3,766</b>	<b>59</b>	<b>72</b>	<b>2,304</b>	<b>4,003</b>	<b>17,149,966</b>
<b>Expenditures</b>						
<b>Current</b>						
Nondepartmental	-	-	-	-	-	600,000
Interest and fee payments	-	-	-	-	47	274,587
<b>Capital outlay</b>						
Capitalized equipment	-	-	-	-	4,936,171	5,689,590
Right-of-way and realty	-	-	-	-	-	13,028
Testing	-	-	-	-	-	7,647
Engineering	-	-	-	-	-	222,935
Architectural	-	-	-	-	-	42,245
Commodities	2,520,697	6,849	-	205,698	-	3,129,550
Construction	2,323,922	-	-	889,963	-	4,120,120
Professional services	-	-	-	452,732	-	762,857
Other	-	-	-	2	-	1,400,375
<b>Total capital outlay</b>	<b>4,844,619</b>	<b>6,849</b>	<b>-</b>	<b>1,548,395</b>	<b>4,936,171</b>	<b>15,388,347</b>
<b>Total expenditures</b>	<b>4,844,619</b>	<b>6,849</b>	<b>-</b>	<b>1,548,395</b>	<b>4,936,218</b>	<b>16,262,934</b>
Excess (deficiency) of revenues over expenditures	(4,840,853)	(6,790)	72	(1,546,091)	(4,932,215)	887,032
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	10,529	1,640,529
Transfers out	-	-	-	-	-	(9,813,066)
Capital-related debt issued	-	-	-	-	5,100,000	5,100,000
Bond issuance costs	-	-	-	-	(10,529)	(10,529)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,100,000</b>	<b>(3,083,066)</b>
Net change in fund balance	(4,840,853)	(6,790)	72	(1,546,091)	167,785	(2,196,034)
Fund balances - beginning of year	5,217,711	22,014	142,682	1,624,478	-	28,283,446
Fund balances - end of year	<u>\$ 376,858</u>	<u>\$ 15,224</u>	<u>\$ 142,754</u>	<u>\$ 78,387</u>	<u>\$ 167,785</u>	<u>\$ 26,087,412</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2013**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30, 2013
General Government			
Multipurpose			
Miscellaneous bank service charges	\$ -	\$ 9,703	\$ 9,703
Assessment expenditures	-	103	103
Finance - general government equip and misc items	-	70,278	70,278
Building and grounds allowance	-	656,871	656,871
Hurricane Reserve	-	12,240	12,240
City share - economic development	-	5,428,161	5,428,161
Citywide strategic and marketing plans	-	52,080	52,080
Demolitions - condemned buildings	-	34,474	34,474
Equipment - public works	-	349,371	349,371
Equipment - council misc.	-	235	235
Equipment - city clerk	-	11,970	11,970
Equipment - MIS	-	2,066	2,066
Equipment - telecommunications	-	26,337	26,337
Equipment - telecom rental	-	133,420	133,420
Financial software maintenance	-	224,741	224,741
Housing First - homeless center	-	33,750	33,750
Workforce development	-	54,000	54,000
Mechanical maintenance - maintenance projects	-	265,887	265,887
Mobile Area Education Fund	-	135,000	135,000
Mobile Airport - rent Aviation Training School	-	10,112	10,112
Public buildings - maintenance projects	-	125,740	125,740
Reserve for contingencies	-	91,608	91,608
Roadside litter containers	-	26,862	26,862
Telephone switch upgrade	92,609	-	92,609
Strategic planning - comm/react/CitiSmart	-	66,872	66,872
Total multipurpose	92,609	7,821,881	7,914,490

		Disposition			
		In-Progress		Completed	
		Expensed	Capitalized	Expensed	Capitalized
\$	-	\$	-	\$	9,703
	-		-		103
	-		-		56,979
	-		-		581,613
	-		-		12,240
	-		-		5,428,161
	-		-		52,080
	-		-		34,474
	-		-		25,952
	-		-		235
	-		-		11,970
	-		-		2,066
	-		-		26,337
	-		-		133,420
	-		-		224,741
	-		-		33,750
	-		-		54,000
	-		-		245,867
	-		-		135,000
	-		-		10,112
	-		-		125,740
	-		-		91,608
	-		-		26,862
	92,609		-		-
	-		-		66,872
	92,609		-		7,389,885
	-		-		431,996



**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2013**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2013
General Government			
Environmental			
Engineering, row and testing	\$ -	\$ 9,041	\$ 9,041
Equip-dredging/barge modif	-	95,572	95,572
Stormwater management	-	298,638	298,638
2008 Misc drainage/pipes	189,783	-	189,783
Misc. drainage pipes	174,424	-	174,424
Bayou St. Board of Health	183,925	-	183,925
Big Stickney Culvert at Springhill Avenue	49,363	-	49,363
Conception Street drainage	84,812	11,839	96,651
Citywide storm drainage repairs	-	1,010,972	1,010,972
Dubroca emergency drainage	111,865	-	111,865
Emogene Street bridge repairs	445,151	-	445,151
Emergency Langan Park dam repair	-	1,629	1,629
Eslava Creek at Airport	73,953	-	73,953
Florida Street - Woodcock Creek	7,910,756	-	7,910,756
Halls Mill Road at Moore - bridge	51,597	-	51,597
Houston St. drainage	-	75,000	75,000
Little Stickney - Springhill	1,166,806	-	1,166,806
Michigan Avenue bridge repairs	1,208,491	-	1,208,491
Moores Creek - Burma to Moores	13,662	438,285	451,947
NRCS Erosion Debris removal	-	37,850	37,850
Todd Acres bridge repars	158,695	-	158,695
Trinity Gardens ditch enclosures	238,258	-	238,258
Total environmental	<u>12,061,541</u>	<u>1,978,826</u>	<u>14,040,367</u>

## Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ 9,041	\$ -
-	-	95,572	-
-	-	298,638	-
-	189,783	-	-
-	174,424	-	-
-	183,925	-	-
-	49,363	-	-
-	96,651	-	-
-	-	-	1,010,972
-	111,865	-	-
-	445,151	-	-
-	-	1,629	-
-	73,953	-	-
-	7,910,756	-	-
-	51,597	-	-
-	-	75,000	-
-	-	-	1,166,806
-	1,208,491	-	-
-	451,947	-	-
-	-	37,850	-
-	-	-	158,695
-	238,258	-	-
-	11,186,164	517,730	2,336,473

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2013**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2013
General Government			
Transportation			
Airbus Way & Aerospace Dr roadway	\$ -	\$ 881,508	\$ 881,508
Electrical equipment	-	15,260	15,260
INFRA-ADA modifications	211,435	198,138	409,573
Traffic engineering - street improvements	-	38,661	38,661
Traffic eng-crowd control barricades	-	10,837	10,837
Resurfacing - 4 cent gas tax project	3,768	20,841	24,609
City's share - Hillcrest MPO project	3,018,704	-	3,018,704
City's share - Airport/Snow Road	185,667	11,223	196,890
City's share - Zeigler Boulevard	712,951	131,773	844,724
Hillsdale Heights sidewalks	26,909	-	26,909
MPO McGregor Ave-widening	-	77,365	77,365
Miscellaneous street improvements	-	1,028,064	1,028,064
Stormwater - miscellaneous bridges	-	19,275	19,275
Traffic circles/calming devices	21,200	184	21,384
Total transportation	<u>4,180,634</u>	<u>2,433,129</u>	<u>6,613,763</u>
Security			
Metro 800 mhz emergency radios	5,926,369	16,787	5,943,156
Equipment - police	-	26,909	26,909
Equipment - motor vehicles	-	709,692	709,692
Fire - misc fire station bldg imprv	-	2,330	2,330
New fire station - Theodore	-	9,735	9,735
Police bldg - 850 St. Anthony	88,523	54,804	143,327

## Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 881,508	\$ -	\$ -
-	-	15,260	-
-	409,573	-	-
-	-	38,661	-
-	-	10,837	-
-	24,609	-	-
-	3,018,704	-	-
-	196,890	-	-
-	844,724	-	-
-	26,909	-	-
-	77,365	-	-
-	-	-	1,028,064
-	-	19,275	-
-	-	-	21,384
-	5,480,282	84,033	1,049,448
-	5,943,156	-	-
-	-	446	26,463
-	-	215,356	494,336
-	-	2,330	-
-	-	9,735	-
-	143,327	-	-

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2013**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2013
General Government			
Security (Cont'd)			
Total security	\$ 6,014,892	\$ 820,257	\$ 6,835,149
Recreation			
Equipment - parks and recreation	-	798,283	798,283
2009A, B & C bank serv chgs	-	4,725	4,725
College Football Bowl	-	650,000	650,000
Ladd Stadium renovation	-	303,918	303,918
Parks - annexed area	376,258	377,515	753,773
Parks - Bienville Square restrooms	78,695	902	79,597
Parks - Copeland-Cox tennis center	-	177,333	177,333
Events Mobile	-	100,000	100,000
Parks - Hillsdale community center	-	385	385
Parks - James Seals	-	6,764	6,764
Parks - ISOM park improvements	-	700	700
Parks - Kidd Park improvements	15,928	-	15,928
Parks - Langan various improv	-	23,800	23,800
Parks - Mardi Gras Park	1,327	-	1,327
Parks - Mary Abby Berg	-	100,000	100,000
Parks - Medal of Honor	-	16,221	16,221
Parks - Mims	-	6,448	6,448



Dispositon

In Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 6,086,483	\$ 227,867	\$ 520,799
-	-	490,422	307,861
-	-	4,725	-
-	-	650,000	-
-	303,918	-	-
-	714,730	186	38,857
-	-	-	79,597
-	177,333	-	-
-	-	100,000	-
-	-	385	-
-	-	6,764	-
-	-	700	-
-	15,928	-	-
-	-	23,800	-
-	1,327	-	-
-	-	100,000	-
-	-	16,221	-
-	-	6,448	-

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2013**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2013
General Government			
Recreation (Cont'd)			
Parks - Publ Safety - Skateboard	\$ -	\$ 23,873	\$ 23,873
Parks - Rickarby improv	-	12,500	12,500
Parks - Tardy cottage	-	2,267	2,267
Parks - Theodore area park	98,631	-	98,631
Springhill Ave recreation center	-	5,566	5,566
Waterfront development	46,072,674	9,775,772	55,848,446
Waterfront development - general fund	(24,713,331)	(929,076)	(25,642,407)
Waterfront - enterprise fund	(1,600,000)	-	(1,600,000)
Waterfront development - TIF portion	-	(1,757,665)	(1,757,665)
Total recreation	<u>20,330,182</u>	<u>9,700,231</u>	<u>30,030,413</u>
Cultural			
Fort Conde Welcome Center - roof repairs	260,001	186,175	446,176
Centre for the Living Arts	-	200,000	200,000
Strategic Plan - Saenger Theatre renovations	-	63,694	63,694
Strategic Plan - Battleship restoration	-	45,000	45,000
Equipment - culture & administration	-	1,766	1,766
Total cultural	<u>260,001</u>	<u>496,635</u>	<u>756,636</u>
Total general government	<u>42,939,859</u>	<u>23,250,959</u>	<u>66,190,818</u>
Proprietary			
Mobile Civic Center:			
Civic Center renovations	-	80,110	80,110
Total proprietary	<u>-</u>	<u>80,110</u>	<u>80,110</u>
Total capital projects	<u>\$ 42,939,859</u>	<u>\$ 23,331,069</u>	<u>\$ 66,270,928</u>

## Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 23,873	\$ -	\$ -
-	-	12,500	-
-	-	2,267	-
-	98,631	-	-
-	-	5,566	-
-	55,848,446	-	-
-	(25,642,407)	-	-
-	(1,600,000)	-	-
-	(1,757,665)	-	-
-	28,184,114	1,419,984	426,315
-	446,176	-	-
-	-	200,000	-
-	-	63,694	-
-	-	45,000	-
-	-	1,766	-
-	446,176	310,460	-
92,609	51,383,219	9,949,959	4,765,031
-	-	63,564	16,546
-	-	63,564	16,546
\$ 92,609	\$ 51,383,219	\$ 10,013,523	\$ 4,781,577

## **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, 2013**

	<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	\$ 1,609,345	\$ 879,661	\$ -	\$ 2,489,006
Receivables (net)	11,202	-	131,470	142,672
Total current assets	<u>1,620,547</u>	<u>879,661</u>	<u>131,470</u>	<u>2,631,678</u>
Capital assets				
Vehicles	31,488,223	-	-	31,488,223
Furniture, fixtures and equipment	4,201,610	-	-	4,201,610
	35,689,833	-	-	35,689,833
Less: accumulated depreciation	(27,948,442)	-	-	(27,948,442)
Total capital assets (net)	<u>7,741,391</u>	<u>-</u>	<u>-</u>	<u>7,741,391</u>
Total assets	<u>9,361,938</u>	<u>879,661</u>	<u>131,470</u>	<u>10,373,069</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	-	-	-	-
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	7,983	107,726	617,278	732,987
Accrued payroll	2,668	-	-	2,668
Capital lease obligations - current portion	228,776	-	-	228,776
Insurance claims payable	-	-	1,757,400	1,757,400
Total current liabilities	<u>239,427</u>	<u>107,726</u>	<u>2,374,678</u>	<u>2,721,831</u>
Long-term liabilities				
Capital lease obligations - net of current portion	724,251	-	-	724,251
Self-insured liability - legal	-	1,124,845	-	1,124,845
Total long-term liabilities	<u>724,251</u>	<u>1,124,845</u>	<u>-</u>	<u>1,849,096</u>
Total liabilities	<u>963,678</u>	<u>1,232,571</u>	<u>2,374,678</u>	<u>4,570,927</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	-	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	6,788,364	-	-	6,788,364
Unrestricted (deficit)	1,609,896	(352,910)	(2,243,208)	(986,222)
Total net position	<u>\$ 8,398,260</u>	<u>\$ (352,910)</u>	<u>\$ (2,243,208)</u>	<u>\$ 5,802,142</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, 2013**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
<b>Operating revenues</b>				
Charges for services	\$ 3,687,384	\$ -	\$ 19,689,737	\$ 23,377,121
Retiree drug subsidy	-	-	433,421	433,421
Miscellaneous revenue	-	1,405	1,538	2,943
Total operating revenues	<u>3,687,384</u>	<u>1,405</u>	<u>20,124,696</u>	<u>23,813,485</u>
<b>Operating expenses</b>				
Insurance payments	-	-	26,179,975	26,179,975
Commodities	2,929,122	18,401	-	2,947,523
Personnel services	86,230	-	-	86,230
Professional and technical	-	898,991	86,044	985,035
Utilities	37,180	-	-	37,180
Other charges	4,517	1,411,411	10,750	1,426,678
Increase (decrease) in provision for self-insured loss	-	-	(311,788)	(311,788)
Depreciation	1,485,117	-	-	1,485,117
Total operating expenses	<u>4,542,166</u>	<u>2,328,803</u>	<u>25,964,981</u>	<u>32,835,950</u>
Operating income (loss)	<u>(854,782)</u>	<u>(2,327,398)</u>	<u>(5,840,285)</u>	<u>(9,022,465)</u>
<b>Nonoperating revenues (expenses)</b>				
Gain (loss) on disposal of capital assets	22,406	-	-	22,406
Damaged vehicles reimbursement	31,232	-	-	31,232
Interest expense	(28,515)	-	-	(28,515)
Total nonoperating revenues	<u>25,123</u>	<u>-</u>	<u>-</u>	<u>25,123</u>
Income (loss) before operating transfers	(829,659)	(2,327,398)	(5,840,285)	(8,997,342)
Transfers in	300,000	2,032,054	7,477,429	9,809,483
Transfers out	-	-	-	-
Change in net position	(529,659)	(295,344)	1,637,144	812,141
Net position - beginning of year	8,927,919	(57,566)	(3,880,352)	4,990,001
Net position - end of year	<u>\$ 8,398,260</u>	<u>\$ (352,910)</u>	<u>\$ (2,243,208)</u>	<u>\$ 5,802,142</u>



**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
<b>Cash flows from operating activities</b>				
Cash received from:				
Internal billings	\$ 3,692,895	\$ -	\$ 14,199,667	\$ 17,892,562
Customers and users	-	-	1,179,015	1,179,015
Employee contributions	-	-	4,311,055	4,311,055
Miscellaneous	-	-	1,538	1,538
Cash payments for insurance claims	-	-	(26,197,064)	(26,197,064)
Cash payments for operating expenses	(3,143,181)	(2,450,175)	(96,794)	(5,690,150)
Cash payments to employees for services	(85,005)	-	-	(85,005)
Net cash provided (used) by operating activities	<u>464,709</u>	<u>(2,450,175)</u>	<u>(6,602,583)</u>	<u>(8,588,049)</u>
<b>Cash flows from non-capital financing activities</b>				
Transfers in from other funds	300,000	2,032,054	7,477,429	9,809,483
Transfers out to other funds	-	-	(1,308,267)	(1,308,267)
Retiree drug subsidy	-	-	433,421	433,421
Net cash provided by non-capital financing activities	<u>300,000</u>	<u>2,032,054</u>	<u>6,602,583</u>	<u>8,934,637</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(1,092,790)	-	-	(1,092,790)
Proceeds from sale of capital assets	134,121	-	-	134,121
Payments on capital leases	(222,733)	-	-	(222,733)
Interest payments	(28,515)	-	-	(28,515)
Reimbursement for damaged vehicles	31,232	-	-	31,232
Net cash used by capital and related financing activities	<u>(1,178,685)</u>	<u>-</u>	<u>-</u>	<u>(1,178,685)</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	(413,976)	(418,121)	-	(832,097)
Pooled cash and investments - beginning of the year	2,023,321	1,297,782	-	3,321,103
Pooled cash and investments - end of the year	<u>\$ 1,609,345</u>	<u>\$ 879,661</u>	<u>\$ -</u>	<u>\$ 2,489,006</u>

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS (CONT'D)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	<u>\$ (854,782)</u>	<u>\$ (2,327,398)</u>	<u>\$ (5,840,285)</u>	<u>\$ (9,022,465)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,485,117	-	-	1,485,117
Non-capital financing cash flow included in operating income	-	-	(433,421)	(433,421)
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	5,511	-	(131,470)	(125,959)
Increase (decrease) in:				
Accounts payable	(172,363)	(2,322)	114,380	(60,305)
Accrued liabilities	1,226	-	-	1,226
Self-insured liability - legal	-	(120,455)	-	(120,455)
Insurance claims payable	-	-	(311,787)	(311,787)
Total adjustments	<u>1,319,491</u>	<u>(122,777)</u>	<u>(762,298)</u>	<u>434,416</u>
Net cash provided (used) by operating activities	<u>\$ 464,709</u>	<u>\$ (2,450,175)</u>	<u>\$ (6,602,583)</u>	<u>\$ (8,588,049)</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, 2013**

	Azalea City Golf Course	Firemedics
<b>ASSETS</b>		
Current assets		
Cash, equity in pooled cash and investments	\$ 1,100	\$ 59,911
Receivables (net)	-	1,087,395
Inventories	69,226	-
Total current assets	70,326	1,147,306
Capital assets		
Non-depreciable capital assets	1,457,640	-
Depreciable capital assets, net	1,974,122	82,604
Total capital assets	3,431,762	82,604
Total assets	3,502,088	1,229,910
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	107,244	728,169
Unearned revenue	-	-
Total current liabilities	107,244	728,169
<b>NET POSITION</b>		
Net investment in capital assets	3,431,762	82,604
Unrestricted (deficit)	(36,918)	419,137
Total net position	\$ 3,394,844	\$ 501,741

<u>Tennis Center</u>	<u>Saenger Theater</u>	<u>Neighborhood Renewal Program</u>	<u>Totals</u>
\$ 600	\$ 83,298	\$ 711,345	\$ 856,254
-	-	-	1,087,395
-	-	3,958	73,184
<u>600</u>	<u>83,298</u>	<u>715,303</u>	<u>2,016,833</u>
-	-	-	1,457,640
<u>70,714</u>	<u>3,226,752</u>	<u>-</u>	<u>5,354,192</u>
<u>70,714</u>	<u>3,226,752</u>	<u>-</u>	<u>6,811,832</u>
<u>71,314</u>	<u>3,310,050</u>	<u>715,303</u>	<u>8,828,665</u>
25,130	46,444	235	907,222
-	-	1,000	1,000
<u>25,130</u>	<u>46,444</u>	<u>1,235</u>	<u>908,222</u>
70,715	3,226,752	-	6,811,833
(24,531)	36,854	714,068	1,108,610
<u>\$ 46,184</u>	<u>\$ 3,263,606</u>	<u>\$ 714,068</u>	<u>\$ 7,920,443</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, 2013**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
<b>Operating revenues</b>		
Facility rent	\$ -	\$ -
Sales revenue	146,556	-
User charges	1,192,108	2,149,941
Concessions	-	-
Miscellaneous revenue	361	-
	<u>1,339,025</u>	<u>2,149,941</u>
<b>Operating expenses</b>		
Utilities	73,907	36,564
Cost of goods sold	122,505	-
Personnel services	784,596	5,724,786
Professional and technical	8,079	215,508
Maintenance and repairs	24,528	21,542
Commodities	236,877	636,360
Insurance payments	69,421	-
Printing and reproduction	368	720
Other charges	89,715	154,183
Depreciation	146,083	5,680
Capital outlay	-	-
	<u>1,556,079</u>	<u>6,795,343</u>
Operating income (loss)	<u>(217,054)</u>	<u>(4,645,402)</u>
<b>Nonoperating revenues (expenses)</b>		
Capital contribution	-	-
Gain (loss) on disposal of capital assets	10,516	(416)
	<u>10,516</u>	<u>(416)</u>
Net income (loss) before transfers	(206,538)	(4,645,818)
Transfers in	577,259	4,596,824
Change in net position	370,721	(48,994)
Net position - beginning of year	<u>3,024,123</u>	<u>550,735</u>
Net position - end of year	<u>\$ 3,394,844</u>	<u>\$ 501,741</u>



<u>Tennis Center</u>	<u>Saenger Theater</u>	<u>Neighborhood Renewal Program</u>	<u>Totals</u>
\$ -	\$ 190,061	\$ -	\$ 190,061
3,000	-	-	149,556
205,649	-	-	3,547,698
5,324	-	-	5,324
57	10,209	-	10,627
<u>214,030</u>	<u>200,270</u>	<u>-</u>	<u>3,903,266</u>
69,473	86,857	259	267,060
-	-	-	122,505
391,169	55,210	-	6,955,761
127,490	-	-	351,077
300	446	-	46,816
37,150	6,966	2,202	919,555
-	-	-	69,421
1,128	-	-	2,216
9,129	93,937	2,826	349,790
3,887	15,711	1,526	172,887
-	-	100	100
<u>639,726</u>	<u>259,127</u>	<u>6,913</u>	<u>9,257,188</u>
<u>(425,696)</u>	<u>(58,857)</u>	<u>(6,913)</u>	<u>(5,353,922)</u>
-	3,242,463	-	3,242,463
-	-	5,505	15,605
<u>-</u>	<u>3,242,463</u>	<u>5,505</u>	<u>3,258,068</u>
(425,696)	3,183,606	(1,408)	(2,095,854)
<u>419,308</u>	<u>80,000</u>	<u>-</u>	<u>5,673,391</u>
(6,388)	3,263,606	(1,408)	3,577,537
<u>52,572</u>	<u>-</u>	<u>715,476</u>	<u>4,342,906</u>
<u>\$ 46,184</u>	<u>\$ 3,263,606</u>	<u>\$ 714,068</u>	<u>\$ 7,920,443</u>

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Azalea City Golf Course	Firemedics
<b>Cash flows from operating activities</b>		
Cash received from:		
User charges	\$ 1,192,108	\$ 2,871,097
Sales revenue	146,556	-
Facility rent	-	-
Concessions	-	-
Miscellaneous	361	-
Cash payments for operating expenses	(592,480)	(988,444)
Cash payment for internal services	(61,265)	(433,716)
Cash payments to employees for services	<u>(721,149)</u>	<u>(5,412,756)</u>
Net cash provided (used) by operating activities	<u>(35,869)</u>	<u>(3,963,819)</u>
<b>Cash flows from non-capital financing activities</b>		
Transfers in from other funds	<u>37,225</u>	<u>4,023,730</u>
Net cash provided by non-capital financing activities	<u>37,225</u>	<u>4,023,730</u>
<b>Cash flows from capital and related financing activities</b>		
Acquisition of capital assets	(10,927)	-
Proceeds from sale of capital assets	<u>10,671</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(256)</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Net increase (decrease) in pooled cash and investments	1,100	59,911
Pooled cash and investments - beginning of the year	<u>-</u>	<u>-</u>
Pooled cash and investments - end of the year	<u>\$ 1,100</u>	<u>\$ 59,911</u>

<u>Tennis Center</u>	<u>Saenger Theater</u>	<u>Neighborhood Renewal Program</u>	<u>Total</u>
\$ 205,649	\$ -	\$ -	\$ 4,268,854
-	-	-	146,556
3,000	190,061	-	193,061
5,324	-	-	5,324
2,298	10,209	-	12,868
(243,177)	(143,354)	(11,180)	(1,978,635)
(23,631)	-	-	(518,612)
<u>(368,771)</u>	<u>(53,618)</u>	<u>-</u>	<u>(6,556,294)</u>
<u>(419,308)</u>	<u>3,298</u>	<u>(11,180)</u>	<u>(4,426,878)</u>
<u>419,308</u>	<u>80,000</u>	<u>-</u>	<u>4,560,263</u>
<u>419,308</u>	<u>80,000</u>	<u>-</u>	<u>4,560,263</u>
-	-	-	(10,927)
<u>-</u>	<u>-</u>	<u>76,758</u>	<u>87,429</u>
<u>-</u>	<u>-</u>	<u>76,758</u>	<u>76,502</u>
-	83,298	65,578	209,887
<u>600</u>	<u>-</u>	<u>645,767</u>	<u>646,367</u>
<u>\$ 600</u>	<u>\$ 83,298</u>	<u>\$ 711,345</u>	<u>\$ 856,254</u>

**CITY OF MOBILE, ALABAMA  
 COMBINING STATEMENT OF CASH FLOWS (CONT'D)  
 NON-MAJOR ENTERPRISE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ (217,054)	\$ (4,645,402)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>		
Depreciation	146,083	5,680
Change in assets and liabilities:		
Decrease (increase) in		
Accounts receivable	-	721,156
Materials and supplies	4,720	-
Increase (decrease) in		
Accounts payable	24,479	(69,926)
Payroll payable	5,903	24,673
Advance collection	-	-
Total adjustments	<u>181,185</u>	<u>681,583</u>
Net cash provided (used) by operating activities	<u>\$ (35,869)</u>	<u>\$ (3,963,819)</u>

<u>Tennis Center</u>	<u>Saenger Theater</u>	<u>Neighborhood Renewal Program</u>	<u>Total</u>
<u>\$ (425,696)</u>	<u>\$ (58,857)</u>	<u>\$ (6,913)</u>	<u>\$ (5,353,922)</u>
3,887	15,711	1,526	172,887
-	-	-	721,156
-	-	-	4,720
(345)	44,852	(5,293)	(6,233)
2,846	1,592	-	35,014
<u>-</u>	<u>-</u>	<u>(500)</u>	<u>(500)</u>
<u>6,388</u>	<u>62,155</u>	<u>(4,267)</u>	<u>927,044</u>
<u>\$ (419,308)</u>	<u>\$ 3,298</u>	<u>\$ (11,180)</u>	<u>\$ (4,426,878)</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**ENTERPRISE FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2013**

<u>Program/Project Name</u>	<u>Project Cost Prior Years</u>	<u>Current Activity</u>	<u>Total Project Cost to September 30, 2013</u>
WAVE Transit			
Facility improvement - N. Mobile County	\$ 492,011	\$ 43,715	\$ 535,726
Mobile Convention Center			
Waterfront Development-GulfQuest	1,600,000	-	1,600,000
Restroom renovation	-	27,390	27,390
Fire alarm	355,890	-	355,890
Cooling tower	485,863	14,291	500,154
Equipment & misc	-	2,290,826	2,290,826
Sports & marketing	-	50,000	50,000
Robert Trent Jones Golf	-	315,000	315,000
Bayfest, Inc	-	243,000	243,000
Senior Bowl	-	135,000	135,000
Total	<u>\$ 2,933,764</u>	<u>\$ 3,119,222</u>	<u>\$ 6,052,986</u>



Disposition				
In Progress		Completed		
Expensed	Capitalized	Expensed	Capitalized	
\$ 535,726	\$ -	\$ -	\$ -	
-	1,600,000	-	-	
-	27,390	-	-	
-	-	-	355,890	
-	-	-	500,154	
-	-	2,257,314	33,512	
-	-	50,000	-	
-	-	315,000	-	
-	-	243,000	-	
-	-	135,000	-	
<u>\$ 535,726</u>	<u>\$ 1,627,390</u>	<u>\$ 3,000,314</u>	<u>\$ 889,556</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, 2013**

	Budget	Actual	Variance Positive/ (Negative)
Taxes			
Property			
Real estate	\$ 11,908,359	\$ 12,118,889	\$ 210,530
Motor vehicle	1,525,000	1,758,039	233,039
Sales and use			
Sales tax - City	110,529,343	113,395,189	2,865,846
Sales tax - Police Jurisdiction	6,280,832	7,154,784	873,952
Lease/rental - City	3,584,063	4,559,802	975,739
Lease/rental - Police Jurisdiction	288,694	310,409	21,715
Room tax - City	3,154,069	3,444,887	290,818
Room tax - Police Jurisdiction	10,000	10,353	353
Motor vehicle rental - City	1,100,000	1,096,489	(3,511)
Motor vehicle rental - Police Jurisdiction	70,000	73,540	3,540
Selective sales and use			
Motor fuel			
Regular - City	2,222,336	2,112,623	(109,713)
Regular - Police Jurisdiction	600,000	670,080	70,080
County equalization	424,233	432,783	8,550
Alcoholic beverages			
Liquor - City	550,000	483,562	(66,438)
Liquor - Police Jurisdiction	26,710	24,961	(1,749)
Liquor - ABC Board	215,000	192,202	(22,798)
Table Wine	186,089	201,098	15,009
Beer	1,214,681	1,176,870	(37,811)
Other			
Cigarette stamp tax	2,200,000	1,993,093	(206,907)
Other tobacco tax - City	400,000	393,570	(6,430)
Other tobacco tax - Police Jurisdiction	36,000	39,261	3,261
Other tax revenue	205,000	450,681	245,681
Total taxes	<u>146,730,409</u>	<u>152,093,165</u>	<u>5,362,756</u>
Licenses and permits			
Business licenses - City	30,928,996	30,986,815	57,819
Business licenses - Police Jurisdiction	2,270,400	1,982,607	(287,793)
Motor vehicle licenses	643,050	656,108	13,058
Dog licenses	28,000	25,539	(2,461)
Total licenses and permits	<u>33,870,446</u>	<u>33,651,069</u>	<u>(219,377)</u>
Intergovernmental			
Alcoholic Beverage Control Board	75,000	104,684	29,684
Mobile County Racing Commission	35,000	33,056	(1,944)
Total intergovernmental	<u>110,000</u>	<u>137,740</u>	<u>27,740</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND (CONT'D)**  
**SEPTEMBER 30, 2013**

	Budget	Actual	Variance Positive/ (Negative)
Charges for services			
Health			
Lot cleaning	\$ 50,000	\$ 21,462	\$ (28,538)
Building demolition fee	50,000	11,212	(38,788)
Animal shelter	8,400	17,881	9,481
Public safety			
Inspection	1,100,000	1,255,140	155,140
Fire plan review fee	36,000	34,774	(1,226)
Police and fire	540,000	652,040	112,040
Engineering	326,621	440,672	114,051
Parking management fees	275,000	260,713	(14,287)
County sales tax collection fee	2,400,000	2,367,904	(32,096)
Property rental	36,000	47,162	11,162
Franchise fees - miscellaneous	2,300,000	2,626,980	326,980
Recreational fees	425,000	478,306	53,306
Landfill	240,000	-	(240,000)
Total charges for services	<u>7,787,021</u>	<u>8,214,246</u>	<u>427,225</u>
Fines and forfeitures			
Municipal offense fines	115,000	74,622	(40,378)
Police fines	1,600,000	1,289,675	(310,325)
Driver's education	300,000	396,505	96,505
Bond forfeitures	50,000	76,240	26,240
Court costs	375,000	371,418	(3,582)
DA Restitution Unit collection fees	130,000	136,478	6,478
Corrections fund	1,100,000	1,057,132	(42,868)
Alarm ordinance fines and permits	20,000	14,700	(5,300)
Probation fee from court	(785,591)	259,521	1,045,112
City drug testing	(756,000)	421,165	1,177,165
Other fees	(35,925)	450,733	486,658
Total fines and forfeitures	<u>2,112,484</u>	<u>4,548,189</u>	<u>2,435,705</u>
State and federal assistance	-	9,208,009	9,208,009
Interest			
Investment of idle funds	75,000	61,335	(13,665)
Interest on receivables	150,000	33	(149,967)
Dividend income	-	6,816	6,816
Total interest	<u>225,000</u>	<u>68,184</u>	<u>(156,816)</u>
Miscellaneous			
Law enforcement revenues	-	330,916	330,916
Athletic fund	-	45,195	45,195
Miscellaneous	50,000	409,443	359,443
Total miscellaneous (other)	<u>50,000</u>	<u>785,554</u>	<u>735,554</u>
Total revenues	<u>\$ 190,885,360</u>	<u>\$ 208,706,156</u>	<u>\$ 17,820,796</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF OTHER FINANCING SOURCES (USES)**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Budget	Actual	Variance Positive/ (Negative)
<b>Other financing sources</b>			
Operating transfers in:			
From 5-cent Gasoline Tax Special Revenue Fund	\$ 600,000	\$ 600,000	\$ -
From 7-cent Gasoline Tax Special Revenue Fund	(150,000)	304,514	454,514
From Fuel Inspection Fees Special Revenue Fund	84,000	78,007	(5,993)
From Strategic Plan Fund	3,092,272	3,092,272	-
From Capital Projects Fund	3,738,430	3,738,430	-
From WAVE Transit	-	247,320	247,320
Total operating transfers in	<u>7,364,702</u>	<u>8,060,543</u>	<u>695,841</u>
Sales of general capital assets	<u>2,400</u>	<u>18,121</u>	<u>15,721</u>
Total other financing sources	<u>7,367,102</u>	<u>8,078,664</u>	<u>711,562</u>
<b>Other financing uses</b>			
Operating transfers out:			
To Mobile Civic Center Enterprise Fund	1,030,000	1,105,909	(75,909)
To Capital Improvement Fund	-	28,672	(28,672)
To Metro Transit Enterprise Fund	5,603,319	7,436,595	(1,833,276)
To Firemedics Enterprise Fund	2,875,000	3,573,396	(698,396)
To Mobile Tennis Center Enterprise Fund	565,000	419,308	145,692
To Insurance Internal Service Fund	2,000,000	2,032,054	(32,054)
To Employee Health Plan Internal Service Fund	4,950,000	7,477,429	(2,527,429)
To Saenger Theater Enterprise Fund	-	80,000	(80,000)
To 7-Cent Roadway Maintenance Fund	-	591,477	(591,477)
To Solid Waste Disposal Authority	-	2,076,981	(2,076,981)
To Azalea City Golf Course	-	171,879	(171,879)
To Cruise Terminal	-	100,424	(100,424)
To Motor Pool Internal Service Fund	300,000	300,000	-
Total operating transfers out	<u>17,323,319</u>	<u>25,394,124</u>	<u>(8,070,805)</u>
Total other financing sources (uses)	<u>\$ (9,956,217)</u>	<u>\$ (17,315,460)</u>	<u>\$ 7,359,243</u>



**CITY OF MOBILE, ALABAMA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**  
**SCHEDULE BY SOURCE**  
**SEPTEMBER 30, 2013**

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Governmental activities capital assets			
Land	\$ 27,478,237	\$ -	\$ 27,478,237
Buildings	71,499,933	29,102,321	42,397,612
Improvements other than buildings	111,496,755	43,801,809	67,694,946
Vehicular equipment	63,878,903	42,309,308	21,569,595
Other equipment	44,887,824	35,894,277	8,993,547
Infrastructure	498,869,018	112,287,966	386,581,052
Infrastructure-in-progress	19,981,411	-	19,981,411
Intangible assets	3,943,624	-	3,943,624
Construction-in-progress	62,636,461	-	62,636,461
Total governmental activities	<u>\$ 904,672,166</u>	<u>\$ 263,395,681</u>	<u>\$ 641,276,485</u>
Investment in governmental activities			
General obligation warrants	\$ 101,322,796	\$ 31,710,370	\$ 69,612,426
General grants and other	99,752,969	16,194,581	83,558,388
Revenue sharing	926,995	710,651	216,344
Capital improvements	359,260,217	122,384,667	236,875,550
General fund	7,930,274	4,764,096	3,166,178
Internal service funds	36,001,632	28,228,648	7,772,984
Special revenue funds	59,078,737	15,463,498	43,615,239
Intangible assets	3,943,624	-	3,943,624
Gifts	236,454,922	43,939,170	192,515,752
Total investment in governmental activities	<u>\$ 904,672,166</u>	<u>\$ 263,395,681</u>	<u>\$ 641,276,485</u>

**CITY OF MOBILE, ALABAMA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**  
**SCHEDULE BY FUNCTION**  
**SEPTEMBER 30, 2013**

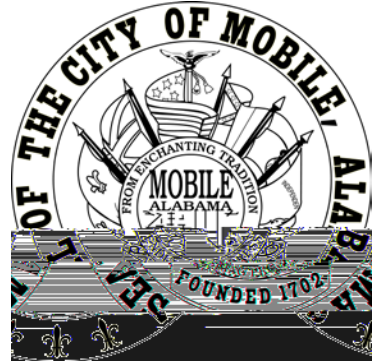
	<u>Land</u>	<u>Improvements</u>
General government	\$ 24,043,100	\$ 64,454,969
Economic development	-	-
Public safety	419,850	7,539,500
Public works	203,715	1,907,840
Culture and recreation	1,124,972	35,891,309
Finance	-	3,457
Nondepartmental	<u>1,686,600</u>	<u>1,699,680</u>
Total governmental capital assets allocated to functions	<u>\$ 27,478,237</u>	<u>\$ 111,496,755</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	\$ 37,948,970	\$ 500,427,380	\$ 650,509,192
-	4,022	-	4,022
16,252,841	33,616,572	-	57,828,763
1,428,858	19,923,249	-	23,463,662
27,615,798	3,316,828	-	67,948,907
-	5,039,467	-	5,042,924
<u>2,567,663</u>	<u>8,917,619</u>	<u>2,385,262</u>	<u>17,256,824</u>
<u>\$ 71,499,933</u>	<u>\$ 108,766,727</u>	<u>\$ 502,812,642</u>	822,054,294
			62,636,461
			<u>19,981,411</u>
			904,672,166
			<u>263,395,681</u>
			<u>\$ 641,276,485</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	Interest Rate Percent	Interest Payment Dates	Issue Dates	Final Maturity 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%	2/1-8/1	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%	2/1-8/1	9/14/06	8/1/25

Serial Payments	Original Amount of Issue	Balance September 30, 2012	Year Ended September 30, 2013 Issued	Year Ended September 30, 2013 Retirements	Balance September 30, 2013	Interest for Year Ended September 2013
Semi-annual interest payments with annual principal payments ranging from \$390,000 to \$885,000	\$ 10,655,000	\$ 7,570,000	\$ -	\$ 520,000	\$ 7,050,000	\$ 400,355
Semi-annual interest payments with annual principal payments ranging from \$1,000,000 to \$8,750,000	63,410,000	50,885,000	-	2,885,000	48,000,000	2,419,675
Semi-annual interest payments with semi-annual principal payments ranging from \$225,000 to \$380,000	3,100,000	1,420,000	-	330,000	1,090,000	60,188
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	66,135,000	-	5,385,000	60,750,000	2,895,263
Semi-annual interest payments with annual principal payments ranging from \$715,000 to \$845,000	22,095,000	21,380,000	-	745,000	20,635,000	1,119,685
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	1,051,880	-	407,815	644,065	40,123
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	-	5,100,000	1,007,980	4,092,020	51,103
Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$115,000	1,275,000	865,000	-	65,000	800,000	48,635
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$135,000	1,410,000	595,000	-	105,000	490,000	5,909
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$140,000	1,440,000	690,000	-	90,000	600,000	8,024
Semi-annual interest payments with annual principal payments ranging from \$105,000 to \$200,000	2,695,000	2,020,000	-	125,000	1,895,000	109,897
0	<u>\$ 332,765,000</u>	<u>\$ 302,431,880</u>	<u>\$ 5,100,000</u>	<u>\$ 11,665,795</u>	<u>\$ 295,866,085</u>	<u>\$ 14,200,689</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	
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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)**

	2013	Restated 2012	Restated 2011	Restated 2010
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 366,741,756	\$ 360,178,198	\$ 350,323,247	\$ 352,295,866
Restricted	93,283,087	97,600,533	95,803,612	92,363,209
Unrestricted (deficit)	<u>(157,937,778)</u>	<u>(126,055,943)</u>	<u>(90,121,806)</u>	<u>(81,290,372)</u>
Total governmental activities net position	<u>\$ 302,087,065</u>	<u>\$ 331,722,788</u>	<u>\$ 356,005,053</u>	<u>\$ 363,368,703</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 101,563,121	\$ 101,478,517	\$ 102,867,788	\$ 105,870,417
Unrestricted (deficit)	<u>10,284,211</u>	<u>4,634,952</u>	<u>6,145,132</u>	<u>5,217,216</u>
Total business-type activities net position	<u>\$ 111,847,332</u>	<u>\$ 106,113,469</u>	<u>\$ 109,012,920</u>	<u>\$ 111,087,633</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 468,304,877	\$ 461,656,715	\$ 453,191,035	\$ 458,166,283
Restricted	93,283,087	97,600,533	95,803,612	92,363,209
Unrestricted (deficit)	<u>(147,653,567)</u>	<u>(121,420,991)</u>	<u>(83,976,674)</u>	<u>(76,073,156)</u>
Total primary government net position	<u>\$ 413,934,397</u>	<u>\$ 437,836,257</u>	<u>\$ 465,017,973</u>	<u>\$ 474,456,336</u>

Restated	Restated	Restated	Restated	Restated	Restated
2009	2008	2007	2006	2005	2004
\$ 360,784,525	\$ 165,220,265	\$ 268,805,699	\$ 209,514,867	\$ 216,935,303	\$ 197,814,817
82,012,164	163,913,530	67,707,443	90,373,307	54,084,675	50,527,976
<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>(30,103)</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>	<u>\$ 248,312,690</u>
\$ 104,970,172	\$ 108,695,419	\$ 92,821,853	\$ 93,845,147	\$ 94,654,880	\$ 93,570,979
(1,392,389)	(1,354,221)	(3,287,345)	(1,610,125)	(829,620)	4,572,242
<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>	<u>98,143,221</u>
\$ 465,754,697	\$ 273,915,684	\$ 361,627,552	\$ 303,360,014	\$ 311,590,183	\$ 291,385,796
82,012,164	163,913,530	67,707,443	90,373,307	54,084,675	50,527,976
<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>4,542,139</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>	<u>\$ 346,455,911</u>

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

	Restated	Restated	Restated
	2013	2012	2010
<b>Expenses</b>			
<b>Governmental activities:</b>			
General government	\$ 89,601,242	\$ 74,952,084	\$ 82,670,334
Economic development	1,271,271	975,841	1,299,046
Public safety	116,799,647	109,210,514	108,344,311
Public works	41,980,768	42,860,205	43,316,969
Culture and recreation	24,345,756	23,928,393	25,262,720
Finance	5,313,958	5,325,800	5,509,037
Nondepartmental	-	-	-
Interest on long-term debt	14,531,680	14,880,418	15,119,170
Total governmental activities net position	<u>293,844,322</u>	<u>272,133,255</u>	<u>281,521,587</u>
<b>Business-type activities:</b>			
Alabama Cruise Terminal	1,303,494	1,045,826	3,689,985
Civic Center	3,562,838	3,523,551	3,758,785
Convention Center	8,525,656	8,415,212	9,800,672
Golf course	1,545,563	1,428,306	1,619,823
Firemedics	6,795,760	6,385,225	6,113,101
Parking garage	228,298	280,776	251,674
Tennis Center	639,725	602,193	612,999
Neighborhood renewal program	1,408	25,141	16,710
Saenger Theater	259,127	-	-
WAVE Transit	11,551,094	12,369,217	11,579,865
Total business-type activities net position	<u>34,412,963</u>	<u>34,075,447</u>	<u>37,443,614</u>
Total primary government expenses	<u>\$ 328,257,285</u>	<u>\$ 306,208,702</u>	<u>\$ 318,965,201</u>

Restated	Restated	Restated	Restated	Restated	Restated
2009	2008	2007	2006	2005	2004
\$ 98,695,339	\$ 49,310,958	\$ 25,688,828	\$ 25,254,679	\$ 24,452,166	\$ 21,644,715
1,429,622	984,354	1,011,217	749,116	881,185	866,762
107,158,818	84,761,044	79,092,490	72,728,165	69,825,747	65,977,916
45,892,056	40,955,090	34,964,378	33,730,335	31,860,023	29,415,975
20,373,562	22,191,802	15,418,136	13,666,917	13,964,452	11,905,849
6,823,212	5,273,774	5,363,060	5,220,066	4,886,293	3,947,068
-	-	40,980,936	44,605,075	45,014,275	28,836,268
15,717,193	36,120,233	9,879,154	8,310,320	8,856,242	8,851,566
<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>	<u>171,446,119</u>
415,494	-	-	-	-	-
3,685,566	4,134,371	3,833,788	3,882,027	3,664,294	3,774,381
10,981,125	9,921,621	9,240,980	7,842,320	7,997,931	6,663,265
1,518,478	1,302,813	1,371,130	1,347,414	1,262,802	1,149,487
5,478,439	5,632,700	4,473,192	4,265,886	4,099,539	3,741,557
270,307	264,875	243,425	247,879	463,143	279,366
509,708	542,698	546,246	494,000	426,896	432,122
7,875	16,295	10,864	11,223	31,865	16,045
-	-	-	-	-	-
10,812,366	10,244,202	9,445,274	9,144,479	8,168,928	7,040,061
<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>23,096,284</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>	<u>\$ 194,542,403</u>

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

	2013	2012	2011	2010
		Restated	Restated	Restated
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 48,203,217	\$ 48,142,712	\$ 49,664,462	\$ 49,218,621
Public safety	6,282,468	5,652,106	5,769,616	5,931,428
Public works	654,746	296,647	306,793	325,592
Culture and recreation	525,468	458,196	412,487	453,870
Operating grants and contributions	9,032,116	5,984,128	5,595,180	12,691,226
Capital grants and contributions	5,105,011	14,496,855	6,957,112	4,520,212
Total governmental activities program revenues	<u>69,803,026</u>	<u>75,030,644</u>	<u>68,705,650</u>	<u>73,140,949</u>
Business-type activities:				
Charges for services				
Alabama Cruise Terminal	771,780	291,867	5,709,263	2,579,507
Civic Center	1,960,052	1,938,375	2,188,484	2,094,485
Convention Center	1,969,680	1,902,004	3,231,603	4,766,976
Golf course	1,339,025	1,348,748	1,341,283	1,340,499
Firemedics	2,149,941	2,927,822	2,794,810	2,487,710
Parking garage	410,482	414,799	417,518	408,137
Tennis Center	214,030	211,361	214,112	161,321
Affordable homes program	-	-	71,967	-
Saenger Theater	200,270	-	-	-
WAVE Transit	1,115,896	984,645	1,021,023	1,086,131
Operating grants and contributions	2,910,578	2,429,300	354,918	7,789,433
Capital grants and contributions	1,275,691	4,142,259	4,233,881	-
Total business-type activities program revenues	<u>14,317,425</u>	<u>16,591,180</u>	<u>21,578,862</u>	<u>22,714,199</u>
Total primary government program revenues	<u>\$ 84,120,451</u>	<u>\$ 91,621,824</u>	<u>\$ 90,284,512</u>	<u>\$ 95,855,148</u>
<b>Net Expense</b>				
Governmental activities	\$ (224,041,296)	\$(197,102,611)	\$(212,815,937)	\$(200,090,567)
Business-type activities	<u>(20,095,538)</u>	<u>(17,484,267)</u>	<u>(15,864,752)</u>	<u>(9,640,970)</u>
Total primary government net expense	<u>\$ (244,136,834)</u>	<u>\$ (214,586,878)</u>	<u>\$ (228,680,689)</u>	<u>\$ (209,731,537)</u>

Restated	Restated	Restated	Restated	Restated	Restated
2009	2008	2007	2006	2005	2004
\$ 13,394,552	\$ 9,056,023	\$ 9,357,220	\$ 9,738,673	\$ 8,559,445	\$ 7,501,714
41,261,597	41,289,992	43,238,905	39,537,888	35,693,676	33,474,098
267,731	277,672	261,901	233,358	241,089	241,330
537,176	516,332	488,084	503,998	421,705	484,650
1,938,788	5,189,084	4,611,096	2,259,958	1,312,445	1,800,444
4,647,220	3,180,406	2,849,792	10,452,699	12,160,117	4,302,290
<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>	<u>47,804,526</u>
1,058,523	202,671	-	-	-	-
1,754,181	2,200,886	1,886,225	1,927,101	1,781,537	1,857,264
3,576,172	3,169,704	1,626,680	1,438,348	1,582,472	1,095,902
1,509,422	1,423,508	1,436,369	1,433,407	1,248,908	1,103,880
2,425,990	2,299,286	1,935,848	1,783,517	1,589,705	1,230,873
411,804	475,082	315,206	332,442	270,805	295,248
78,687	76,195	71,577	72,256	64,550	71,603
-	-	-	2,515	42,033	30,950
-	-	-	-	-	-
1,027,542	1,099,053	1,001,989	960,770	826,705	947,123
3,330,363	3,667,452	189,500	-	190,775	782,380
-	82,935	2,463,690	3,187,170	7,069,778	2,954,854
<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>10,370,077</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>	<u>\$ 58,174,603</u>
\$(234,042,738)	\$(180,087,746)	\$(151,591,201)	\$(141,538,099)	\$(141,351,906)	\$(123,641,593)
<u>(18,506,674)</u>	<u>(17,362,803)</u>	<u>(18,237,815)</u>	<u>(16,097,702)</u>	<u>(11,448,130)</u>	<u>(12,726,207)</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>	<u>\$(136,367,800)</u>



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

	Restated	Restated	Restated
	2013	2012	2011
	<u>2013</u>	<u>2012</u>	<u>2011</u>
	<u>2010</u>		
<b>General Revenues and Other Changes in Net Position</b>			
Governmental activities:			
Taxes:			
Real and personal property tax	\$ 16,364,039	\$ 16,262,921	\$ 16,093,899
Sales tax	163,725,091	133,215,345	163,405,226
Gasoline tax	9,499,092	9,680,455	10,115,711
Room tax	5,182,775	5,003,180	5,092,514
Beer and liquor tax	2,078,693	2,031,634	2,005,816
Rental and leasing tax	8,015,194	6,309,404	6,080,474
Cigarette stamp tax	1,993,093	2,200,090	2,234,211
Other tobacco tax	432,831	411,392	459,774
Financial excise tax	363,317	147,964	77,098
Other tax revenue	87,364	71,835	114,016
Investment earnings	94,013	283,034	337,496
Other	1,766,581	1,409,680	3,122,939
Capital contributions	-	-	-
Transfers	(15,212,065)	(4,206,588)	(3,686,887)
Total governmental activities	<u>194,390,018</u>	<u>172,820,346</u>	<u>205,452,287</u>
Business-type activities			
Taxes:			
Sales tax	8,894,386	8,715,107	8,395,672
Room tax	1,722,185	1,662,898	1,685,196
Investment earnings	763	223	4,576
Other	-	-	17,708
Transfers	15,212,065	4,206,588	3,686,887
Total business-type activities	<u>25,829,399</u>	<u>14,584,816</u>	<u>13,790,039</u>
Total primary government	<u>\$ 220,219,417</u>	<u>\$ 187,405,162</u>	<u>\$ 219,242,326</u>
<b>Changes in Net Position</b>			
Governmental activities	\$ (29,651,278)	\$ (24,282,265)	\$ (7,363,650)
Business-type activities	5,733,861	(2,899,451)	(2,074,713)
Total primary government net expense	<u>\$ (23,917,417)</u>	<u>\$ (27,181,716)</u>	<u>\$ (9,438,363)</u>

Restated	Restated	Restated	Restated	Restated	Restated
2009	2008	2007	2006	2005	2004
\$ 15,969,310	\$ 14,938,843	\$ 13,200,779	\$ 12,834,026	\$ 12,514,663	\$ 11,483,033
132,218,742	140,470,973	135,345,733	142,430,882	125,670,947	110,299,805
7,735,285	7,775,814	10,020,374	10,054,815	10,240,950	9,576,652
4,795,120	5,239,745	4,689,885	4,883,060	4,038,979	2,147,609
2,137,149	2,027,597	1,933,147	2,000,960	1,851,427	1,738,397
4,104,708	4,430,951	6,638,181	6,573,934	5,817,366	5,312,377
2,253,663	2,188,771	2,229,154	2,250,584	2,306,408	2,305,187
455,907	434,014	444,534	461,272	387,780	305,632
1,320,726	4,264,065	1,286,414	1,681,486	676,323	1,359,800
4,554,032	-	149,249	185,176	156,916	138,824
1,009,662	3,150,149	4,658,748	2,914,890	1,224,720	572,095
6,298,450	5,550,454	5,086,335	1,688,182	4,941,870	3,773,696
105,130,798	-	4,693,831	-	-	-
(5,027,942)	(26,333,227)	(7,812,027)	(6,761,709)	(172,177)	(3,129,800)
<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>	<u>145,883,307</u>
7,974,021	7,354,647	6,285,253	6,255,350	5,574,203	5,105,314
1,568,826	1,586,408	1,405,841	1,438,130	1,284,105	962,656
16,563	59,405	34,180	40,239	29,506	12,877
155,907	(164,194)	-	12,036	70,178	-
5,027,942	26,333,227	7,812,027	6,761,709	172,177	3,129,800
<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>9,210,647</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>	<u>\$ 155,093,954</u>
\$ 48,912,872	\$ (15,949,597)	\$ 30,973,136	\$ 39,659,459	\$ 28,304,266	\$ 22,241,714
(3,763,415)	17,806,690	(2,700,514)	(1,590,238)	(4,317,961)	(3,515,560)
<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>	<u>\$ 18,726,154</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>
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
2004	11,483,033	110,299,805	9,576,652	2,147,609	1,738,397

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

	Rental and Leasing Tax	Tobacco Tax	Financial Excise Tax	Other Taxes*	Total
\$	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
	5,312,377	2,610,819	1,359,800	143,517	144,672,009

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General fund				
Reserved	\$ -	\$ -	\$ -	\$ 5,435,439
Unreserved	-	-	-	8,444,256
Nonspendable	2,251,159	3,264,694	3,379,640	-
Restricted	2,468,988	2,848,846	4,547,386	-
Assigned	2,834,071	2,355,302	2,804,615	-
Unassigned	(4,296,200)	11,371,036	24,722,193	-
Total general fund	<u>\$ 3,258,018</u>	<u>\$ 19,839,878</u>	<u>\$ 35,453,834</u>	<u>\$ 13,879,695</u>
All other governmental funds				
Reserved	-	-	-	14,696,034
Restricted	18,521,380	29,337,505	38,546,027	-
Committed	7,162,797	11,107,307	5,746,043	-
Assigned	44,268,800	28,770,798	30,467,472	-
Unassigned	(6,593)	-	(6,599)	-
Total other governmental funds	<u>69,946,384</u>	<u>69,215,610</u>	<u>74,752,943</u>	<u>14,696,034</u>
Unreserved, reported in:				
Capital projects funds	-	-	-	64,892,359
Debt service funds	-	-	-	3,494,130
Total all other governmental funds	<u>\$ 69,946,384</u>	<u>\$ 69,215,610</u>	<u>\$ 74,752,943</u>	<u>\$ 83,082,523</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.

2009	2008	2007	2006	2005	2004
\$ 5,752,801 (1,266,959)	\$ 5,832,499 11,035,656	\$ 5,205,071 12,993,274	\$ 4,689,693 18,402,448	\$ 5,174,935 11,796,629	\$ 3,882,731 6,097,162
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>\$ 9,979,893</u>
10,882,881	10,510,041	11,622,558	5,793,041	5,520,833	2,697,375
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<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>	<u>2,697,375</u>
59,856,507 3,367,695	92,514,133 3,338,317	56,428,126 2,688,293	72,006,529 2,400,188	42,678,174 1,433,489	43,412,545 1,369,219
<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>	<u>\$ 47,479,139</u>

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

	2013	2012	2011	2010
<b>Revenues</b>				
Taxes	\$ 207,741,489	\$ 175,115,820	\$ 207,431,270	\$ 186,728,761
Licenses and permits	36,532,107	36,427,112	35,853,964	35,887,762
Intergovernmental	137,740	443,642	245,581	199,992
Charges for services	8,723,683	8,260,051	8,559,708	8,184,608
Fines and forfeitures	4,548,189	4,365,667	4,468,316	4,724,902
State and federal assistance	13,594,457	20,151,236	12,530,527	17,168,956
Assessments	-	-	526	-
Interest	94,013	283,035	324,573	301,811
Other	1,987,282	1,418,460	7,297,106	2,244,211
<b>Total revenues</b>	<u>273,358,960</u>	<u>246,465,023</u>	<u>276,711,571</u>	<u>255,441,003</u>
<b>Expenditures</b>				
General government	16,795,637	16,672,894	17,319,848	17,244,146
Economic development	832,668	801,029	943,489	946,081
Public safety	83,692,248	79,899,320	78,453,950	79,674,151
Public works	32,913,792	34,990,667	36,523,540	36,745,281
Culture and recreation	13,475,345	13,396,491	14,293,565	14,696,416
Finance	4,542,960	4,672,001	4,703,808	4,829,821
Nondepartmental	57,085,851	59,413,866	51,280,489	58,242,547
Capital outlay	33,359,798	21,907,267	32,327,434	22,269,823
<b>Debt service</b>				
Principal	11,952,149	8,749,175	7,301,694	7,104,607
Interest and fees	13,934,349	14,268,697	14,692,483	13,478,392
<b>Total expenditures</b>	<u>268,584,797</u>	<u>254,771,407</u>	<u>257,840,300</u>	<u>255,231,265</u>
<b>Excess of revenue over (under) expenditures</b>	<u>4,774,163</u>	<u>(8,306,384)</u>	<u>18,871,271</u>	<u>209,738</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	5,100,000	-	15,334,069	84,775,000
Proceeds (payment) from refunding	-	-	-	-
Payment to refunding bond escrow agent	-	-	(10,657,242)	(58,207,259)
Transfers in	39,264,957	30,456,574	28,985,202	32,058,663
Transfers out	(61,044,043)	(43,314,602)	(39,249,373)	(42,116,454)
Insurance recoveries	-	-	1,559	2,113
Premiums (discounts) on bonds issued	-	-	-	2,287,511
Bond Issuance Cost	(10,529)	-	(57,750)	(643,350)
Sale of general fixed assets	18,121	13,123	16,822	3,331
<b>Total other financing sources (uses)</b>	<u>(16,671,494)</u>	<u>(12,844,905)</u>	<u>(5,626,713)</u>	<u>18,159,555</u>
<b>Net change in fund balance</b>	<u>\$ (11,897,331)</u>	<u>\$ (21,151,289)</u>	<u>\$ 13,244,558</u>	<u>\$ 18,369,293</u>
<b>Debt service as a percentage of noncapital expenditures</b>	10.68 %	10.31 %	9.80 %	8.82 %



	2009	2008	2007	2006	2005	2004
\$	174,810,707	\$ 181,770,773	\$ 174,536,999	\$ 181,520,268	\$ 162,867,988	\$ 143,212,780
	37,000,838	36,321,711	34,637,574	31,928,461	29,365,388	27,454,522
	1,548,996	539,578	1,730,873	2,242,992	1,076,162	1,733,778
	8,167,239	9,850,027	9,764,293	9,722,612	8,691,951	8,822,692
	4,691,317	4,968,281	4,547,176	3,573,552	3,177,332	3,377,271
	6,502,302	8,306,569	7,460,888	12,712,656	13,472,562	6,102,734
	-	-	-	-	-	-
	1,056,562	3,150,147	4,786,183	2,914,890	1,224,720	549,682
	5,608,303	4,575,337	4,652,330	1,481,766	4,287,774	3,342,784
	<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>	<u>194,596,243</u>
	18,919,217	16,774,235	15,156,729	14,781,181	14,382,821	13,397,019
	1,008,755	903,138	996,402	714,758	800,771	818,305
	86,342,817	84,463,292	75,746,232	69,966,349	67,849,441	64,386,318
	37,334,095	36,655,722	33,982,373	32,858,243	31,394,476	28,890,302
	15,154,032	13,191,508	12,830,294	11,331,104	11,215,110	10,519,569
	5,010,643	4,597,974	4,395,742	4,295,572	4,112,383	3,890,413
	40,363,981	46,884,800	46,938,096	51,929,138	46,402,180	39,403,235
	45,338,810	46,840,175	36,810,657	20,300,611	21,688,401	16,977,026
	12,020,851	46,944,636	12,556,427	13,261,003	9,364,428	8,437,064
	14,440,851	36,120,233	9,637,487	8,887,309	8,643,848	8,537,613
	<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>195,256,864</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>	<u>(660,621)</u>
	569,000	148,390,000	3,930,000	1,800,000	2,763,710	5,925,000
	-	-	-	63,410,000	-	-
	-	-	-	(37,722,873)	-	-
	32,984,026	56,126,848	41,185,247	44,794,015	48,194,093	49,313,834
	(41,718,561)	(86,780,999)	(53,102,723)	(55,805,630)	(51,744,152)	(51,992,311)
	-	448,534	564,370	1,166,236	-	-
	-	-	-	1,190,117	-	-
	-	-	-	-	-	-
	75,602	2,233	2,652	84,045	44,359	43,324
	<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>3,289,847</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>	<u>\$ 2,629,226</u>
	11.48 %	28.99 %	10.61 %	10.95 %	9.61 %	9.73 %

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

<u>Fiscal Year Ended September 30</u>	<u>Value of Taxable Sales- General Sales Tax (in millions)</u>	<u>Direct Tax Rate- General Sales Tax</u>
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%
2004	1,813	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
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 %
2004	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 %	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 %
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	2013			2004		
	Rank	Percentage of Total Taxable Sales		Rank	Percentage of Total Taxable Sales	
Wal-Mart #866	1	3.00	%	3	1.87	%
Wal-Mart #853	2	2.67	%	4	1.79	%
Sams Wholesale	3	2.23	%	2	2.04	%
Wal-Mart #991	4	2.17	%	1	2.88	%
Target	5	1.33	%		-	%
Lowe's #549	6	1.03	%		-	%
Lowe's Home Center	7	1.00	%	-	-	%
Dillard's	8	1.00	%	6	1.28	%
Best Buy #340	9	0.98	%	8	1.10	%
Lowe's of Mobile	10	-	%		-	%
Sears		-	%	5	1.34	%
Lowe's #212		-	%	7	1.22	%
Springhill Automotive		-	%	9	0.86	%
Parisian		-	%	10	0.83	%
Totals		<u>15.41</u>	<u>%</u>		<u>15.21</u>	<u>%</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 Ended September 30	Real Property		Personal Property		Less: Tax Exempt Real Property
	Residential Property	Commercial Property	Motor Vehicles	Other	
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
2004	473,294,640	814,882,360	249,635,960	256,324,340	45,359,180

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 Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value<sup>1</sup> as a Percentage of Actual Value</u>	
\$	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	%
	1,748,778,120	7 mills	11,693,749,299	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; Overlapping Rates</u>
	<u>City of Mobile</u>	<u>County of Mobile</u>	<u>Mobile County School District</u>	
	<u>Total City Millage</u>	<u>Total County Millage</u>	<u>Total School Millage</u>	
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
2004	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	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Tax to Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Tax to Total Assessed Valuation
ThyssenKrupp Steel USA LLC	\$ 669,185,420	1	2.46 %			
Alabama Power Company	284,583,440	2	5.22 %	\$ 222,046,680	1	5.20 %
Gulfstream Natural Gas	77,000,000	3	4.85 %	43,780,000	3	4.88
Thyssenkrupp Stainless	150,963,780	4	2.46 %			
Florida Gas Transmission	75,030,040	5	4.85 %			
Evonik Degussa Corporation	62,594,680	6	4.72 %	30,718,420	7	4.31 %
SSAB Alabama Inc.	78,387,320	7	3.64 %			
Kimberly-Clark Corporation	43,954,000	8	5.39 %	35,486,180	5	5.61 %
Austal USA LLC	64,988,720	9	3.37 %			
Mobile Gas Service Corporation	35,040,000	10	5.75 %	28,062,300	8	5.72 %
Bell South Telecomm Inc DBA AT&T	-	-	- %	46,077,100	2	5.86 %
IPSCO Steel				40,613,940	4	2.81 %
INEOS Phenol Inc.				32,218,420	6	2.47 %
Colonial Realty Limited				16,701,180	9	6.35 %
Shell Chemical				14,513,900	10	5.55 %
Totals	<u>\$ 1,541,727,400</u>		<u>3.80 %</u>	<u>\$ 510,218,120</u>		<u>4.76 %</u>

Source: Mobile County Revenue Commissioner

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

<u>Fiscal Year Ended September 30</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
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
2004	10,255,078	10,005,488	97.57

\*Data not available

Source: Mobile County Revenue Commissioner

Collection in Subsequent Years		Total Collection to Date	
		Amount	Percentage of Levy
\$	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
	-	10,005,488	97.57

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

Fiscal Year	Governmental Activities			
	General Obligation	Limited Obligation	Notes Payable	Capital Leases
	Bonds	Bonds		
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
2004	175,177,814	10,655,000	2,475,000	9,502,800

\*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 on pages 168-169 for personal income and population data.

Business Type Activities		Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
Capital Leases				
\$	184,751	\$ 296,913,641	*	*
	362,090	314,604,380	2.35%	766
	532,314	316,911,053	2.38%	761
	695,707	314,379,952	2.52%	712
	852,545	289,761,754	2.45%	743
	1,003,091	301,783,164	1.73%	495
	1,211,680	199,323,208	1.86%	516
	1,393,250	208,451,008	1.90%	481
	1,567,401	192,420,283	2.09%	499
	1,546,520	199,357,134	2.19%	501

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2013	\$ 282,547,567	\$ 221,605	\$ 282,325,962	2.44 %	*
2012	298,261,879	4,516,268	293,745,611	2.50 %	712
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
2004	175,177,814	1,369,219	173,808,595	1.49 %	435

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 on pages 155-156 for property value of data.

<sup>2</sup>Population data can be found in the Schedule of Demographic and Economic Statistics on page 168-169.



**CITY OF MOBILE, ALABAMA  
DIRECT AND OVERLAPPING GOVERNMENT DEBT  
AS OF SEPTEMBER 30, 2013**

<u><b>Government Unit</b></u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County	\$ 522,438,399	43 %	\$ 224,648,512
Subtotal, overlapping debt			224,648,512
City of Mobile Direct Debt	296,692,036	100 %	296,692,036
Total direct and overlapping debt			<u>\$ 521,340,548</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			
	2013	2012	2011	2010
Debt Limit	\$ 476,702,224	\$ 468,309,460	\$ 469,411,364	\$ 468,281,604
Less: Total net debt applicable to limit	243,221,226	249,936,851	260,122,205	255,534,378
Legal debt margin	\$ 233,480,998	\$ 218,372,609	\$ 209,289,159	\$ 212,747,226
Total net debt applicable to the limit as a percentage of debt limit	51.0 %	53.4 %	55.4 %	54.6 %
Legal Debt Margin Calculation for Fiscal Year 2013				
Assessed value of real property, September 30, 2013				\$ 1,759,574,240
Assessed value of personal property, September 30, 2013				623,936,880
Total assessed value				\$ 2,383,511,120
Debt Limit (20% of total assessed value)				\$ 476,702,224
Less: Total net debt applicable to limit				243,221,226
Legal debt margin				\$ 233,480,998

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

	2009	2008	2007	2006	2005	2004
\$	476,249,112	\$ 462,473,648	\$ 394,599,712	\$ 373,155,832	\$ 358,670,228	\$ 349,755,824
	229,861,239	239,875,431	171,439,425	181,386,101	171,891,345	172,289,655
\$	<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>	<u>\$ 177,466,169</u>
	48.3 %	51.9 %	43.4 %	48.6 %	47.9 %	49.3 %

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

Limited Obligation Tax Increment Financing Plan

Year	Tax Increment	Debt Service	
		Principal	Interest
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
2004	960,200	<sup>1</sup>	545,296

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 expressed in millions)</u>	<u>Per Capital Personal Income</u>
2013	*	*	*
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
2004	399,635	9,539	23,840

\*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 of Formal Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
37.0	High School Graduate	59,216	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%
35.1	High School Graduate	65,340	6.5%

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

Taxpayer	2013			2004		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,283	1	4.26 %	8,495	1	5.10 %
USA School and Medical Facilities	5,151	2	3.01 %	5,350	2	3.21 %
Infirmity Health Systems	5,100	3	2.98 %	4,750	3	2.85 %
Austal USA	4,000	4	2.34 %			
City of Mobile	2,323	5	1.36 %	2,560	4	1.54 %
County of Mobile	1,650	6	0.97 %	1,730	6	1.04 %
Providence	1,600	7	0.94 %	1,970	5	1.18 %
ThyssenKrupp Steel	1,490	8	0.87 %			
ST Aerospace Mobile	1,350	9	0.79 %	1,200	8	0.72 %
Springhill Medical Center	1,200	10	0.70 %	1,330	7	0.80 %
Regions Bank				940	9	0.56 %
Kimberly Clark				880	10	0.53 %
Totals	<u>31,147</u>		<u>18.22 %</u>	<u>29,205</u>		<u>17.53 %</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>2013</u>	<u>2012</u>	<u>2011*</u>	<u>2010</u>	<u>2009</u>
Function					
General government	223	195	197	190	197
Economic development	12	12	13	14	13
Public safety	1,288	1,546	1,374	1,327	1,312
Public works	569	564	581	576	575
Cultural and recreation	414	383	306	303	317
Finance	91	91	96	93	91
Golf course	22	26	21	20	28
Firemedics	73	74	71	71	66
Tennis Center	10	13	8	10	10
Motor Pool	3	2	3	3	3
Total	<u>2,705</u>	<u>2,906</u>	<u>2,670</u>	<u>2,607</u>	<u>2,612</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.



2008	2007	2006	2005	2004
189	196	184	173	173
12	13	7	10	12
1,307	1,273	1,178	1,190	1,212
553	585	512	547	582
294	325	323	276	288
88	91	90	87	88
28	17	27	30	28
61	59	58	60	57
10	7	11	11	10
3	3	3	3	3
<u>2,545</u>	<u>2,569</u>	<u>2,393</u>	<u>2,387</u>	<u>2,453</u>

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

<b>Function</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>General Government</b>								
<b>Urban Development</b>								
Service request orders	17,043	16,819	14,546	14,901	12,374	10,525	12,264	10,887
Municipal offense tickets	2,221	2,557	1,875	2,023	1,722	1,883	1,811	1,550
Inspections/investigations	63,407	63,213	82,961	76,510	*	48,626	57,494	50,838
Plan reviews	8,043	5,363	4,303	3,315	5,191	6,094	3,576	3,720
Plan reviews-right of way	2,574	2,401	2,628	2,293	2,850	3,238	3,815	*
Notice of violations	6,913	6,112	7,152	7,974	6,292	6,735	5,820	*
Permits	13,018	12,782	13,640	16,384	11,787	13,808	16,940	16,871
Certificate of Occupancy	267	367	643	458	560	507	793	290
PC/BOA applications	454	587	451	483	700	1,282	1,260	608
Tree commission applications	15	18	17	25	27	16	29	40
Complete nuisance abatement cases	44	49	151	63	39	26	35	20
Complete weed abatement cases	340	320	680	540	660	410	480	160
Removal of trees	395	458	467	415	371	499	294	266
Trimming removal	5,691	5,611	4,556	7,612	4,557	1,813	806	665
Stump removal	125	222	196	238	221	366	381	406
<b>Human Resources<sup>2</sup></b>								
Medical claims	262	251	279	226	265	290	298	236
Indemnity claims	42	37	40	51	29	24	34	37
<b>Mobile 311</b>								
Calls	115,594	115,398	109,681	116,030	110,655	110,168	100,234	72,126
SROs created	60,512	60,916	59,725	64,147	60,345	55,644	51,725	36,348
<b>Municipal Information Technology &amp; Telecommunications</b>								
<b>Telecommunications</b>								
Buildings with computer equipment	184	181	180	180	175	170	166	155
Miles of fiber	825	825	825	920	820	810	800	560
Wireless sites	18	30	27	22	20	25	35	45
Computer user accounts	3,000	2,934	2,850	2,750	2,680	2,850	2,821	2,407
Email accounts	2,458	2,320	2,050	2,200	2,203	2,050	1,810	1,576
Voicemail accounts	1,541	1,547	1,738	1,735	1,584	1,545	1,285	1,311
Computers/printers supported	3,163	2,537	2,450	2,600	2,496	2,450	2,397	2,302
Servers supported	9,595	115	75	90	90	75	60	81
800Mhz subscribers	-	-	1,906	1,906	1,906	1,906	1,906	1,906
City phone extensions	2,730	2,724	2,426	2,267	2,544	2,442	2,475	2,351
Broadband data cards	88	89	110	103	102	97	86	69
Software applications supported	420	409	409	408	391	375	342	*
MIT Help Desk cases	10,016	10,270	9,450	3,917	5,331	5,209	5,040	*
Number of employees trained	-	-	75	599	889	510	620	*
Cell phones	385	365	333	331	340	307	244	210
Telecom Help Desk requests	1,809	2,028	2,132	1,995	2,302	2,952	2,674	2,906
<b>Economic Development</b>								
<b>Mobile Historic Development Commission</b>								
Applications reviewed	430	449	471	469	433	584	597	577
Certificates issued	344	374	448	440	391	543	526	469
Applications heard by review board	86	75	93	111	158	226	226	108
Applications denied	12	6	5	11	16	7	24	14
<b>Public Safety</b>								
<b>Mobile Police Department</b>								
<b>Crime incidents:</b>								
Murder (or Non-Neg Manslaughter)	29	27	25	20	27	35	34	31
Murder domestic	-	3	7	2	2	3	6	3
Negligent manslaughter	-	1	-	-	-	-	2	1
Forcible rape	29	52	43	52	30	22	30	54
Carjacking	17	23	24	60	73	68	59	46
Robbery	452	526	622	686	775	833	639	601
Aggravated assault	1,272	879	999	1,035	301	311	370	398
Burglary	2,828	3,119	3,884	3,882	3,493	3,182	3,416	3,349
Larceny	9,384	9,213	9,030	9,889	9,555	9,707	9,749	9,655
Vehicle theft	742	611	783	1,267	972	1,192	1,278	1,432
Arson	42	61	53	58	56	78	89	56
Simple Assault	2,140	2,349	3,818	1,171	5,639	5,822	5,929	6,230
Sex offenses	123	174	138	234	233	275	266	294
Narcotics Laws	3,879	3,077	1,333	3,888	3,096	3,059	3,115	3,189
Weapons Offense	440	458	382	398	400	383	354	352

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

<b>Function</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Forgery-counterfeiting	325	337	401	395	382	652	623	623
D.U.I.	405	388	459	570	478	589	565	472
All Other Offenses	29,750	31,953	31,748	35,262	31,223	33,085	33,885	34,512
Tickets:								
Following too close	66	105	66	101	129	118	57	45
Run red light	1,585	1,623	1,766	2,221	2,105	2,765	2,165	1,994
Run stop sign	1,248	1,592	1,336	2,143	1,971	2,251	1,097	1,149
Speeding	11,854	11,774	9,807	11,472	12,774	15,500	12,234	9,314
Speeding in school zone	512	415	320	325	255	218	183	132
Mobile Fire Rescue Department								
Total calls answered	31,906	31,529	32,858	35,713	34,248	31,712	30,579	2,588
Inspections	5,731	4,010	9,762	7,177	695	641	872	658
Plans reviewed	792	432	889	806	1,619	3,854	871	196
Permits issued	1,037	372	963	555	1,331	1,265	1,191	350
Mobile Municipal Court								
Total cases processed	65,659	70,406	71,996	72,230	67,571	76,578	69,951	57,772
Domestic violence cases	1,520	1,670	1,590	1,642	1,485	1,567	1,698	1,691
Environmental cases	2,720	4,061	3,709	3,977	3,285	4,311	2,614	2,610
Traffic cases	52,622	55,030	56,149	56,823	52,590	61,096	56,363	43,489
Criminal cases	8,797	9,645	10,548	9,788	10,211	9,604	9,276	9,982
Public works								
Flood Control								
Debris removed (cubic yards)	5,642	6,000	6,645	240	1,720	180	940	18,120
Work on ditches (miles)	17	18	13	28	30	36	32	141
Administration								
Disciplinary actions processed	191	225	379	385	320	102	152	175
Claims/reports processed	189	118	111	103	147	117	100	106
Concrete and sidewalk repair								
Concrete poured	3,198	1,575	2,452	2,919	4,114	5,305	3,238	2,342
Repairs	500	451	650	520	1,193	886	1,049	881
Replacements	5	10	8	39	507	526	540	522
Right-of-way maintenance								
Material hauled (cubic yards)	28,985	33,200	23,568	37,880	55,341	40,572	47,654	20,845
Material used (cubic yards)	17,700	13,165	5,590	9,220	9,450	8,845	9,930	7,825
Repairs	157	277	214	207	244	320	261	126
Asphalt street repair								
Asphalt used (tons)	1,071	1,233	1,088	1,466	2,402	2,376	3,152	2,467
Repairs	16,725	21,711	14,451	19,087	18,925	17,801	21,332	21,376
Street Sweeping								
Miles sweeper swept	31,003	26,336	15,902	17,400	16,400	17,623	18,319	19,260
Debris removed (cubic yards)	19,142	16,947	15,716	14,807	14,304	17,460	17,697	20,310
Water used (gallons)	242,500	269,640	220,750	276,397	299,604	369,640	467,000	840,000
Dredge								
Material dredged/removed (cubic yards)	29,508	7,920	13,745	24,344	15,035	25,130	49,650	46,809
Storm drain and heavy equipment								
Drains cleaned	2,797	3,423	4,186	4,224	5,387	4,455	3,506	4,859
Material hauled (cubic yards)	7,824	3,481	4,176	15,744	16,188	5,472	11,448	13,458
Solid waste								
Waste removal (tons)	52,615	54,269	54,513	56,306	55,972	56,647	58,235	58,734
Other waste removal	305 (ton)	291 (ton)	110 (ton)	93 (ton)	68.27 (ton)	57 (ton)	227 (ton)	61,800 (cy)
Special events	330	315	240	199	245	242	160	560
Carcass removal	3,617	3,610	3,947	4,986	5,525	6,925	7,588	4,512
Trash division								
Trash picked up	171,260	173,820	189,960	191,300	201,900	231,900	264,602	333,285
Pay pile loads	542	349	570	600	526	896	977	610
Environmental Response Crew								
Collections (gallons)	1,215	2,954	734	1,240	805	1,442	1,338	4,643
Other collections (yards)	-	-	-	-	-	-	13	-
Cleaned (feet)	29,666	27,852	28,080	35,665	34,805	19,555	19,707	6,285
Culture and Recreation								
Museum of Mobile								
Total admissions	64,462	63,014	61,628	80,414	92,483	87,815	201,629	39,598
Mobile Public Library								

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

<b>Function</b>	2013	2012	2011	2010	2009	2008	2007	2006
Items circulated	1,798,526	1,899,180	1,871,251	1,979,929	2,121,584	1,975,446	1,830,942	1,739,028
Customer visits	1,439,398	1,369,945	1,417,588	1,441,980	1,469,049	1,369,611	1,264,125	1,123,116

<sup>1</sup> Only years available

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

\*Data not available

Source: Various City Departments

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

<b>Function</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Streets and Highways</b>								
Paved	1,267.7	1,267.2	1,264.4	1,263.3	1,262.5	1,261.5	1,179.7	1,164.1
Unimproved	19.6	19.8	21.8	21.8	21.8	20.9	15.8	12.8
Traffic Signals	316	315	453	431	452	452	398	283
Street Lights	5,200	5,200	5,200	4,922	4,922	4,922	4,922	4,893
<b>Public Safety</b>								
Police								
Precincts and Mini-Precincts	8	8	9	8	9	10	10	8
Fire								
Number of Stations	21	21	20	20	20	20	19	17
<b>Culture and Recreation</b>								
Number of Parks	92	93	95	91	91	89	68	67
Parks Acreage	1,754	1,754	1,754	1740	1740	1740	1740**	1740**
Swimming Pools	6	6	5	7	7	7	6	6
Wading Pools	6	5	-	-	-	-	-	-
Spray Grounds	3	3	-	-	-	-	-	-
Tennis Courts	93	97	97	97	97	97	97	87
Community Centers	14	15	15	17	17	17	16	16
Senior Centers	4	-	-	-	-	-	-	-
<b>Motor Pool</b>								
Number of Sanitation Collection Trucks								
	37	38	37	36	48	34	31	*

\*Information not available

<sup>1</sup>Only years available

\*\*Fiscal year 2007 and 2006 information restated. More accurate method of measuring acreage implemented in 2008.

Source: Various City Departments