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**City of Mobile, Alabama**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended September 30, 2017**

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**momentum**

[moh-men-tuh m] noun; 1690-1700 < Latin

1. The impetus and driving force gained by the development of a process or course of events.



**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, 2017**

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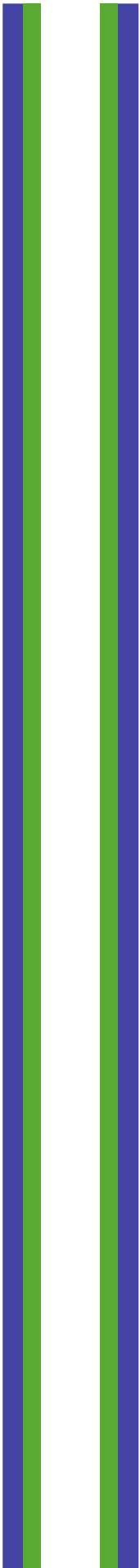
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PART I: INTRODUCTORY SECTION









March 30, 2018

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, 2017. 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The audit is underway and the separately issued Single Audit Report will be 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

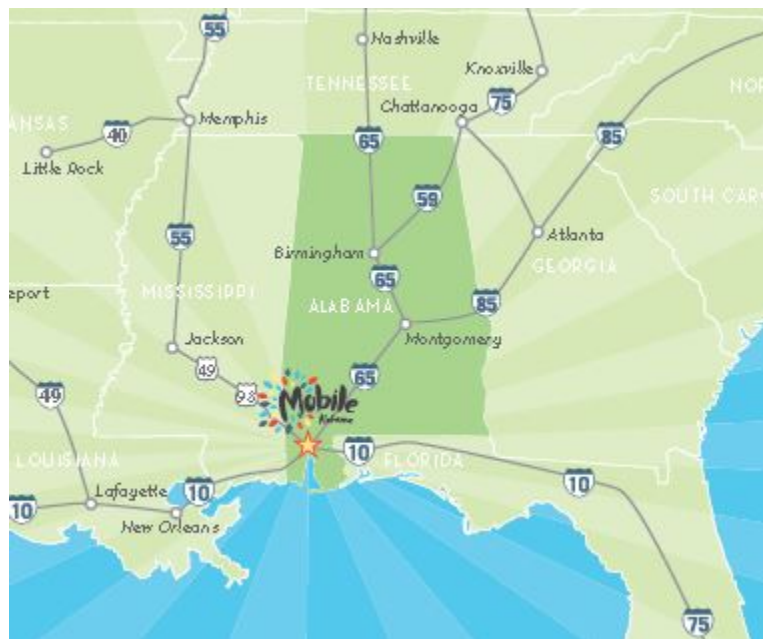


*Photo by Tad Denson*

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 2016, the United States Census Bureau estimated that there were 192,904 people residing within the city limits of Mobile and that there were 414,836 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.



[www.mobile.org](http://www.mobile.org)

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

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



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

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

## FINANCIAL CONDITION

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

During Fiscal Year 2014, the City's general fund budget was amended to repair the unassigned fund balance deficit and to restore a surplus. During that year, the City experienced a \$19.4 million net increase in fund balance in its general fund. During 2015, the City experienced an additional \$23.1 million increase in fund balance in its general fund.

At the close of Fiscal Year 2016, the unassigned fund balance of the general fund was a positive \$29.8 million following a budget amendment to transfer \$10.2 million in surplus to the capital fund for, among other purposes, the construction of two fire stations and economic development.

In Fiscal Year 2017, the City experienced a slight reduction in sales tax revenue, in part due to increased e-commerce activity, much of which escapes sales and use tax. The total fund balance for the general fund, including restricted, committed, assigned and nonspendable fund balance was \$28.7 million.

## ECONOMIC CONDITION

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

In September, 2015 Airbus completed construction of a \$600 million aircraft assembly plant in Mobile at the Brookley Aeroplex where it will employ approximately 1,000 full-time workers at full-capacity and production has recently achieved the Airbus goal of delivering four aircraft per month to its customers.

In October, 2017, Airbus announced an agreement to purchase a majority ownership in a joint venture with Bombardier which will entail construction of a second aircraft assembly plant at the Brookley Aeroplex for production of a C Series narrow body aircraft for United States customers. Construction of the facility is planned to begin in late 2018.

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*Airbus final assembly line  
Brookley Aeroplex, Mobile  
Photo by Tad Denson and  
courtesy of Airbus*

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Austal USA in Mobile has been commissioned by the US Navy to build twelve ships under a Spearhead-class Expeditionary Fast Transport (EPF) vessel contract. Austal has also constructed and delivered seven 127-meter littoral combat ships (LCS) to the Navy with contracts in place to build eight more.

In connection with the EPF and LCS contracts, Austal employs over 4,000 workers in its Mobile shipyard.



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*Austal USA, Mobile  
photo courtesy Austal USA*

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Economic stability is brought to Mobile with medical centers such as Infirmiry Health Systems, Providence Hospital and Springhill Medical Center, together employing 7,800.

## **EDUCATION AND CULTURE**

Mobile is home to the University of South Alabama which is currently educating more than 15,500 students in more than 100 academic programs. Founded in 1963, South's 1,200-acre campus has been transformed over the past decade with new facilities. South's health care facilities provide economic stability to Mobile, employing 5,200.

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*University of South Alabama  
Shelby Hall  
Photo by John Adams  
USA Photographer*

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Mobile area colleges and universities also include Spring Hill College, Bishop State Community College, University of Mobile, and others.

The City is also home to a wide variety of historical and cultural attractions. The Mobile Museum of Art includes a permanent collection of close to 10,000 works of fine and decorative arts from America, Asia, and Europe. This collection spans periods from classical antiquity to the present day.

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*Mobile Museum of Art*

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The GulfQuest National Maritime Museum of the Gulf of Mexico offers immersive experiences in an array of maritime topics including early settlements and trade routes, marine commerce and shipbuilding, ship navigation and communication, offshore oil/gas platforms, and more.



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*GulfQuest National Maritime  
Museum of the Gulf of  
Mexico  
Photo by Tad Denson*

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Mobile is also home to the historic Saenger Theater, Mobile Opera, Mobile Symphony, Mobile Ballet, Museum of Mobile, the Playhouse in the Park, the USS Alabama Battleship Memorial Park and many others.

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*Saenger Theater*

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Mobile is also home to the oldest annual Mardi Gras celebration in the United States. For weeks each year, the streets of downtown Mobile are filled with the sights and sounds of live marching bands, brilliant-colored floats and crowds of parade goers that is Mardi Gras in Mobile.



## **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.

In 2014, however, both Moody's Investor Service and Standard & Poors downgraded the City's ratings due to a rapid deterioration in general fund liquidity and reserves during fiscal 2012 and 2013. As of the dates of the downgrades, neither service was aware of the change in the City management and of the adoption of an amended 2014 budget.

In 2016, Moody's revised its "negative" outlook to "stable" on the City's Aa2 rating and Standard & Poors raised its rating from A+ to AA-. The services cited an improving financial position due to new budgeting practices, financial flexibility and operating surpluses and reserves.

## **RELEVANT FINANCIAL POLICIES**

In order to ensure future stability in its credit ratings, the City administration adopted a reserve policy for its general fund. This policy is intended to provide resources that might be necessary to meet unexpected financial pressures due to natural or manmade disasters or recessionary decreases in consumer based tax revenues.

The City's reserve policy requires the funding of an unassigned fund balance equal to 8.33% of budgeted general fund revenues for the immediately preceding fiscal year. The current balance indicated by this policy is \$20 million, a level that was reached by the end of 2015.

City management is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As a part of the City's Single Audit, tests are made to determine the adequacy of internal controls, including those portions related to Federal awards. Tests are also performed to evaluate the City's compliance with federal awards.

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 \$1,641,500 at September 30, 2017 and were accounted for in the Liability 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 self-insured for workers' compensation claims, up to \$750,000 per accident/claim, to include medical expenses and indemnity payments to the injured worker. The city is fully insured over the \$750,000 self-insured retention, through the Municipal Workers Compensation Fund (MWCF). The City contracts with a third-party administrator for claims administration of claims that occurred prior to participation in MWCF on January 1, 2017. These liabilities were estimated to be approximately \$15.4 million at September 30, 2017 and are accounted for in the Government-wide financial statements.

The liability for employee health insurance claims of approximately \$2.0 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 its obligations and incorporated the effect of expected benefit cost increases in making annual budget decisions. During Fiscal Year 2016, City management made



## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its September 30, 2016 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 and Rebecca Christian, Deputy Comptroller. Each member of the department has my 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, 2016**

*Christopher P. Morill*

Executive Director/CEO



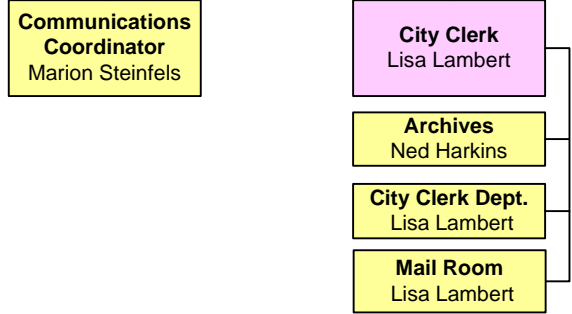
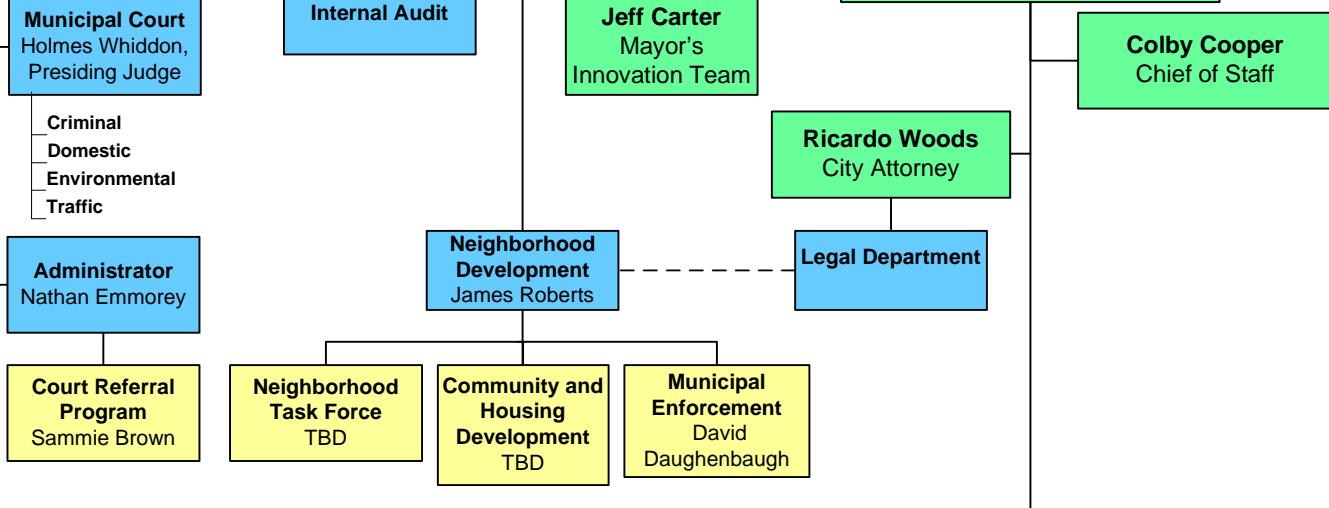
# City of Mobile Organizational Chart

**CITY OF MOBILE CITIZENS**

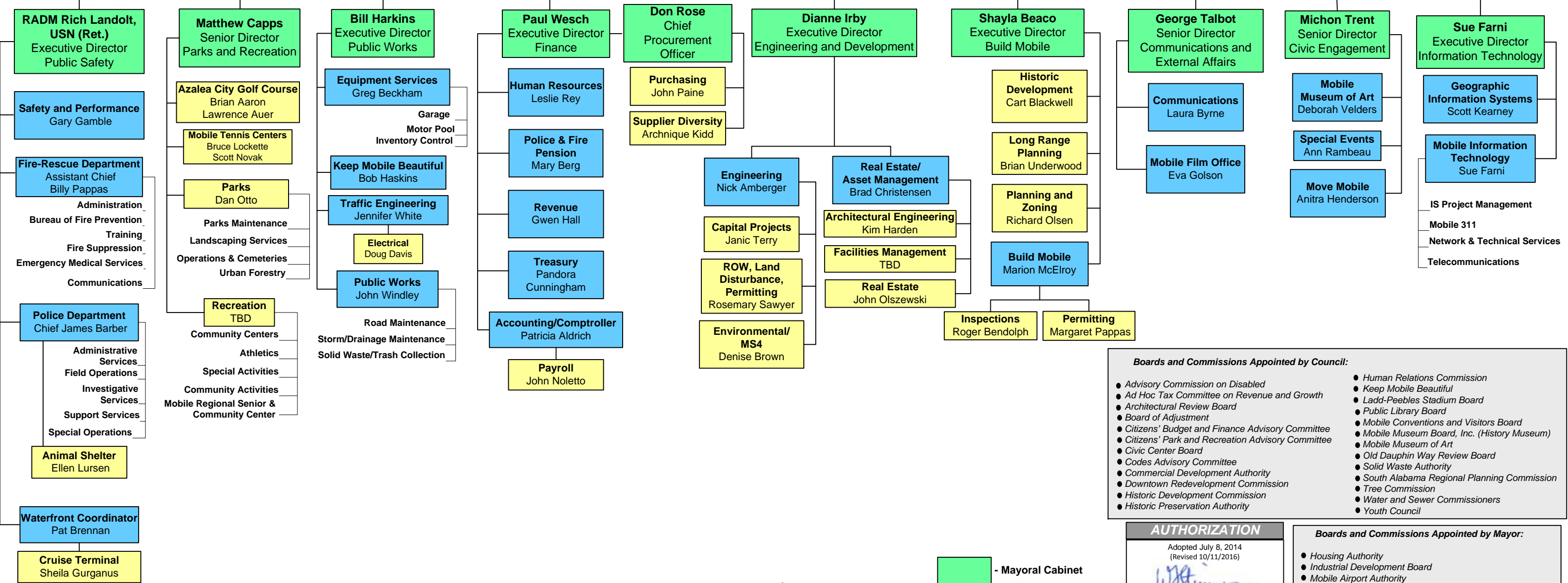
**CITY COUNCIL**

**Sandy Stimpson  
Mayor**

- Fred Richardson, Jr  
Council Vice President  
District 1
- Levon C. Manzie  
District 2
- C.J. Small  
District 3
- John C. Williams  
District 4
- Joel Daves  
District 5
- Bess Rich  
District 6
- Gina Gregory  
Council President  
District 7



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



- Boards and Commissions Appointed by Council:**
- Advisory Commission on Disabled
  - Ad Hoc Tax Committee on Revenue and Growth
  - Architectural Review Board
  - Board of Adjustment
  - Citizens' Budget and Finance Advisory Committee
  - Citizens' Park and Recreation Advisory Committee
  - Civic Center Board
  - Codes Advisory Committee
  - Commercial Development Authority
  - Downtown Redevelopment Commission
  - Historic Development Commission
  - Historic Preservation Authority
  - Human Relations Commission
  - Keep Mobile Beautiful
  - Ladd-Peebles Stadium Board
  - Public Library Board
  - Mobile Conventions and Visitors Board
  - Mobile Museum Board, Inc. (History Museum)
  - Mobile Museum of Art
  - Old Dauphin Way Review Board
  - Solid Waste Authority
  - South Alabama Regional Planning Commission
  - Tree Commission
  - Water and Sewer Commissioners
  - Youth Council

**AUTHORIZATION**

Adopted July 8, 2014  
(Revised 10/11/2016)

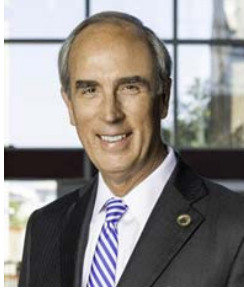
*William S. Stimpson*

William S. Stimpson - Mayor

- Boards and Commissions Appointed by Mayor:**
- Housing Authority
  - Industrial Development Board
  - Mobile Airport Authority
  - Planning Commission

**Mayoral Cabinet**

**MAYOR**



William S. Stimpson

**CITY COUNCIL**



Fredrick D. Richardson, Jr  
District 1



Levon C. Manzie  
District 2



C.J. Small  
District 3



John C. Williams  
District 4



Joel Daves  
District 5



Bess Rich  
District 6

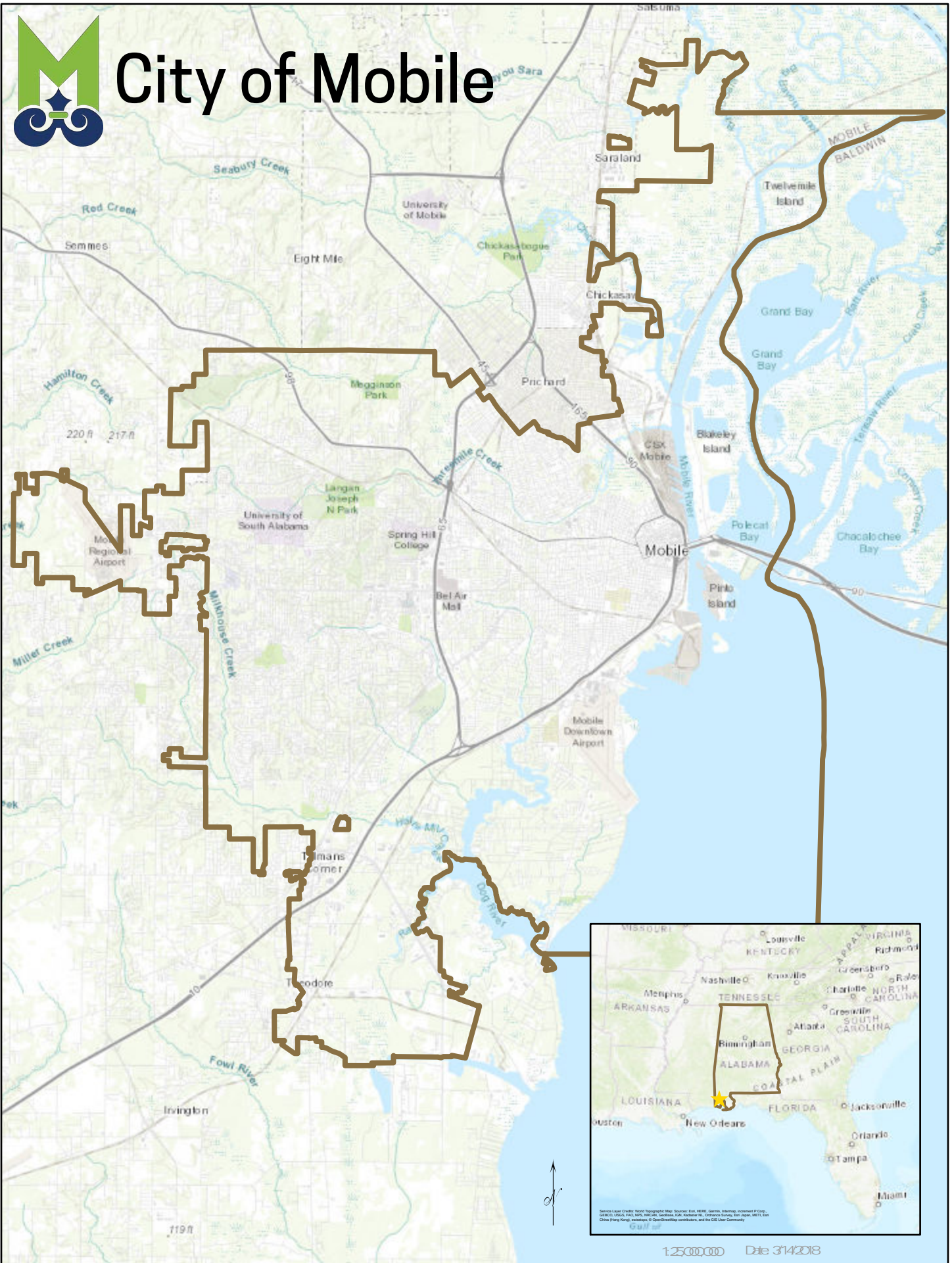


Gina Gregory  
District 7





# City of Mobile

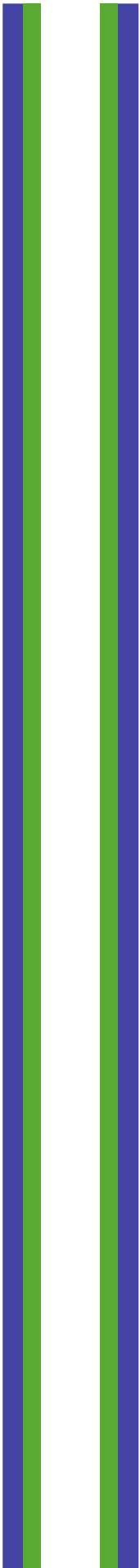




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Avenue of the Oaks, Springhill College  
*Photo by Tad Denson*







## 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, 2017, 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 1.79 percent and 0.43 percent, respectively, of the assets, 3.73 percent and (0.71) percent, respectively, of the net position, and 0.90 percent and 2.70 percent, respectively, of the revenues of the City. Those financial statements were audited by other auditors whose reports thereon have 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 reports 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.

### ***Opinions***

In our opinion, based on our audit and the reports 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, as of September 30, 2017, 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 Required Supplementary Information other than MD&A, as listed in the table of contents, 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 Financial Statements, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Financial Statements and Other Supplementary Information are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2018 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.

*Smith, Duke and Muchalew, LLP*

Mobile, Alabama  
March 30, 2018



Mobile Alabama Cruise Terminal  
*Photo by Tad Denson*



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## 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, 2017. 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 \$282.3 million (net position). Of this amount the City had a deficit in unrestricted net position of \$297.0 million offset by \$25.7 million in restricted net position and \$553.7 million in net investment in capital assets.
- ◆ The City's total net position increased \$26.5 million, or 10.35% because of this year's operations. Net position of governmental activities increased \$28.8 million, or 17.4%, and net position of business-type activities decreased \$2.3 million, or 2.5%.
- ◆ The City made several prior period adjustments in the current year which affected beginning net position. A detailed explanation of these adjustments can be found at Note 18.
- ◆ At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$115.7 million. This was a decrease of \$4.9 million or 4.06% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General Fund was \$28.7 million, a decrease of \$6.0 million (17.4%) from the prior year. This was primarily due to appropriation of prior year fund balance through the annual adopted budget process. This allowed for a continuing increase in funding of capital projects. City management made intentional efforts to increase capital project funding in recent years.
- ◆ Sales and use tax, the City's single largest revenue source, decreased 0.6 million or 0.3% from the prior year primarily due to static revenue collections over the prior year.
- ◆ The City had three bond issuances during the fiscal year (see Note 9 for additional information):
  - On December 29, 2016 the City issued Taxable General Obligation Warrants, Series 2016C in the principal amount of \$17,735,000 to advance refund the City's outstanding Taxable General Obligation Warrants, Series 2008.
  - On February 15, 2017 the City issued General Obligation Warrants, Series 2017A in the principal amount of \$64,610,000 and General Obligation Warrants, Series 2017B in the principal amount of \$4,430,000. Series 2017A and 2017B warrants were issued to advance refund the City's outstanding warrants as follows:
    - Limited Obligation Tax Increment Warrants, Series 2002
    - General Obligation Warrants, Series 2008
    - General Obligation Refunding and Improvement Warrants, Series 2008B

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT			
<b>Introductory Section</b>	<b>INTRODUCTORY SECTION</b>		
<b>Financial Section</b>	<b>FINANCIAL SECTION</b>		
	<b>Management's Discussion and Analysis (MD&amp;A)</b>		
	<i>Summary</i> ←—————→ <i>Detail</i>		
	<b>Government-wide Financial Statements</b>	<b>Fund Financial Statements</b>	
	Statement of net position	<b>Governmental Funds</b>	<b>Proprietary Funds</b>
		Balance sheet	Statement of net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balances	Statement of revenues, expenses, and changes in fund net position
			Statement of cash flows
	Notes to the Financial Statements		
	<b>Required Supplementary Information Other Than MD&amp;A</b>		
Information on individual nonmajor funds and other supplementary information that is not required			
<b>Statistical Section</b>	<b>STATISTICAL SECTION</b>		

## USING THIS ANNUAL REPORT

The Statement of Net Position and the Statement of Activities, (pages 18 - 20) 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 21. 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 34.

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 100.

	Government-Wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
<b>Scope</b>	Entire City government and the City's component units	The activities of the City that are not proprietary, such as police, fire, and public works	Activities the City operates similar to private businesses such as WAVE Transit, Civic Center, and the Civic and Convention Centers
<b>Required financial statements</b>	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Balance sheet Statement of revenues, expenses, and changes in net position Statement of cash flows
<b>Accounting basis &amp; measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability</b>	All assets, deferred inflows, liabilities, and deferred outflows, both financial and capital, short-term and long-term	Only assets and deferred inflows expected to be used up and liabilities and deferred outflows that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets, deferred inflows, liabilities, and deferred outflows, both financial and capital, short-term and long-term
<b>Type of inflow/outflow</b>	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year and expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenue and expenses during the year, regardless of when cash is received or paid

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

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

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

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

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

- Governmental activities - Most of the City's basic services are reported here, including the police, fire, public works, parks and recreation departments and general administration. Sales taxes, business license fees, property taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities - The City charges a fee to customers to help it cover all or most of the cost of certain services provided. Convention center, civic center, the golf and tennis centers and parking facilities are reported here.
- Component units - The City includes three separate legal entities in its report – Mobile Public Library, The Public Park and Recreation Board (Ladd-Peebles Stadium), and the Solid Waste Disposal Authority. More comprehensive information about these component units can be found in Note 2.

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

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State Law and by bond covenants. However, the City Council established many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Department of Justice and the Department of Housing and Urban Development). Major funds are separately reported while all others are combined into a single, aggregated presentation.



Individual fund data for nonmajor 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 is \$282.3 million. This is a \$26.5 million increase over last year's net position.

The following table provides a summary of the City's net position:

**CITY OF MOBILE, ALABAMA**  
**Net Position**  
**September 30, 2016 and 2017**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total		Amount Change	% Change
	2017	2016	2017	2016	2017	2016		
Current and other assets	\$149,226	\$149,368	\$ 19,004	\$ 17,813	\$168,230	\$167,181	\$ 1,049	0.63%
Capital assets(net)	681,399	666,676	86,873	90,230	768,272	756,906	11,366	1.50%
Total assets	830,625	816,044	105,877	108,043	936,502	924,087	12,415	1.34%
Deferred outflows of resources	46,746	44,365	3,832	4,251	50,578	48,616	1,962	4.04%
Total assets and deferred outflows of resources	877,371	860,409	109,709	112,294	987,080	972,703	14,377	1.48%
Current and other liabilities	57,814	60,471	3,847	3,147	61,661	63,618	(1,957)	-3.08%
Long-term liabilities	622,147	634,863	12,514	13,698	634,661	648,561	(13,900)	-2.14%
Total liabilities	679,961	695,334	16,361	16,845	696,322	712,179	(15,857)	-2.23%
Deferred inflows of resources	3,527	1,737	4,930	4,761	8,457	6,498	1,959	30.15%
Total Liability and deferred inflows of resources	683,488	697,071	21,291	21,606	704,779	718,677	(13,898)	-1.93%
<b>NET POSITION</b>								
Net investment in capital assets	466,797	417,251	86,872	90,230	553,669	507,481	46,188	9.10%
Restricted	25,669	24,153	-	-	25,669	24,153	1,516	6.28%
Unrestricted	(298,583)	(278,066)	1,546	458	(297,037)	(277,608)	(19,429)	7.00%
Total net position	\$193,883	\$163,338	\$ 88,418	\$ 90,688	\$282,301	\$254,026	\$ 28,275	11.13%

The largest portion of the City's net assets (196.13%) 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 (9.09%) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets may normally be used to meet the City's on-going obligations to citizens and creditors.

At the end of the current fiscal year unrestricted net assets has a deficit balance of \$298.6 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) and pension liabilities. 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 position for the year. Additionally, the deficit can be attributed to the implementation of GASB Statement No. 68 requiring the Net Pension Liability be recorded on the Statement of Net Position. This substantial liability reduces the amount of unrestricted net position.

The unrestricted net assets for business-type activities has a balance of \$1.5 million which is a \$1.1 million increase from the prior year. This increase is due primarily to a \$3.2 million increase in unrestricted net position in the Cruise Terminal due to the return of Carnival cruises to the terminal, offset by net losses in other enterprise funds.

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

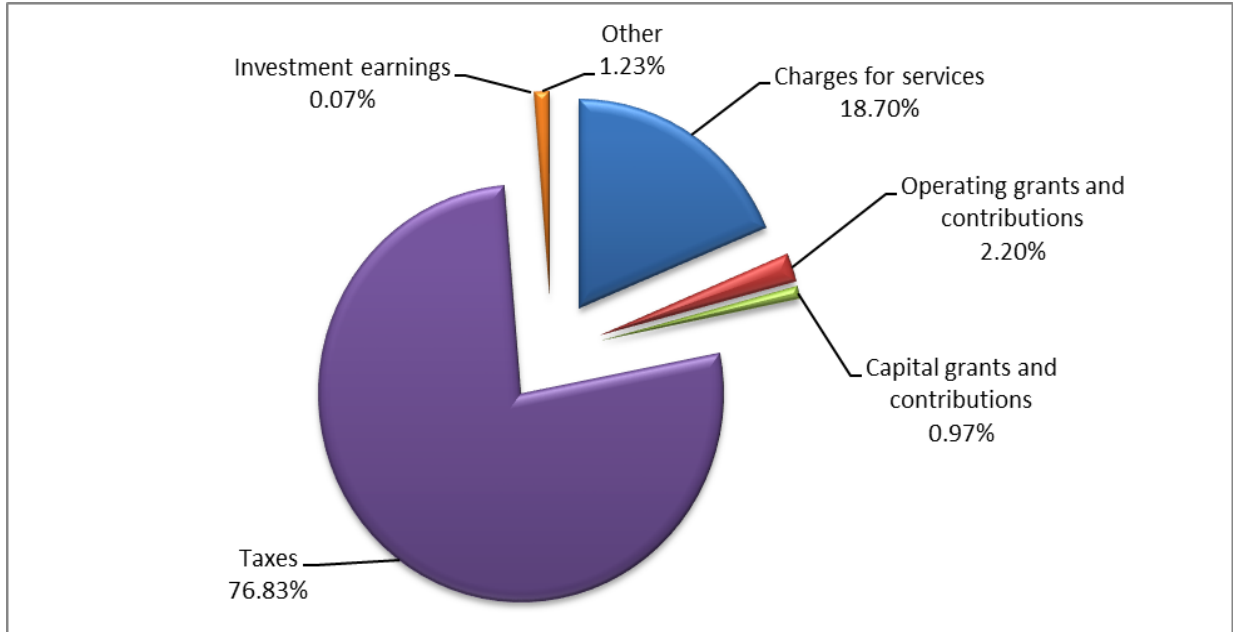
**CITY OF MOBILE, ALABAMA**  
**Changes in Net Position**  
**September 30, 2017**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total		Amount Change	% Change
	2017	2016	2017	2016	2017	2016		
<b>REVENUES</b>								
Program revenues:								
Charges for services	\$ 56,474	\$ 56,570	\$22,818	\$12,633	\$ 79,292	\$ 69,203	\$ 10,089	14.58%
Operating grants and contributions	6,659	9,030	1,937	3,309	8,596	12,339	(3,743)	-30.33%
Capital grants and contributions	2,928	3,519	270	1,157	3,198	4,676	(1,478)	-31.61%
General revenues:								
Taxes	232,074	230,138	11,778	11,961	243,852	242,099	1,753	0.72%
Investment earnings	204	136	2	2	206	138	68	49.28%
Other	3,723	9,633	33	-	3,756	9,633	(5,877)	-61.01%
Total revenues	<u>302,062</u>	<u>309,026</u>	<u>36,838</u>	<u>29,062</u>	<u>338,900</u>	<u>338,088</u>	<u>812</u>	<u>0.24%</u>
<b>EXPENSES</b>								
Governmental activities:								
General government	57,338	71,077	-	-	57,338	71,077	(13,739)	-19.33%
Culture and recreation	25,120	24,346	-	-	25,120	24,346	774	3.18%
Economic development	1,128	1,058	-	-	1,128	1,058	70	6.62%
Engineering, development & build	15,477	15,563	-	-	15,477	15,563	(86)	100.00%
Finance	6,184	5,793	-	-	6,184	5,793	391	6.75%
Public safety	118,270	108,778	-	-	118,270	108,778	9,492	8.73%
Public works	36,948	32,183	-	-	36,948	32,183	4,765	14.81%
Interest on long-term debt	10,957	12,524	-	-	10,957	12,524	(1,567)	-12.51%
Business-Type activities:								
Azalea City Golf Course	-	-	1,596	1,603	1,596	1,603	(7)	-0.44%
Civic Center	-	-	3,539	3,794	3,539	3,794	(255)	-6.72%
Convention Center	-	-	8,434	9,078	8,434	9,078	(644)	-7.09%
Cruise Terminal	-	-	2,610	1,093	2,610	1,093	1,517	138.79%
Emergency Medical Services	-	-	11,122	5,796	11,122	5,796	5,326	91.89%
Mobile Tennis Center	-	-	794	762	794	762	32	4.20%
Neighborhood Renewal Program	-	-	11	11	11	11	-	0.00%
Parking Garage	-	-	234	238	234	238	(4)	-1.68%
Saenger Theater	-	-	1,009	881	1,009	881	128	14.53%
Wave Transit System	-	-	11,645	12,170	11,645	12,170	(525)	-4.31%
Total expenses	<u>271,422</u>	<u>271,322</u>	<u>40,994</u>	<u>35,426</u>	<u>312,416</u>	<u>306,748</u>	<u>5,668</u>	<u>1.85%</u>
Change in net position before special items and transfers								
Transfers	30,640	37,704	(4,156)	(6,364)	26,484	31,340	(4,856)	-15.49%
Transfers	(1,886)	(5,285)	1,886	5,285	-	-	-	0.00%
Change in net position	<u>28,754</u>	<u>32,419</u>	<u>(2,270)</u>	<u>(1,079)</u>	<u>26,484</u>	<u>31,340</u>	<u>(4,856)</u>	<u>-15.49%</u>
Net position - beginning, adjusted*	<u>165,129</u>	<u>130,919</u>	<u>90,687</u>	<u>91,767</u>	<u>255,816</u>	<u>222,686</u>	<u>33,130</u>	<u>14.88%</u>
Net position - ending	<u>\$193,883</u>	<u>\$163,338</u>	<u>\$88,418</u>	<u>\$90,688</u>	<u>\$282,301</u>	<u>\$254,026</u>	<u>\$ 28,275</u>	<u>11.13%</u>

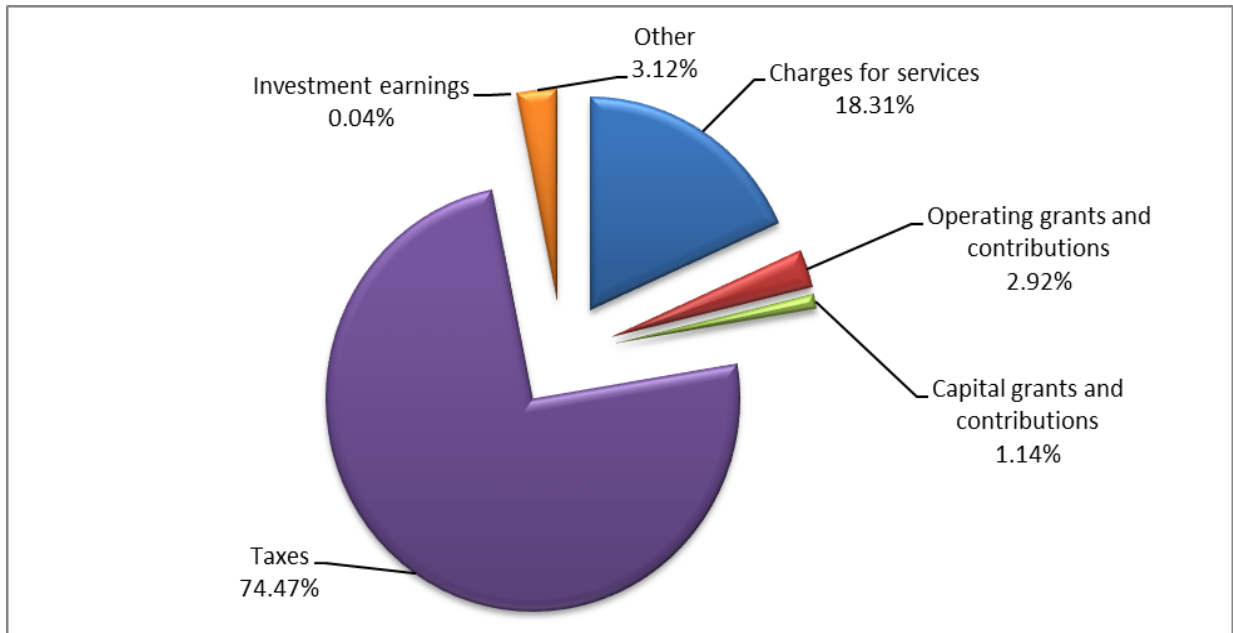
\*Prior period adjustments were made in accordance with current generally accepted accounting principles. See Note 18 for further explanation.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal year 2017.

### GOVERNMENTAL REVENUES 2017

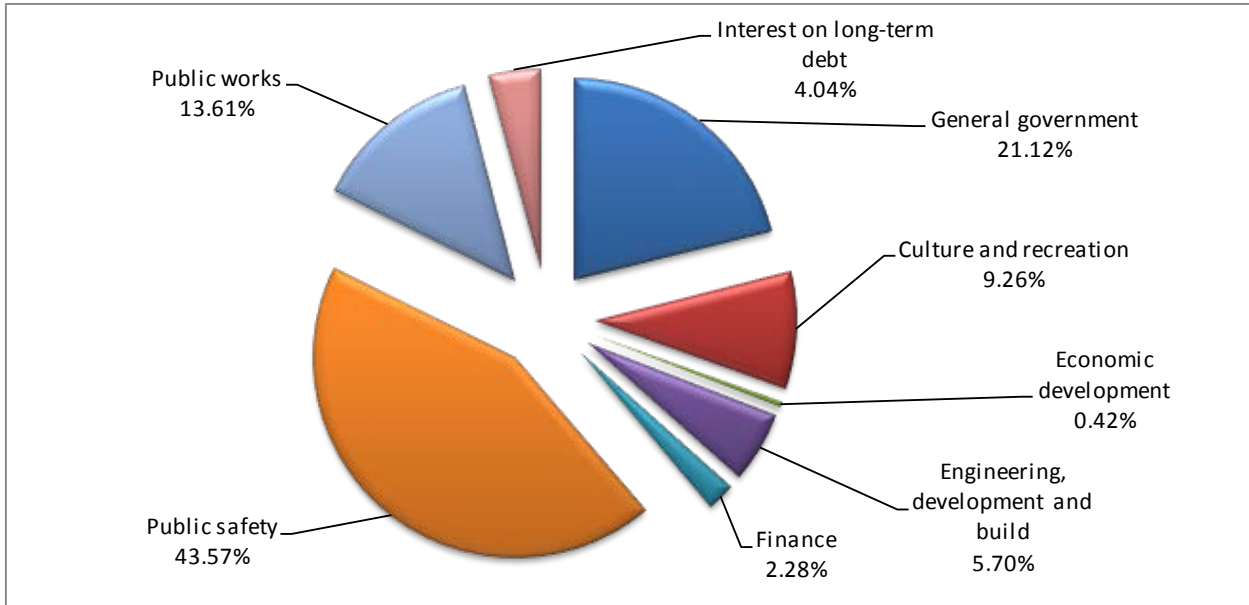


### GOVERNMENTAL REVENUES 2016

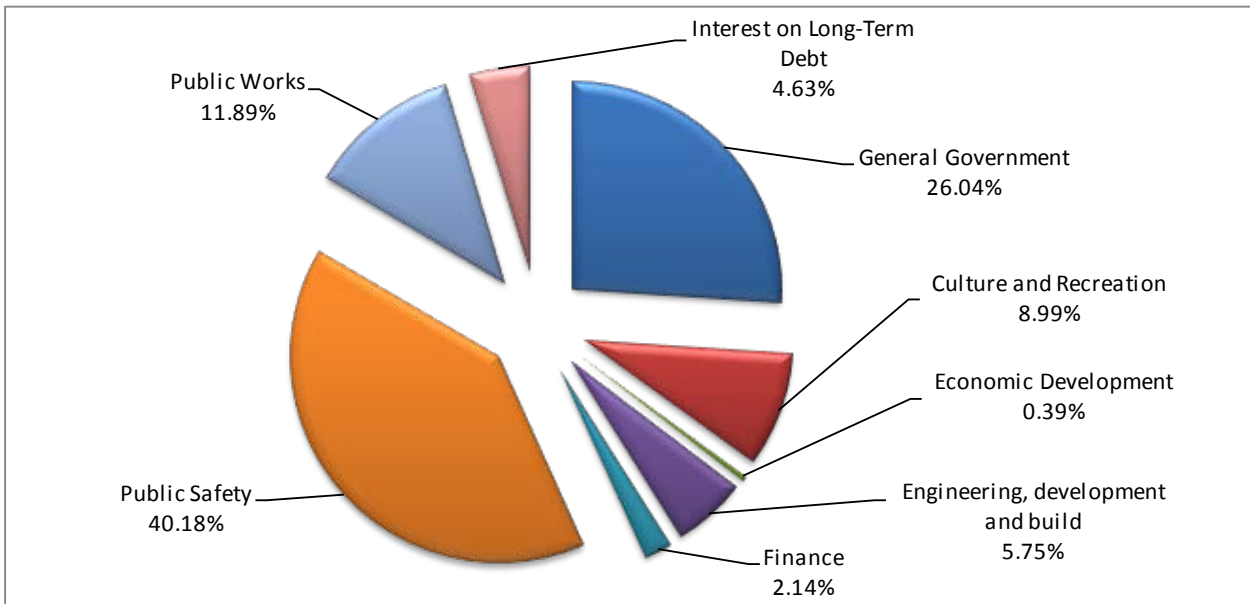


As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 76.83% and 74.47% of the City's total governmental revenues in fiscal years 2017 and 2016, respectively.

**GOVERNMENTAL FUNCTIONAL EXPENSES  
2017**



**GOVERNMENTAL FUNCTIONAL EXPENSES  
2016**



## **Governmental activities**

Governmental activities increased the City's net assets by \$28.8 million. The key elements of this change are as follows:

- Excess expenses over revenue for governmental activities amounted to \$205.4 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$204,090 which was an increase of \$68,339 from the prior year.
- Tax revenues amounted to \$232.1 million which was an increase of 0.84% over the prior year and was due primarily to stable economic conditions.
- Other revenue amounted to \$3.7 million.
- Transfers out of governmental activities totaled \$1.9 million.

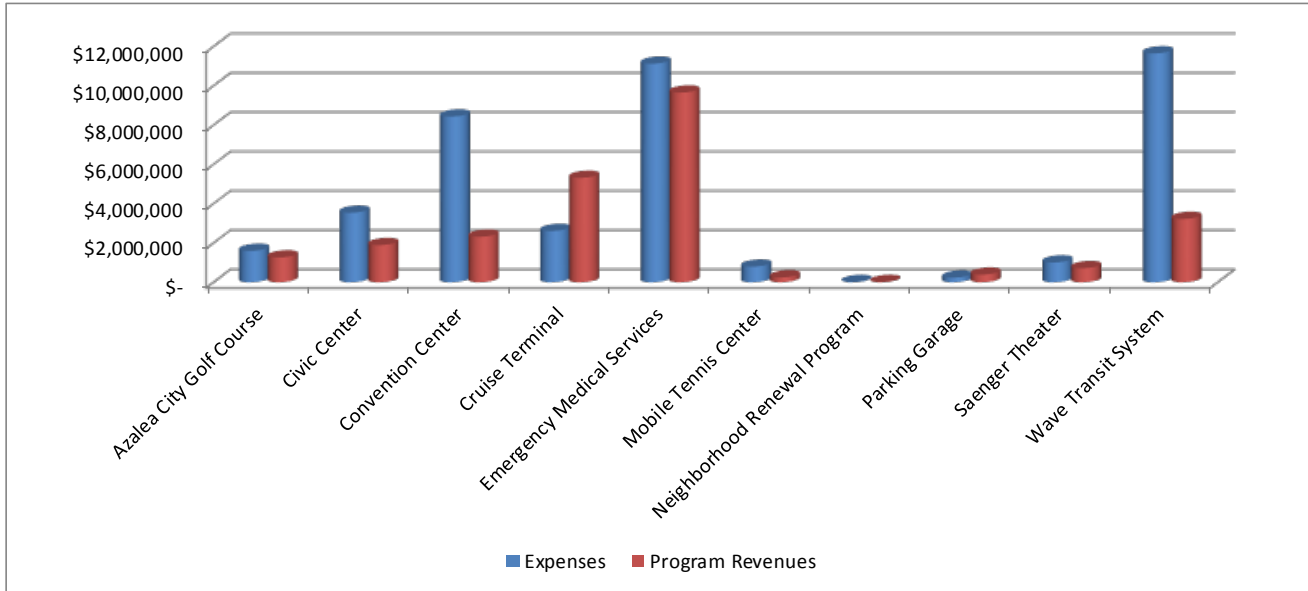
Governmental activity expenses slightly increased by \$0.1 million (0.04%) from the prior year. For the government-wide full accrual statements, capital outlay expenses were eliminated and capital assets were reported. City management made intentional efforts to control costs in governmental activities due to static revenues.

## **Business-type activities**

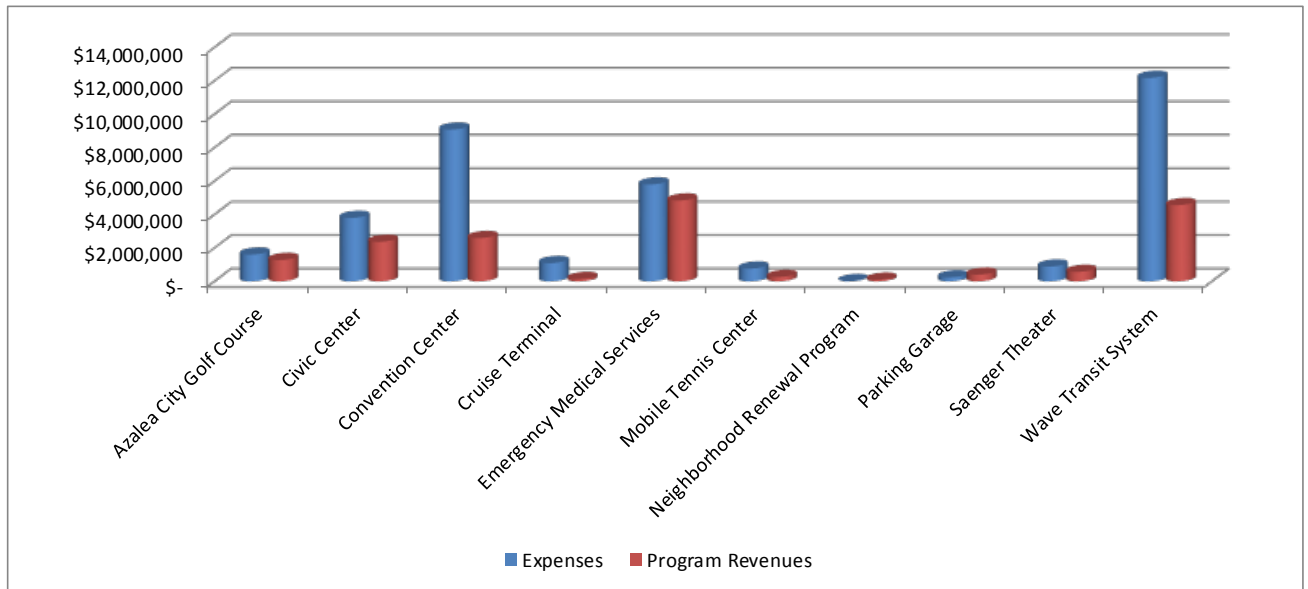
Business-type activities decreased the City's total net assets by \$2.3 million. Business-type activities are shown comparing costs to revenues generated by related services. The cruise terminal, parking garage and neighborhood renewal program business-type activities are self-supporting with user charges and other revenues designed to recover costs.

The civic center, convention center, golf course, emergency medical services, tennis center, Saenger theater, and WAVE transit 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, golf course, emergency medical services, tennis center, Saenger theater, and WAVE transit activities required subsidization by the City.

**BUSINESS-TYPE ACTIVITIES  
REVENUES VS. COSTS 2017**



**BUSINESS-TYPE ACTIVITIES  
REVENUES VS. COSTS 2016**



## 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 \$115.7 million, of which \$23.9 million is unassigned. The nonspendable fund balance is \$2.2 million and stems from inventory and prepaid expenses. Restricted fund balance is \$15.2 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$11.7 million and comprises funds with constraints imposed by formal action of the City Council. Finally, assigned fund balance is \$62.6 million and comprises funds constrained by the City's intent to be used for a specific purpose (primarily capital improvements).

The total ending fund balances of governmental funds show a \$4.9 million decrease from the prior year. This decrease is primarily due to a \$6.0 million decrease in the fund balance of the General Fund, a \$1.9 million increase in nonmajor governmental funds, and a decrease of \$0.7 million in the Capital Improvements Fund. This was primarily due to an intentional appropriation of prior year fund balance in the General Fund through the annual budgetary process.

#### 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 \$6.0 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$58.6 million which includes a net decrease of \$0.7 million. This change is primarily due to a small net increase in capital project related activity in the fund.

### Proprietary Funds

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

#### Enterprise Funds

The City's enterprise funds consist of the Alabama Cruise Terminal, the Mobile Civic Center, the Municipal Parking Garage, the Azalea City Golf Course, Emergency Medical Services, Mobile Convention Center, the Mobile Tennis Center, Neighborhood Renewal Program, Saenger Theater and WAVE Transit. The total net position of the Enterprise Funds decreased by \$2.3 million during the current fiscal year. This decrease is due primarily to a \$2.3 million net loss in the WAVE Transit System as well as net losses in the Civic Center, Convention Center, and other nonmajor enterprise funds. Additionally, the Cruise Terminal experienced a net increase of \$2.8 million primarily due to the return of Carnival cruises to the terminal in 2017.



## 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 \$10.0 million from the prior year, primarily due to \$6.3 million in transfers of governmental capital asset vehicle equipment purchased from governmental funds and transferred into the Motor Pool Fund to centralize administration of rolling-stock fleet, along with other cash subsidies from the general fund.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The excess of revenues over expenditures on a budgetary basis during the year was \$11.5 million. The following are the main components of the excess:

- Tax revenue was under expected budgeted amounts by \$8.0 million.
- Departmental expenditures were under budget by \$13.7 million. This was due primarily to cost savings in departments and cost centers during the year.
- Non-departmental expenditures, which include mandated activities, joint ventures, agencies, employee cost, and state and federal projects, etc., were over budget by \$1.4 million.
- Total revenues were approximately \$9.8 million under budget while expenditures were \$12.4 million under budget. This was due primarily to cost savings in departments and cost centers during the year.
- See Required Supplementary Information for more information on the General Fund Budget.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### Capital Assets

As of September 30, 2017, the City's net investment in capital assets for governmental and business-type activities was \$466.8 million and \$86.9 million, respectively, an increase of \$46.2 million from 2016 for the City as a whole. See Note 7 for additional information about changes in capital assets during the fiscal year.

Please see the following page for a table which provides a summary of the City's capital assets.

**CITY OF MOBILE, ALABAMA**  
**Comparative Statement of Capital Assets**  
**September 30, 2016 and 2017**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total		Amount Change	% Change
	2017	2016*	2017	2016	2017	2016		
Land	\$ 27,425	\$ 27,452	\$ 10,912	\$ 10,684	\$ 38,337	\$ 38,136	\$ 201	0.53%
Construction-in-progress	67,255	41,292	281	150	67,536	41,442	26,094	62.97%
Intangible assets	4,740	4,581	-	-	4,740	4,581	159	3.47%
Buildings	145,849	145,929	126,852	126,852	272,701	272,781	(80)	-0.03%
Improvements	116,316	115,845	17,953	17,953	134,269	133,798	471	0.35%
Infrastructure	539,469	538,368	-	-	539,469	538,368	1,101	0.20%
Vehicular	65,207	63,323	12,772	12,767	77,979	76,090	1,889	2.48%
Other equipment	47,866	45,556	7,320	7,110	55,186	52,666	2,520	4.78%
Other assets	30	30	-	-	30	30	-	0.00%
	<u>1,014,157</u>	<u>982,376</u>	<u>176,090</u>	<u>175,516</u>	<u>1,190,247</u>	<u>1,157,892</u>	<u>32,355</u>	<u>2.79%</u>
Less: accumulated depreciation	<u>(332,757)</u>	<u>(313,910)</u>	<u>(89,216)</u>	<u>(85,286)</u>	<u>(421,973)</u>	<u>(399,196)</u>	<u>(22,777)</u>	<u>5.71%</u>
Capital assets, net	<u>\$ 681,400</u>	<u>\$ 668,466</u>	<u>\$ 86,874</u>	<u>\$ 90,230</u>	<u>\$ 768,274</u>	<u>\$ 758,696</u>	<u>\$ 9,578</u>	<u>1.26%</u>

\*Restated

### Long-Term Debt

As of September 30, 2017, the City had \$245.5 million of long-term debt outstanding, including bonds and warrants payable and notes payable. In the current fiscal year, the City retired principal on long-term debt (bonds, warrants, and notes) in the amount of \$15.9 million and made payments of \$0.2 million for capital lease obligations. Interest payments on long-term debt totaled \$11.0 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:

**CITY OF MOBILE, ALABAMA**  
**Outstanding Long-Term Debt**  
**September 30, 2016 and 2017**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total		Amount Change	% Change
	2017	2016	2017	2016	2017	2016		
Bonds/warrants, net	\$243,512	\$255,866	\$ -	\$ -	\$243,512	\$255,866	\$(12,354)	-4.83%
Notes payable	2,010	2,495	-	-	2,010	2,495	(485)	-19.44%
Obligations under capital lease	-	493	-	-	-	493	(493)	-100.00%
Total long-term debt	<u>245,522</u>	<u>258,854</u>	<u>-</u>	<u>-</u>	<u>245,522</u>	<u>258,854</u>	<u>(13,332)</u>	<u>-5.15%</u>

The City's underlying debt rating is now AA- for S&P Global Ratings (formerly Standard & Poor's Financial Services LLC) and Aa2 for Moody's Investor Services. 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, 2017, the City's permissible debt limit exceeded actual debt by approximately \$354.4 million.

### **ECONOMIC FACTORS**

A temporary one-cent sales tax was implemented November 1, 2012, and will remain in effect until September 30, 2018. In February 2018, the temporary one-cent sales tax was extended through September 30, 2023.

In November 2016, Carnival Cruise Lines returned to the Mobile cruise terminal for operation of Caribbean cruises. The 2,056 passenger Carnival Fantasy offers four-day cruises to Cozumel and five-day excursions to Cozumel and Costa Maya or Progreso.

In September 2015, Airbus completed construction of a \$600 million aircraft assembly plant in Mobile at the Brookley Aeroplex where it will employ approximately 1,000 full-time workers at full capacity, and production has recently achieved the Airbus goal of delivering four aircraft per month to its customers.

In October 2017, Airbus announced an agreement to purchase a majority ownership in a joint venture with Bombardier which will entail construction of a second aircraft assembly plant at the Brookley Aeroplex for the production of a C Series narrow body aircraft for United States customers. Construction of the facility is planned to begin in late 2018.

Austal USA in Mobile has been commissioned by the US Navy to build twelve ships under a Spearhead-class Expeditionary Fast Transport (EPF) vessel contract. Austal has also constructed and delivered seven 127-meter littoral combat ships (LCS) to the Navy. In connection with the EPF and LCS contracts, Austal employs over 4,000 workers in its Mobile shipyard.

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

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



Paul C. Wesch  
Executive Director of Finance



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**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**September 30, 2017**

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 116,326,251	\$ 15,685,651	\$ 132,011,902	\$ 3,831,937
Restricted cash - capital purchases	83,671	-	83,671	-
Receivables (net)	29,587,706	3,456,701	33,044,407	320,363
Internal balances	976,026	(976,026)	-	-
Inventory & prepaid expenses	2,251,859	838,025	3,089,884	28,870
<b>Total current assets</b>	<b>149,225,513</b>	<b>19,004,351</b>	<b>168,229,864</b>	<b>4,181,170</b>
Noncurrent assets:				
Land	27,425,179	10,912,370	38,337,549	248,225
Construction-in-progress	67,255,062	281,082	67,536,144	-
Intangible assets	4,740,078	-	4,740,078	-
Buildings	145,848,672	126,851,808	272,700,480	-
Improvements	116,316,208	17,952,542	134,268,750	-
Vehicular	65,206,895	12,771,720	77,978,615	209,099
Other equipment	47,865,936	7,320,352	55,186,288	5,536,289
Other assets	29,540	-	29,540	-
Infrastructure	539,469,175	-	539,469,175	-
Accumulated depreciation	(332,757,277)	(89,217,475)	(421,974,752)	(4,826,455)
<b>Total noncurrent assets</b>	<b>681,399,468</b>	<b>86,872,399</b>	<b>768,271,867</b>	<b>1,167,158</b>
<b>Total assets</b>	<b>830,624,981</b>	<b>105,876,750</b>	<b>936,501,731</b>	<b>5,348,328</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	5,373,413	-	5,373,413	-
Deferred pension outflows	41,372,561	3,832,596	45,205,157	887,205
<b>Total deferred outflows of resources</b>	<b>46,745,974</b>	<b>3,832,596</b>	<b>50,578,570</b>	<b>887,205</b>
<b>Total assets and deferred outflows of resources</b>	<b>877,370,955</b>	<b>109,709,346</b>	<b>987,080,301</b>	<b>6,235,533</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	17,593,684	1,933,105	19,526,789	401,829
Unearned revenue	777,819	1,135,262	1,913,081	188,227
Pension employer contribution payable	17,906,091	677,768	18,583,859	-
Bonds and warrants payable, current portion	14,343,000	-	14,343,000	-
Notes payable, current portion	375,000	-	375,000	-
Compensated absences, current portion	2,155,898	100,663	2,256,561	46,873
Insurance claims, current portion	4,610,847	-	4,610,847	-
Landfill postclosure liability, current portion	51,868	-	51,868	-
<b>Total current liabilities</b>	<b>57,814,207</b>	<b>3,846,798</b>	<b>61,661,005</b>	<b>636,929</b>
Noncurrent liabilities:				
Bonds and warrants payable, long-term portion	229,169,416	-	229,169,416	-
Notes payable, long-term portion	1,635,000	-	1,635,000	-
Compensated absences, long-term portion	14,160,601	414,780	14,575,381	608,482
Self-insured liability - legal, long-term portion	1,641,500	-	1,641,500	-
Insurance claims, long-term portion	12,799,806	-	12,799,806	-
Landfill postclosure liability, long-term portion	569,933	-	569,933	-
Net pension liability	156,231,494	12,099,210	168,330,704	5,430,766
Postemployment benefits	205,939,000	-	205,939,000	-
<b>Total noncurrent liabilities</b>	<b>622,146,750</b>	<b>12,513,990</b>	<b>634,660,740</b>	<b>6,039,248</b>
<b>Total liabilities</b>	<b>679,960,957</b>	<b>16,360,788</b>	<b>696,321,745</b>	<b>6,676,177</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	-	3,660,714	3,660,714	-
Deferred pension inflows	3,527,439	1,269,658	4,797,097	486,006
<b>Total deferred inflows of resources</b>	<b>3,527,439</b>	<b>4,930,372</b>	<b>8,457,811</b>	<b>486,006</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>683,488,396</b>	<b>21,291,160</b>	<b>704,779,556</b>	<b>7,162,183</b>
<b>NET POSITION</b>				
Net investment in capital assets	466,796,768	86,872,399	553,669,167	1,167,158
Restricted for:				
Capital projects	8,206,836	-	8,206,836	-
Debt Service	126,125	-	126,125	-
Economic development	11,440,975	-	11,440,975	-
Grant programs	5,894,771	-	5,894,771	-
Unrestricted	(298,582,916)	1,545,787	(297,037,129)	(2,093,808)
<b>Total net position</b>	<b>\$ 193,882,559</b>	<b>\$ 88,418,186</b>	<b>\$ 282,300,745</b>	<b>\$ (926,650)</b>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Statement of Activities**  
**For the Year Ended September 30, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 57,338,003	\$ 49,688,127	\$ 3,597,113	\$ 680
Culture and recreation	25,120,318	281,967	78,006	-
Economic development	1,128,267	-	-	1,652,510
Engineering, development & build	15,477,038	1,922,408	689,849	1,022,348
Finance	6,184,239	-	-	-
Public safety	118,270,320	4,547,998	2,294,356	-
Public works	36,948,205	33,027	-	252,619
Interest on long-term debt	10,956,824	-	-	-
Total governmental activities	<u>271,423,214</u>	<u>56,473,527</u>	<u>6,659,324</u>	<u>2,928,157</u>
Business-type activities:				
Azalea City Golf Course	1,595,699	1,263,235	-	-
Civic Center	3,539,260	1,891,198	-	-
Convention Center	8,433,850	2,318,069	-	-
Cruise Terminal	2,610,198	5,312,115	-	-
Emergency Medical Services	11,121,791	9,654,332	-	-
Mobile Tennis Center	793,795	246,033	-	-
Neighborhood Renewal Program	10,560	11,181	-	-
Parking Garage	234,118	390,964	-	-
Saenger Theater	1,009,011	715,930	-	-
Wave Transit System	11,645,426	1,015,020	1,937,095	270,091
Total business-type activities	<u>40,993,708</u>	<u>22,818,077</u>	<u>1,937,095</u>	<u>270,091</u>
Total primary government	<u>\$ 312,416,922</u>	<u>\$ 79,291,604</u>	<u>\$ 8,596,419</u>	<u>\$ 3,198,248</u>
<b>Component units:</b>				
Mobile Public Library	\$ 9,518,429	\$ 581,210	\$ 145,864	\$ 3,707
Public Park and Recreation Board	1,142,799	1,046,593	-	-
Solid Waste Disposal Authority	1,966,327	-	2,123,583	-
Total component units	<u>\$ 12,627,555</u>	<u>\$ 1,627,803</u>	<u>\$ 2,269,447</u>	<u>\$ 3,707</u>
General revenues:				
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				
Payments from local governments				
Transfers				
Total general revenues, special items, and transfers				
Change in net position				
Net position - beginning				
Adjustments to beginning net position (Note 18)				
Net position - ending				

See Accompanying Notes to the Financial Statements



Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (4,052,083)	\$ -	\$ (4,052,083)	\$ -
(24,760,345)	-	(24,760,345)	-
524,243	-	524,243	-
(11,842,433)	-	(11,842,433)	-
(6,184,239)	-	(6,184,239)	-
(111,427,966)	-	(111,427,966)	-
(36,662,559)	-	(36,662,559)	-
(10,956,824)	-	(10,956,824)	-
<u>(205,362,206)</u>	<u>-</u>	<u>(205,362,206)</u>	<u>-</u>
-	(332,464)	(332,464)	-
-	(1,648,062)	(1,648,062)	-
-	(6,115,781)	(6,115,781)	-
-	2,701,917	2,701,917	-
-	(1,467,459)	(1,467,459)	-
-	(547,762)	(547,762)	-
-	621	621	-
-	156,846	156,846	-
-	(293,081)	(293,081)	-
-	(8,423,220)	(8,423,220)	-
<u>-</u>	<u>(15,968,445)</u>	<u>(15,968,445)</u>	<u>-</u>
<u>(205,362,206)</u>	<u>(15,968,445)</u>	<u>(221,330,651)</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ (8,787,648)
-	-	-	(96,206)
-	-	-	157,256
-	-	-	<u>(8,726,598)</u>
21,054,534	-	21,054,534	-
179,364,687	9,874,297	189,238,984	-
10,535,475	-	10,535,475	-
6,366,006	1,903,676	8,269,682	-
2,111,186	-	2,111,186	-
9,342,202	-	9,342,202	-
1,727,163	-	1,727,163	-
453,701	-	453,701	-
746,838	-	746,838	-
372,052	-	372,052	-
-	-	-	328,278
204,090	1,936	206,026	96,091
3,723,468	32,941	3,756,409	6,034,045
-	-	-	8,706,899
<u>(1,885,988)</u>	<u>1,885,988</u>	<u>-</u>	<u>-</u>
<u>234,115,414</u>	<u>13,698,838</u>	<u>247,814,252</u>	<u>15,165,313</u>
28,753,208	(2,269,607)	26,483,601	6,438,715
163,338,374	90,687,793	254,026,167	(7,365,365)
1,790,977	-	1,790,977	-
<u>\$ 193,882,559</u>	<u>\$ 88,418,186</u>	<u>\$ 282,300,745</u>	<u>\$ (926,650)</u>



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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, 2017**

	General Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 21,959,318	\$ 57,433,693	\$ 27,555,876	\$ 106,948,887
Restricted cash - capital purchases	-	-	83,672	83,672
Receivables (net)	22,039,306	4,115,995	2,626,302	28,781,603
Due from other funds	2,147,252	-	-	2,147,252
Inventory & prepaid expenses	2,251,859	-	-	2,251,859
Total assets	<u>\$ 48,397,735</u>	<u>\$ 61,549,688</u>	<u>\$ 30,265,850</u>	<u>\$ 140,213,273</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 17,084,595	\$ 2,932,205	\$ 391,474	\$ 20,408,274
Unearned revenue	91,902	-	685,917	777,819
Due to other funds	368,903	-	802,323	1,171,226
Compensated absences - terminated employees	359,316	-	-	359,316
Insurance claims payable	431,541	-	-	431,541
Escrowed funds liability	1,402,518	-	1,744	1,404,262
Total liabilities	<u>19,738,775</u>	<u>2,932,205</u>	<u>1,881,458</u>	<u>24,552,438</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Inventory	2,232,695	-	-	2,232,695
Prepaid items	19,164	-	-	19,164
Restricted				
Capital Projects	-	-	5,847,704	5,847,704
Debt Service	-	-	126,125	126,125
Grants	-	-	5,894,771	5,894,771
Law Enforcement	-	-	750,303	750,303
Road and Bridge Construction	-	-	268,386	268,386
Road and Bridge Repair	-	-	2,301,816	2,301,816
Committed				
Flood Management	-	-	84,012	84,012
Tax Increment Program	-	-	11,645,923	11,645,923
Assigned				
Athletic Fund	60,817	-	-	60,817
Capital Improvements Fund	-	58,617,483	-	58,617,483
Designated and Donated Funds	1,159,818	-	-	1,159,818
Economic Development	-	-	29,654	29,654
General Fund Encumbrances	1,276,727	-	-	1,276,727
Municipal Court	-	-	1,435,698	1,435,698
Unassigned	23,909,739	-	-	23,909,739
Total fund balances (deficits)	<u>\$ 28,658,960</u>	<u>\$ 58,617,483</u>	<u>\$ 28,384,392</u>	<u>\$ 115,660,835</u>
Total liabilities and fund balances (deficits)	<u>\$ 48,397,735</u>	<u>\$ 61,549,688</u>	<u>\$ 30,265,850</u>	<u>\$ 140,213,273</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Reconciliation of Balance Sheet**  
**To the Statement of Net Position**  
**September 30, 2017**

Fund balances of governmental funds		\$115,660,835
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>		
Governmental capital assets	941,724,805	
Less accumulated depreciation	<u>(289,562,690)</u>	652,162,115
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Bonds and warrants payable	(243,512,416)	
Notes payable	(2,010,000)	
Deferred amount on refunding	<u>5,373,413</u>	(240,149,003)
<p>Other long-term items not reported in governmental funds:</p>		
Accrued interest payable	(1,298,830)	
Pension employer contribution payable	(11,561,589)	
Compensated absences	(15,957,184)	
Insurance claims payable	(14,957,512)	
Landfill postclosure liability	(621,801)	
Net pension liability	(156,231,494)	
OPEB liability	(205,939,000)	
Deferred pension inflows	(3,527,439)	
Deferred pension outflows	41,372,561	
Note Receivable	<u>505,000</u>	(368,217,288)
<p>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.</p>		
		<u>34,425,900</u>
Net position of governmental activities		<u><u>\$193,882,559</u></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, 2017**

	General Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 178,363,373	\$ 44,988,033	\$ 8,722,438	\$ 232,073,844
Licenses and permits	36,236,283	3,272,683	-	39,508,966
Intergovernmental	49,639	-	-	49,639
Charges for services	6,364,939	96,137	10,000	6,471,076
Fines and forfeitures	1,642,424	-	1,371,341	3,013,765
State and federal assistance	78,006	-	9,341,664	9,419,670
Investment income	199,261	-	4,830	204,091
Other revenue	358,586	2,626,878	9,149	2,994,613
Total revenues	<u>223,292,511</u>	<u>50,983,731</u>	<u>19,459,422</u>	<u>293,735,664</u>
<b>EXPENDITURES</b>				
Current:				
General government	13,847,901	-	3,113,835	16,961,736
Culture and recreation	13,650,736	-	-	13,650,736
Economic development	961,702	-	-	961,702
Engineering, development & build	12,783,185	-	2,399,600	15,182,785
Finance	5,315,082	-	-	5,315,082
Public safety	91,099,206	-	3,108,630	94,207,836
Public works	26,986,999	-	2,809,293	29,796,292
Non-departmental	46,774,160	-	-	46,774,160
Debt service:				
Administrative charges	-	27,390	5,395	32,785
Bond issuance costs	-	-	623,165	623,165
Interest	10,992	6,637	10,535,704	10,553,333
Principal retirement	80,000	244,611	16,304,854	16,629,465
Interest Reimbursement	-	(248,168)	-	(248,168)
Capital outlay:				
Capital outlay	-	42,967,361	1,005,488	43,972,849
Total expenditures	<u>211,509,963</u>	<u>42,997,831</u>	<u>39,905,964</u>	<u>294,413,758</u>
Excess (deficiency) of revenues over expenditures	<u>11,782,548</u>	<u>7,985,900</u>	<u>(20,446,542)</u>	<u>(678,094)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	1,476	403,519	28,759	433,754
Refunding debt issued	-	-	86,775,000	86,775,000
Payment to refunding bond escrow agent	-	-	(95,724,264)	(95,724,264)
Premium (discount) on debt issued	-	-	9,572,429	9,572,429
Transfers in	4,074,570	13,726,840	29,186,017	46,987,427
Transfers out	<u>(21,890,961)</u>	<u>(22,839,711)</u>	<u>(7,531,293)</u>	<u>(52,261,965)</u>
Total other financing sources (uses)	<u>(17,814,915)</u>	<u>(8,709,352)</u>	<u>22,306,648</u>	<u>(4,217,619)</u>
Net change in fund balances	(6,032,367)	(723,452)	1,860,106	(4,895,713)
Fund balances - beginning	34,691,327	59,340,935	26,524,286	120,556,548
Fund balances - ending	<u>\$ 28,658,960</u>	<u>\$ 58,617,483</u>	<u>\$ 28,384,392</u>	<u>\$ 115,660,835</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances to the Statement of Activities**  
**For the Year Ended September 30, 2017**

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Net change in fund balances - total governmental funds (\$4,895,713)

Amounts reported for governmental activities in the statement of net position 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 useful lives.

Expenditures for capital assets	34,242,137	
Less depreciation expense	(18,718,910)	
Contributions of capital assets are not reported as income in governmental funds	159,843	
Capital assets transferred from (to) business-type activities	(6,348,593)	
Gain (loss) on disposal of capital assets	<u>(101,296)</u>	9,233,181

Proceeds from debt obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments - bonds and warrants payable	15,899,967	
Principal payments - notes payable	485,000	
Principal payments - capital lease obligations	244,611	
Amortization of deferred amount on refunding	(979,790)	
Amortization of current year bond premium	865,098	
Amortization of current year bond discount	(18,282)	
Capital-related debt issued	(86,775,000)	
Premium on bonds issued	(9,572,429)	
Payment to refunding bond escrow agent	<u>95,724,265</u>	15,873,440

Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in the governmental funds.

Change in long-term compensated absences	(3,123,400)	
Change in long-term insurance claims	(511,048)	
Change in landfill post-closure liability	49,873	
Change in accrued interest	140,487	
Change in pension contribution payable	(211,078)	
Change in net pension liability	9,355,288	
Change in OPEB liability	(4,874,000)	
Change in deferred pension inflows	(1,790,267)	
Change in deferred pension outflows	(410,144)	
Change in long-term notes receivable	<u>(80,000)</u>	(1,454,289)

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.

9,996,589

Change in net position of governmental activities \$28,753,208

See Accompanying Notes to the Financial Statements



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.

- Civic Center
- Convention Center
- WAVE Transit
- Parking Garage
- Cruise Terminal
- Emergency Medical Services

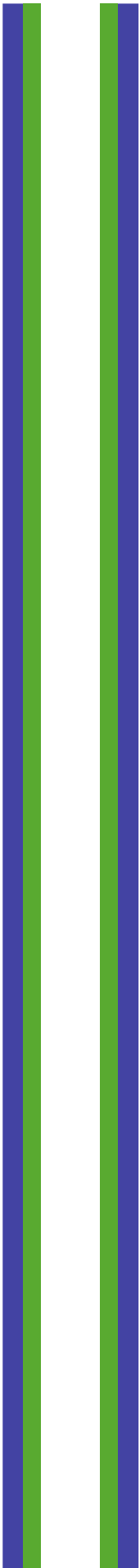
Mobile Convention Center  
*Photo by Tad Denson*



WAVE Transit System

Mobile Civic Center







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**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2017**

	Business-type Activities			
	Civic Center	Cruise Terminal	Wave Transit System	Convention Center
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 628,263	\$ 3,434,973	\$ 107,998	\$ 9,391,055
Receivables (net)	138,491	500	49,306	918,311
Due from other funds	-	-	368,903	-
Inventory	33,456	-	186,009	61,316
Prepaid expenses	1,906	-	312,612	17,082
Total current assets	<u>802,116</u>	<u>3,435,473</u>	<u>1,024,828</u>	<u>10,387,764</u>
Noncurrent assets:				
Non-depreciable capital assets	224,350	-	2,335,015	5,280,657
Depreciable capital assets, net	5,693,081	15,741,236	13,489,447	33,339,646
Total noncurrent assets	<u>5,917,431</u>	<u>15,741,236</u>	<u>15,824,462</u>	<u>38,620,303</u>
Total assets	<u>6,719,547</u>	<u>19,176,709</u>	<u>16,849,290</u>	<u>49,008,067</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	-	-	1,280,452	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>1,280,452</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 6,719,547</u>	<u>\$ 19,176,709</u>	<u>\$ 18,129,742</u>	<u>\$ 49,008,067</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	300,793	231,432	421,434	327,323
Pension employer contributions payable	-	-	182,063	-
Unearned revenue	459,487	500	-	87,640
Due to other funds	-	-	1,344,929	-
Compensated absences - terminated employees	-	-	100,663	-
Insurance claims payable	-	-	-	-
Total current liabilities	<u>760,280</u>	<u>231,932</u>	<u>2,049,089</u>	<u>414,963</u>
Noncurrent liabilities:				
Compensated absences - terminated employees	-	-	414,780	-
Self-insured legal liability	-	-	-	-
Net pension liability	-	-	4,107,413	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,522,193</u>	<u>-</u>
Total liabilities	<u>760,280</u>	<u>231,932</u>	<u>6,571,282</u>	<u>414,963</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	-	-	-	-
Deferred pension inflows	-	-	1,070,929	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,070,929</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>760,280</u>	<u>231,932</u>	<u>7,642,211</u>	<u>414,963</u>
<b>NET POSITION</b>				
Net investment in capital assets	5,917,431	15,741,236	15,824,462	38,620,304
Unrestricted	39,930	3,203,541	(5,336,931)	9,972,800
Total net position	<u>\$ 5,957,361</u>	<u>\$ 18,944,777</u>	<u>\$ 10,487,531</u>	<u>\$ 48,593,104</u>

See Accompanying Notes to the Financial Statements

Business-type Activities				Governmental
Parking Garage	Emergency Medical Services	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 586,053	\$ -	\$ 1,537,309	\$ 15,685,651	\$ 9,377,366
235,000	2,098,082	17,011	3,456,701	301,103
-	-	-	368,903	-
-	-	219,722	500,503	-
-	-	7,828	339,428	-
<u>821,053</u>	<u>2,098,082</u>	<u>1,781,870</u>	<u>20,351,186</u>	<u>9,678,469</u>
1,895,790	-	1,457,640	11,193,452	-
3,007,852	144,995	4,262,688	75,678,945	29,237,352
<u>4,903,642</u>	<u>144,995</u>	<u>5,720,328</u>	<u>86,872,397</u>	<u>29,237,352</u>
<u>5,724,695</u>	<u>2,243,077</u>	<u>7,502,198</u>	<u>107,223,583</u>	<u>38,915,821</u>
-	2,552,144	-	3,832,596	-
-	2,552,144	-	3,832,596	-
<u>\$ 5,724,695</u>	<u>\$ 4,795,221</u>	<u>\$ 7,502,198</u>	<u>\$ 111,056,179</u>	<u>\$ 38,915,821</u>
-	833,968	313,858	2,428,808	826,821
-	-	-	182,063	-
-	893	586,742	1,135,262	-
-	-	-	1,344,929	-
-	-	-	100,663	-
-	-	-	-	2,021,600
<u>-</u>	<u>834,861</u>	<u>900,600</u>	<u>5,191,725</u>	<u>2,848,421</u>
-	-	-	414,780	-
-	-	-	-	1,641,500
-	7,991,797	-	12,099,210	-
<u>-</u>	<u>7,991,797</u>	<u>-</u>	<u>12,513,990</u>	<u>1,641,500</u>
<u>-</u>	<u>8,826,658</u>	<u>900,600</u>	<u>17,705,715</u>	<u>4,489,921</u>
3,660,714	-	-	3,660,714	-
-	198,729	-	1,269,658	-
<u>3,660,714</u>	<u>198,729</u>	<u>-</u>	<u>4,930,372</u>	<u>-</u>
<u>3,660,714</u>	<u>9,025,387</u>	<u>900,600</u>	<u>22,636,087</u>	<u>4,489,921</u>
4,903,642	144,995	5,720,328	86,872,398	29,237,352
(2,839,661)	(4,375,161)	881,270	1,545,788	5,188,548
<u>\$ 2,063,981</u>	<u>\$ (4,230,166)</u>	<u>\$ 6,601,598</u>	<u>\$ 88,418,186</u>	<u>\$ 34,425,900</u>

**CITY OF MOBILE, ALABAMA**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2017**

	Business-type Activities			
	Civic Center	Cruise Terminal	Wave Transit System	Convention Center
<b>OPERATING REVENUES</b>				
Charges for services	\$ 739,194	\$ 2,580,489	\$ 837,693	\$ 908,657
Internal charges	-	-	-	-
Employee contributions	-	-	-	-
Facility rent	427,775	16,235	-	459,207
Sales revenue	-	-	-	-
Parking fees	296,501	2,703,473	-	109,665
Concessions	234,998	-	-	770,359
Other revenue	192,730	11,918	177,327	70,181
Total operating revenues	<u>1,891,198</u>	<u>5,312,115</u>	<u>1,015,020</u>	<u>2,318,069</u>
<b>OPERATING EXPENSES</b>				
Personnel services	1,913,026	526,413	7,054,496	2,797,273
Commodities	65,284	29,449	1,632,415	123,757
Utilities	656,202	252,914	155,590	490,758
Professional and technical	302,256	545,600	486,313	3,008,261
Maintenance and repairs	10,485	102,969	-	103,905
Printing and reproduction	2,498	8,539	-	1,415
Insurance payments	99,822	82,229	664,969	345,843
Event expenses	38,182	-	-	75,788
Cost of goods sold	-	-	-	-
Increase (decrease) in provision for self-insurance loss	-	-	-	-
Other charges	80,810	655,224	250,525	168,533
Contractual allowance	-	-	-	-
Bad debt	-	-	-	-
Depreciation	370,696	406,861	1,401,118	1,318,317
Total operating expenses	<u>3,539,261</u>	<u>2,610,198</u>	<u>11,645,426</u>	<u>8,433,850</u>
Operating income (loss)	<u>(1,648,063)</u>	<u>2,701,917</u>	<u>(10,630,406)</u>	<u>(6,115,781)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Taxes	-	-	-	11,777,973
State and federal assistance	-	-	1,937,095	-
Investment income	-	-	-	-
Interest and fee payments	-	-	-	-
Damaged vehicles reimbursement	-	-	-	-
Gain (loss) from disposal of assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>1,937,095</u>	<u>11,777,973</u>
Income (loss) before contributions and transfers	<u>(1,648,063)</u>	<u>2,701,917</u>	<u>(8,693,311)</u>	<u>5,662,192</u>
Transfers in	1,386,086	115,819	7,398,406	-
Transfers out	-	-	(1,279,929)	(7,514,451)
Capital grants and contributions	-	-	270,091	-
Change in net position	<u>(261,977)</u>	<u>2,817,736</u>	<u>(2,304,743)</u>	<u>(1,852,259)</u>
Total net position - beginning	<u>6,219,338</u>	<u>16,127,041</u>	<u>12,792,274</u>	<u>50,445,363</u>
Total net position - ending	<u>\$ 5,957,361</u>	<u>\$ 18,944,777</u>	<u>\$ 10,487,531</u>	<u>\$ 48,593,104</u>

See Accompanying Notes to the Financial Statements

Business-type Activities				Governmental Activities
Parking Garage	Emergency Medical Services	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ -	\$ 9,648,227	\$ 1,674,064	\$ 16,388,324	\$ 1,244,471
-	-	-	-	28,235,989
-	-	-	-	6,223,558
390,964	-	247,010	1,541,191	-
-	-	147,715	147,715	-
-	-	-	3,109,639	-
-	-	81,543	1,086,900	-
-	6,105	86,047	544,308	-
<u>390,964</u>	<u>9,654,332</u>	<u>2,236,379</u>	<u>22,818,077</u>	<u>35,704,018</u>
-	3,920,022	1,805,235	18,016,465	151,950
-	578,870	261,150	2,690,925	2,402,702
-	53,509	328,424	1,937,397	40,312
-	254,457	272,591	4,869,478	1,955,194
-	141,431	16,669	375,459	-
-	8,280	2,378	23,110	3,151
-	-	77,235	1,270,098	25,235,832
-	-	-	113,970	-
-	-	94,768	94,768	-
-	-	-	-	(413,846)
32,474	190,281	210,729	1,588,576	1,158,724
-	2,480,515	-	2,480,515	-
-	3,477,590	-	3,477,590	-
<u>201,644</u>	<u>16,836</u>	<u>335,348</u>	<u>4,050,820</u>	<u>5,273,633</u>
<u>234,118</u>	<u>11,121,791</u>	<u>3,404,527</u>	<u>40,989,171</u>	<u>35,807,652</u>
<u>156,846</u>	<u>(1,467,459)</u>	<u>(1,168,148)</u>	<u>(18,171,094)</u>	<u>(103,634)</u>
-	-	-	11,777,973	-
-	-	-	1,937,095	-
1,936	-	-	1,936	-
-	-	-	-	(3,340)
-	-	-	-	145,750
-	-	28,403	28,403	220,668
<u>1,936</u>	<u>-</u>	<u>28,403</u>	<u>13,745,407</u>	<u>363,078</u>
158,782	(1,467,459)	(1,139,745)	(4,425,687)	259,444
-	2,037,478	942,580	11,880,369	3,388,552
(1,200,000)	-	-	(9,994,380)	-
-	-	-	270,091	6,348,593
<u>(1,041,218)</u>	<u>570,019</u>	<u>(197,165)</u>	<u>(2,269,607)</u>	<u>9,996,589</u>
<u>3,105,199</u>	<u>(4,800,185)</u>	<u>6,798,763</u>	<u>90,687,793</u>	<u>24,429,311</u>
<u>\$ 2,063,981</u>	<u>\$ (4,230,166)</u>	<u>\$ 6,601,598</u>	<u>\$ 88,418,186</u>	<u>\$ 34,425,900</u>

**CITY OF MOBILE, ALABAMA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2017**

	Business-type Activities			
	Civic Center	Cruise Terminal	Wave Transit System	Convention Center
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 736,062	\$ 2,580,489	\$ 1,029,478	\$ 842,875
Cash received from sales revenue	-	-	-	-
Cash received from internal billings	-	-	-	-
Cash received from employee contributions	-	-	-	-
Cash received from facility rent	354,368	16,235	-	668,738
Cash received from parking fees	296,501	2,703,473	-	109,665
Cash received from concessions	234,998	-	-	770,359
Cash received from miscellaneous	382,233	11,918	-	136,926
Cash payments for operating expenses	(1,281,968)	(1,477,342)	(3,157,456)	(4,349,334)
Cash payments for insurance claims	-	-	-	-
Cash payments for internal services	(22,629)	(23,734)	-	(12,881)
Cash payments to employees for services	(1,913,026)	(492,185)	(6,438,225)	(2,797,273)
Net cash provided (used) by operating activities	<u>(1,213,461)</u>	<u>3,318,854</u>	<u>(8,566,203)</u>	<u>(4,630,925)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes	-	-	-	11,883,432
Non-capital grants and contributions	-	-	1,937,095	-
Transfers in from other funds	1,386,086	115,819	7,313,413	-
Transfers out to other funds	-	-	(657,059)	(7,514,451)
Net cash provided (used) by noncapital financing activities	<u>1,386,086</u>	<u>115,819</u>	<u>8,593,449</u>	<u>4,368,981</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interest payments	-	-	-	-
Acquisition of capital assets	-	-	(337,614)	(131,045)
Proceeds from sale of capital assets	-	-	-	-
Reimbursement for damaged vehicles	-	-	-	-
Payments on capital leases	-	-	-	-
Capital grants and contributions	-	-	337,614	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(131,045)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	-	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	172,625	3,434,673	27,246	(392,989)
Balances - beginning of year	455,638	300	80,752	9,784,044
Balances - end of the year	<u>\$ 628,263</u>	<u>\$ 3,434,973</u>	<u>\$ 107,998</u>	<u>\$ 9,391,055</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income	\$ (1,648,063)	\$ 2,701,917	\$ (10,630,406)	\$ (6,115,781)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	370,696	406,861	1,401,118	1,318,317
Non-cash items included in operating income	-	-	396,205	-
Changes in assets and liabilities:				
Accounts Payable - Supplier	(52,549)	199,582	34,647	(41,802)
Accounts Receivable	(73,407)	-	14,458	229,167
Self-insurance liability	-	-	-	-
Insurance claims payable	-	-	-	-
Compensated absences	-	-	43,518	-
Inventory and prepaid expenses	359	-	(2,292)	(3,208)
Salaries & Benefits Payable	-	10,494	19,486	-
Pension Contribution Payable	-	-	157,063	-
Advance collections	189,503	-	-	(17,618)
Net cash provided (used) by operating activities	<u>\$ (1,213,461)</u>	<u>\$ 3,318,854</u>	<u>\$ (8,566,203)</u>	<u>\$ (4,630,925)</u>

See Accompanying Notes to the Financial Statements



Business-type Activities				Governmental
Parking Garage	Emergency Medical Services	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ -	\$ 3,761,489	\$ 1,685,245	\$ 10,635,638	\$ 1,267,635
-	-	133,534	133,534	-
-	-	-	-	28,235,989
-	-	-	-	6,223,558
288,923	-	244,643	1,572,907	-
-	-	-	3,109,639	-
-	-	81,543	1,086,900	-
-	-	150,607	681,684	-
(32,474)	(1,083,221)	(1,235,303)	(12,617,098)	(5,985,531)
-	-	-	-	(25,256,674)
-	(630,028)	(174,929)	(864,201)	-
-	(4,303,944)	(1,642,963)	(17,587,616)	(150,970)
<u>256,449</u>	<u>(2,255,704)</u>	<u>(757,623)</u>	<u>(13,848,613)</u>	<u>4,334,007</u>
-	-	-	11,883,432	-
-	-	-	1,937,095	-
-	2,037,478	942,580	11,795,376	3,388,552
(1,200,000)	-	-	(9,371,510)	-
<u>(1,200,000)</u>	<u>2,037,478</u>	<u>942,580</u>	<u>16,244,393</u>	<u>3,388,552</u>
-	-	-	-	(3,340)
-	(78,588)	(150,802)	(698,049)	(3,276,939)
-	-	32,941	32,941	873,365
-	-	-	-	145,750
-	-	-	-	(247,908)
-	-	-	337,614	-
-	(78,588)	(117,861)	(327,494)	(2,509,072)
1,936	-	-	1,936	-
1,936	-	-	1,936	-
(941,615)	(296,814)	67,096	2,070,222	5,213,487
1,527,668	296,814	1,470,213	13,615,429	4,163,879
<u>\$ 586,053</u>	<u>\$ -</u>	<u>\$ 1,537,309</u>	<u>\$ 15,685,651</u>	<u>\$ 9,377,366</u>
\$ 156,846	\$ (1,467,459)	\$ (1,168,148)	\$ (18,171,094)	\$ (103,634)
201,644	16,836	335,348	4,050,820	5,273,633
-	(833,958)	-	(437,753)	-
-	(9,419)	77,334	207,793	(284,472)
-	64,534	(5,367)	229,385	23,163
-	-	-	-	(450,200)
-	-	-	-	(125,463)
-	-	-	43,518	-
-	-	(54,803)	(59,944)	-
-	(26,966)	(3,522)	(508)	980
-	-	-	157,063	-
(102,041)	728	61,535	132,107	-
<u>\$ 256,449</u>	<u>\$ (2,255,704)</u>	<u>\$ (757,623)</u>	<u>\$ (13,848,613)</u>	<u>\$ 4,334,007</u>



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Mobile Public Library

The Public Park and Recreation Board (Ladd-Peebles Stadium)

Solid Waste Disposal Authority



Senior Bowl 2018, Ladd-Peebles Stadium



**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**Component Units**  
**September 30, 2017**

	Solid Waste Disposal Authority	Mobile Public Library	Public Park & Recreation Board	Total
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ -	\$ 3,534,351	\$ 297,586	\$ 3,831,937
Receivables (net)	-	63,492	256,871	320,363
Inventory & prepaid expenses	-	-	28,870	28,870
Total current assets	<u>-</u>	<u>3,597,843</u>	<u>583,327</u>	<u>4,181,170</u>
Noncurrent assets:				
Land	248,225	-	-	248,225
Vehicular	-	209,099	-	209,099
Other equipment	-	3,673,736	1,862,553	5,536,289
Accumulated depreciation	-	(3,441,415)	(1,385,040)	(4,826,455)
Total noncurrent assets	<u>248,225</u>	<u>441,420</u>	<u>477,513</u>	<u>1,167,158</u>
Total assets	<u>248,225</u>	<u>4,039,263</u>	<u>1,060,840</u>	<u>5,348,328</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	-	870,127	17,078	887,205
Total deferred outflows of resources	<u>-</u>	<u>870,127</u>	<u>17,078</u>	<u>887,205</u>
Total assets and deferred outflows of resources	<u>248,225</u>	<u>4,909,390</u>	<u>1,077,918</u>	<u>6,235,533</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	-	384,740	17,089	401,829
Unearned revenue	-	-	188,227	188,227
Compensated absences, current portion	-	46,873	-	46,873
Total current liabilities	<u>-</u>	<u>431,613</u>	<u>205,316</u>	<u>636,929</u>
Noncurrent liabilities:				
Compensated absences, long-term portion	-	608,482	-	608,482
Self-insured liability - legal, long-term portion	-	-	-	-
Net pension liability	-	5,411,225	19,541	5,430,766
Total noncurrent liabilities	<u>-</u>	<u>6,019,707</u>	<u>19,541</u>	<u>6,039,248</u>
Total liabilities	<u>-</u>	<u>6,451,320</u>	<u>224,857</u>	<u>6,676,177</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflows	-	451,285	34,721	486,006
Total deferred inflows of resources	<u>-</u>	<u>451,285</u>	<u>34,721</u>	<u>486,006</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>6,902,605</u>	<u>259,578</u>	<u>7,162,183</u>
<b>NET POSITION</b>				
Net investment in capital assets	248,225	441,420	477,513	1,167,158
Restricted for:				
Unrestricted	-	(2,434,635)	340,827	(2,093,808)
Total net position	<u>\$ 248,225</u>	<u>\$ (1,993,215)</u>	<u>\$ 818,340</u>	<u>\$ (926,650)</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Statement of Activities**  
**Component Units**  
**For the Year Ended September 30, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Mobile Public Library				
Culture and recreation	\$ 9,518,429	\$ 581,210	\$ 145,864	\$ 3,707
Total Mobile Public Library	<u>9,518,429</u>	<u>581,210</u>	<u>145,864</u>	<u>3,707</u>
Public Park and Recreation Board				
Culture and recreation	1,142,799	1,046,593	-	-
Total Public Park and Recreation Board	<u>1,142,799</u>	<u>1,046,593</u>	<u>-</u>	<u>-</u>
Solid Waste Disposal Authority				
Public works	1,966,327	-	2,123,583	-
Total Solid Waste Disposal Authority	<u>1,966,327</u>	<u>-</u>	<u>2,123,583</u>	<u>-</u>
Total component units:	<u>\$ 12,627,555</u>	<u>\$ 1,627,803</u>	<u>\$ 2,269,447</u>	<u>\$ 3,707</u>

General revenues:

- Grants and contributions not restricted to specific programs
- Investment earnings
- Payments from local governments
- Other
- Total general revenues and transfers
- Change in net position
- Net position - beginning
- Net position - ending

See Accompanying Notes to the Financial Statements

Net (Expense) Revenue and Changes in Net Position

<u>Solid Waste Disposal Authority</u>	<u>Mobile Public Library</u>	<u>Public Park and Recreation Board</u>	<u>Total</u>
\$ -	\$ (8,787,648)	\$ -	\$ (8,787,648)
-	(8,787,648)	-	(8,787,648)
-	-	(96,206)	(96,206)
-	-	(96,206)	(96,206)
157,256	-	-	157,256
157,256	-	-	157,256
157,256	(8,787,648)	(96,206)	(8,726,598)
-	328,278	-	328,278
-	94,081	2,010	96,091
-	8,506,899	200,000	8,706,899
6,034,045	-	-	6,034,045
6,034,045	8,929,258	202,010	15,165,313
6,191,301	141,610	105,804	6,438,715
(5,943,076)	(2,134,825)	712,536	(7,365,365)
\$ 248,225	\$ (1,993,215)	\$ 818,340	\$ (926,650)

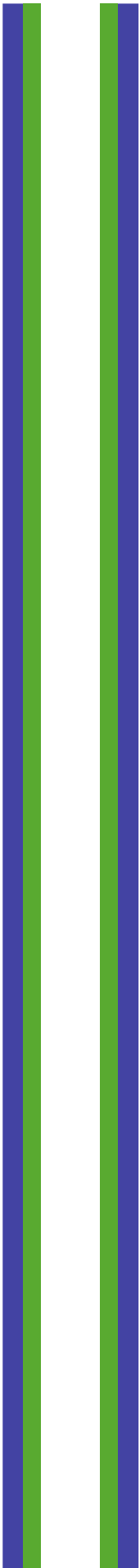


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USS Alabama Battleship Memorial Park  
*Photo courtesy Battleship Memorial Park*



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2017**

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**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**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, 2017**

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.

**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.
- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- 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.
- 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.
- 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.
- 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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

- 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.
- 2008B 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.
- 2012 General Obligation Private Placement Capital Improvements - This fund is used to purchase police, fire and public service equipment.
- 2016C General Obligation Taxable Warrants – This fund is used to refund the 2008C Taxable General Obligation Warrants with stated maturities, or subject to mandatory redemption, in 2019 and thereafter.
- 2017A General Obligation Warrants – This fund is used in coordination with 2017B General Obligation Warrants Fund to refund the 2002 Limited Obligation Warrants, 2008 General Obligation Warrants, and the 2008B General Obligation Warrants.
- 2017B General Obligation Warrants – This fund is used in coordination with 2017A General Obligation Warrants Fund to refund the 2002 Limited Obligation Warrants, 2008 General Obligation Warrants, and the 2008B General Obligation Warrants.

**Debt Service Funds** - These funds are nonmajor 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:

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

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

- 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 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 the debt outstanding on both 2008B and 2008C General Obligation Refunding and Capital Improvement Warrants.
- 2009A General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the 2009A General Obligation Refunding Warrants.
- 2009B General Obligation BAB Capital Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Build America Warrants Series 2009B (Taxable).
- 2009C General Obligation ARRA Capital Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Recovery Zone Economic Development Warrants Series 2009C (Taxable).
- 2010 Small Issue General Obligation 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.
- 2016 General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the General Obligation Refunding Warrants, Series 2016.
- 2016C General Obligation Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Taxable Warrants, Series 2016C.
- 2017A General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017A.
- 2017B General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017B.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**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 nonmajor governmental funds. Special Revenue Funds used by the City are as follows:

- 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.
- 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 Escrow - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning.
- Drug Enforcement Fund - This fund is used to account for federal, state, and local equitable sharing funds which are required to be segregated and used for a law enforcement purpose.
- Court Referral Officers Program Fund - This fund is used to account for activities funded by state grants and user fees related to the Court Referral Officers Program.
- Municipal Court Judicial Administration Fund - This fund is used to account for activities funded by dedicated revenues established by State statute which are required to be used for the judicial administration of the Municipal Court.
- General Activities Grants - This fund is used to account for activities funded by federal, state, local, and private grants received which are not related to public safety or received from the U.S. Department of Housing and Urban Development.
- Public Safety Grants - This fund is used to account for public safety related activities funded by federal, state, local, and private grants.
- Housing and Urban Development Grants - This fund is used to account for activities funded by grants from the U.S. Department of Housing and Urban Development.



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**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 for proprietary operations generally result from producing or providing goods and services. Operating expenses for these operations include all costs related to providing the service or product. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The City's proprietary funds are as follows:

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

- Mobile Civic Center - This major enterprise fund is used to account for the operations of the Mobile Civic Center which include activities such as sporting events, social events, musical performances, and theatrical performances.
- 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.
- WAVE Transit - This major enterprise fund is used to account for the operations of the City's public transportation system which derives most of its income from passenger fare revenues and various government subsidies.
- 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.
- 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.
- Emergency Medical Services (Firemedics) - This major enterprise fund is used to account for the operations of the firemedics division which provides ambulance services to the general public.
- 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.
- Mobile Tennis Center - This fund is used to account for the operations of the Tennis Center which derives most of its income from tennis court rentals.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

- 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.
- Neighborhood Renewal Program - This fund is used to account for the operations of the Neighborhood Renewal Program which derives most 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.
- Employee Health Fund - This fund is used to account for assets held in trust by the City for the payment of health insurance claims.
- Liability Insurance Fund - This fund is used to account for automobile and general liability claims and expenses paid for other departments of the City.

**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.

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

**Government-wide Financial Statements**

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

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**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 (non-exchange transactions) are recognized when all eligibility requirements have been met and the resources are available. In regards to grant funding, available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

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 received.

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

Proprietary Funds

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

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

- Prior to August 20, the Mayor submits to the City Council a proposed current revenue and expenditure budget for the general operations of the City government for the fiscal year beginning October 1, which constitutes the General Fund Budget, a Capital Budget and a budget message. However, a legally adopted budget is only required for the General Fund. By law, expenditures may not exceed revenues and surplus available, if any.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

- 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** - Unearned revenue primarily consists of advanced payments from expenditure-driven grants and advanced sales of tickets for events which have not yet occurred.

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded 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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

**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 reported at acquisition value. The City capitalizes assets with a unit cost of \$5,000 or more as purchase and construction outlays occur.

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

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

Depreciation is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' useful lives using the straight-line method of depreciation.

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

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

The current portion of this debt is estimated based on historical trends. In the enterprise funds, the compensated absences liability is presented in the balance sheet, and is classified as current and non-current. In the governmental fund financial statements, amounts that would normally be paid with expendable available financial resources once the liability has matured, for example those resulting from 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.

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**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."

When an expenditure qualifies to be used from more than one equity classification identified above, it is the City's policy to use restricted resources and before unrestricted resources.

Fund Financial Statements

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

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

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

- Non-spendable Fund Balance - Inventory, prepaid expenditures and other similar assets not in a spendable form that are contractually required to be maintained intact are classified as non-spendable fund balance.
- Restricted Fund Balance - Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - Amounts formally designated by City Council through equally binding ordinances or resolutions for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

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- 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. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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.

**Pensions** - Refer to Note 10 for additional information on Pensions.

Employees' Retirement System of Alabama (ERSA) financial statements are prepared using the economic resources measurement focus and accrual basis of accounting. Contributions are recognized as revenues when earned, pursuant to the plan requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recognized when the corresponding liability is incurred, regardless of when the payment is made. Investments are reported at fair value. Financial statements are prepared in accordance with requirements of the Governmental Accounting Standards Board (GASB). Under these requirements, the plan is considered a component unit of the State of Alabama and is included in the State's Comprehensive Annual Financial Report.

Police and Firefighters Retirement Plan financial statements are prepared on the accrual basis of accounting. Plan member contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are stated at fair value as provided by the Custodian, Wells Fargo Bank.



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Transit Workers Pension Plan financial statements are prepared on the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Plan's investments are stated at fair value. When available, fair value is determined by quoted market price. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. The Plan's assets are held in trust by Regions Morgan Keegan Trust.

**Adoption of new GASB pronouncements**

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

Issued June 2015, this Statement completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. This Statement is effective for fiscal years beginning after June 15, 2015 (except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016).

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans

Issued June 2015, this Statement addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 77, Tax Abatement Disclosures

Issued August 2015, this Statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. This Statement is effective for fiscal years beginning after December 15, 2015.

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GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

Issued December 2015, this Statement amends the scope and applicability of GASB 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that: (1) is not a state or local governmental pension plan; (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers; and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No. 80, *Blending Requirements for Certain Component Units*

Issued January 2016, this Statement clarifies the display requirements in GASB Statement No. 14, The Financial Reporting Entity, by requiring these component units to be blended into the primary state or local government's financial statements in a manner similar to a department or activity of the primary government. The guidance addresses diversity in practice regarding the presentation of not-for-profit corporations in which the primary government is the sole corporate member. This Statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, & No. 73*

Issued March 2016, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

**Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2017:**

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

Issued June 2015, this Statement requires, among other things, that governments to report a liability on the face of the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities. This Statement is effective for fiscal years beginning after June 15, 2017 (Fiscal Year Ending September 30, 2018).

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GASB Statement No. 81, *Irrevocable Split-Interest Agreements*

Issued March 2016, the objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively (Fiscal Year Ending September 30, 2018).

GASB Statement No. 83, *Certain Asset Retirement Obligations*

Issued November 2016, this Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018 (Fiscal Year Ending September 30, 2019).

GASB Statement No. 84, *Fiduciary Activities*

Issued January 2017, this Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (Fiscal Year Ending September 30, 2020).

GASB Statement No. 85, *Omnibus 2017*

Issued March 2017, this Statement address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017 (Fiscal Year Ending September 30, 2018).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*

Issued May 2017, this Statement is intended to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017 (Fiscal Year Ending September 30, 2018).

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GASB Statement No. 87, Leases

Issued June 2017, this Statement is intended to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (Fiscal Year Ending September 30, 2021).

The City of Mobile will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The City is currently evaluating the financial impact, if any, the above listed new GASB pronouncements will have on or in issuing its financial statements.

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY**

**Organization**

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

**Reporting Entity**

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

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

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Discretely Presented Component Units

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

Mobile Public Library  
700 Government Street  
Mobile, AL 36602

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

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

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

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

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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 five board members are appointed by the Council of the City of Mobile. BWSC can 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 can issue its own debt. Its operations are financed through aviation revenues and monies received from the Federal government.

Joint Ventures

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

- **Mobile Board of Health** - The Mayor and the Council of the City of Mobile do not appoint the board members for the Mobile Board of Health. The City is legally required to contribute financial support to the Board of Health on an annual basis. The City contributed \$600,000 to the Mobile Board of Health during the fiscal year ended September 30, 2017. 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.

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- **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 \$503,703 to Mobile Emergency Management during the fiscal year ended September 30, 2017. Mobile Emergency Management receives contributions from other municipalities included within Mobile County as well as State and Federal financial assistance. The City has no equity interest in Mobile Emergency Management. Complete financial statements for Mobile Emergency Management may be obtained from their administrative office at 348 North McGregor Avenue, Mobile, Alabama 36618.
- **Mobile Personnel Board** - The five board members are appointed by a supervisory committee. The supervisory committee consists of the mayors for all cities in Mobile County, the County Sheriff, the County License Commissioner, the County Revenue Commissioner and various county judges. The City is legally required to contribute financial support to the Personnel Board on an annual basis. The City contributed \$1,436,331 to the Mobile Personnel Board during the fiscal year ended September 30, 2017. 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, 2017, the City contributed \$3,090,318 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.

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The City's primary government deposits and City's restricted cash were fully insured or collateralized at September 30, 2017. At year-end, the carrying amount of the City's deposits was \$132,095,573 and the bank balance was \$132,168,529. Of the total bank balance, \$3,441,050 was covered by Federal Depository Insurance and \$128,727,479 was covered under the SAFE program.

**Investments**

The City is restricted by State statute to investments in U.S. Government Treasury and Agency securities, certificates of deposit and money market accounts, repurchase agreements and reverse repurchase agreements, banker's acceptances and commercial paper. In each case, all funds must be fully insured or collateralized by the pledge of securities. Securities allowed as collateral include U.S. Government Treasury and Agency securities, State of Alabama Obligations and City of Mobile Obligations. As of September 30, 2017, the City had the following investments:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Maturity (Years)</b>
Money market funds	\$ 47,706,106	0.0027
Sweep accounts	-	-
Certificates of deposit	-	-
	<u>\$ 47,706,106</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, 2017, 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. Except for 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.



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**NOTE 4 - RECEIVABLES**

Receivables at September 30, 2017, consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
<b>Receivables</b>			
Taxes	\$ 19,161,628	\$ 845,756	\$ 20,007,384
Customers and other	1,954,621	9,121,569	11,076,190
Other governmental units	9,431,342	-	9,431,342
<b>Gross receivables</b>	30,547,591	9,967,325	40,514,916
Allowance for uncollectibles	(959,885)	(6,510,624)	(7,470,509)
<b>Net receivables</b>	<u>\$ 29,587,706</u>	<u>\$ 3,456,701</u>	<u>\$ 33,044,407</u>

Substantially all receivables are due in fiscal year 2017.

**NOTE 5 - INTERFUND TRANSFERS**

Transfers within the reporting entity are substantially for the purposes of subsidizing operating functions. Additional transfers may be made for funding capital projects and asset acquisitions and maintaining debt service. Resources are accumulated in certain funds to support and simplify the administration of various projects or programs, including capital and grant projects. Interfund transfers for the year ended September 30, 2017, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Major Governmental Funds</b>		
General Fund		
Capital Improvements Fund	\$ 225,000	\$ 5,480,828
Other Governmental Funds	1,369,641	1,641,212
Internal Service Funds	-	3,388,552
Mobile Civic Center	-	1,386,086
Cruise Terminal	-	115,819
WAVE Transit	1,279,929	6,898,406
Emergency Medical Services	-	2,037,478
Parking Garage	1,200,000	-
Other Enterprise Funds	-	942,580
Total General Fund	<u>4,074,570</u>	<u>21,890,961</u>
Capital Improvements Fund		
General Fund	5,480,828	225,000
Other Governmental Funds	4,883,776	22,114,711
WAVE Transit	-	500,000
Mobile Convention Center	3,362,236	-
Total Capital Improvements Fund	<u>13,726,840</u>	<u>22,839,711</u>

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	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Other Governmental Funds</b>		
General Fund	1,641,212	1,369,641
Capital Improvements Fund	22,114,711	4,883,776
Other Governmental Funds	1,277,878	1,277,878
Mobile Convention Center	4,152,216	-
Total Other Governmental Funds	<u>29,186,017</u>	<u>7,531,295</u>
<b>Internal Service Funds</b>		
General Fund	3,388,552	-
Total Internal Service Funds	<u>3,388,552</u>	<u>-</u>
<b>Major Enterprise Funds</b>		
Mobile Civic Center		
General Fund	1,386,086	-
Total Mobile Civic Center	<u>1,386,086</u>	<u>-</u>
Mobile Convention Center		
Capital Improvements Fund	-	3,362,236
Other Governmental Funds	-	4,152,216
Total Mobile Convention Center	<u>-</u>	<u>7,514,451</u>
WAVE Transit		
General Fund	6,898,406	1,279,929
Capital Improvements Fund	500,000	-
Total WAVE Transit	<u>7,398,406</u>	<u>1,279,929</u>
Cruise Terminal		
General Fund	115,819	-
Total Cruise Terminal	<u>115,819</u>	<u>-</u>
Emergency Medical Services		
General Fund	2,037,478	-
Total Emergency Medical Services	<u>2,037,478</u>	<u>-</u>
Parking Garage		
General Fund	-	1,200,000
Total Parking Garage	<u>-</u>	<u>1,200,000</u>
<b>Other Enterprise Funds</b>		
General Fund	942,580	-
Total Other Enterprise Fund	<u>942,580</u>	<u>-</u>
<b>Total Transfers</b>	<u>\$ 62,256,348</u>	<u>\$ 62,256,348</u>

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Generally, outstanding balances between funds reported as "due to/from other funds" include subsidy commitments to the WAVE Transit outstanding at year-end and other short-term pooled cash advances and miscellaneous receivables/payables between funds.

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Interfund receivables and payables at September 30, 2017, are as follows:

	<b>Due To Other Funds</b>	<b>Due From Other Funds</b>
<b>Major Governmental Funds</b>		
General Fund		
Other Governmental Funds	\$ -	\$ 802,323
WAVE Transit	368,903	1,344,929
Total General Fund	368,903	2,147,252
<b>Other Governmental Funds</b>		
General Fund	802,323	-
Total Other Governmental Funds	802,323	-
<b>Major Enterprise Funds</b>		
WAVE Transit		
General Fund	1,344,929	368,903
Total WAVE Transit	1,344,929	368,903
<b>Total Interfund Balances</b>	<b>\$ 2,516,155</b>	<b>\$ 2,516,155</b>

Substantially all interfund balances are expected to be repaid within one year.

**NOTE 7 - CAPITAL ASSETS**

Governmental Activities

The following is a summary of changes in capital assets for the year ended September 30, 2017:

	Capital Assets, Not Depreciated		
	Land	Construction in Progress*	Intangible Assets
Balance, beginning (restated)	\$ 27,451,679	\$ 41,293,554	\$ 4,580,735
Additions	500	27,486,620	159,343
Deductions	(27,000)	(1,525,112)	-
Capital Assets, Net	\$ 27,425,179	\$ 67,255,062	\$ 4,740,078

**CITY OF MOBILE, ALABAMA**  
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Capital Assets, Depreciated

	Improvements					Totals
	Buildings	Buildings	Vehicular Equipment	Other Equipment	Infrastructure	
Balance, beginning	\$ 145,928,672	\$ 115,836,940	\$ 63,322,881	\$ 45,585,958	\$ 538,368,031	\$ 982,368,450
Additions	-	479,268	7,477,938	2,484,939	1,101,144	39,189,752
Deductions	(80,000)	-	(5,593,924)	(175,421)	-	(7,401,457)
Balance, ending	145,848,672	116,316,208	65,206,895	47,895,476	539,469,175	1,014,156,745
Accumulated Depreciation, beg.	34,769,116	61,276,044	38,829,202	34,755,439	144,279,757	313,909,558
Additions	3,057,237	4,065,468	4,971,835	1,177,708	10,720,295	23,992,543
Deductions	(23,467)	-	(4,967,158)	(154,199)	-	(5,144,824)
Accumulated Depreciation, end.	37,802,886	65,341,512	38,833,879	35,778,948	155,000,052	332,757,277
Capital Assets, Net	\$ 108,045,786	\$ 50,974,696	\$ 26,373,016	\$ 12,116,528	\$ 384,469,123	\$ 681,399,468

Construction in progress consists of the following:

Asset	Project	Balance, beginning	Prior Year Adjustments (Note 18)	Balance, beginning revised	Additions	Deductions	Balance, ending
79239	FT. CONDE WELCOME CENTER - ROOF REPAIRS	\$ 635,838	\$ -	\$ 635,838	\$ -	\$ -	\$ 635,838
79240	CDBG 2011 ANN STREET DRAINAGE	481,978	-	481,978	-	-	481,978
79244	CDBG 2012 - THEODORE PARK IMPROVEMENTS	265,250	-	265,250	-	-	265,250
79247	NEW ERP SYSTEM - MUNIS	3,823,475	-	3,823,475	2,348,805	-	6,172,280
79248	PARKS - HERNDON PARK IMPROVEMENTS	2,223,179	-	2,223,179	161,048	-	2,384,227
79251	CDBG 2013 - TOULMINVILLE SIDEWALKS	572,884	-	572,884	7,147	-	580,031
79254	INFRA - ADA MODIFICATIONS (PROJ 618)	1,439,522	62,798	1,502,319	-	-	1,502,319
79255	CITY SHARE - ZEIGLER BLVD (PROJ 906)	1,186,900	(47,399)	1,139,500	25,475	-	1,164,975
79256	RESURF 4CT GAS TAX PROJECT (PROJ 6001)	8,949,598	27,971	8,977,569	1,446,591	-	10,424,160
79257	HILLSDALE HEIGHTS SIDEWALKS (PROJ 7316)	26,909	-	26,909	-	-	26,909
79259	MPO MCGREGOR AVE - WIDENING (PROJ 7338)	348,817	-	348,817	40,210	-	389,027
79262	ED - PINEBROOK - MCGREGOR (PROJ 7352)	193,222	-	193,222	-	-	193,222
79264	2007 DRAINAGE AREAS 1 & 2 (PROJ 1280)	27,920	-	27,920	-	-	27,920
79265	ANN ST. (TENN TO MCDONALD) (PROJ 7348)	347,296	-	347,296	88,431	-	435,726
79271	MOBILE ST. IMPROVEMENTS (PROJ 7103)	255,743	-	255,743	-	-	255,743
79285	PARKS - PUB SAFETY SKATEBOARD PARK RESTR	109,506	-	109,506	42,210	-	151,716
79286	PARKS - MARDI GRAS PARK	2,076,933	-	2,076,933	1,025,934	-	3,102,866
79287	PARKS - LYONS PARK IMPROVEMENT	33,439	-	33,439	26,094	-	59,533
79288	HANK AARON STADIUM IMPROVEMENTS	631,522	-	631,522	687,813	-	1,319,335
79290	CDBG 2014- 773 BALTIMORE ST REHAB	107,646	(107,646)	-	-	-	-
79291	CDBG 2011- 3 MILE CREEK BIKE TRAIL	100,549	-	100,549	8,291	-	108,839
79292	CDBG 2014-CRAWFORD-MURPHY WALKING TRA	117,686	-	117,686	-	-	117,686
79294	CDBG 2013- WOOKCOCK SCHOOL IMPROVEMEN	150,092	-	150,092	-	(150,092)	-
79295	CDBG 2014- FIGURES PARK WALKING TRAIL	80,000	-	80,000	-	(80,000)	-
79296	POLICE-200 GOVERNMENT ST PURCH & RENOVA	456,249	-	456,249	-	-	456,249
79298	WATER ST - COMPLETE STREETS - DESIGN	245,000	-	245,000	-	-	245,000
79456	CITYWIDE STORM DRAINS	257,877	-	257,877	-	(1,190)	256,687
79457	CITYWIDE SIDEWALK REPAIRS	362,432	-	362,432	7,132	-	369,564
79459	CITYWIDE INLET REPAIRS	562,481	-	562,481	-	-	562,481
79460	CITYWIDE LITTER/INLET REPAIRS	821,868	-	821,868	-	-	821,868
79461	LITTER CLEANUP-3MI, 1MI & DOG RIVER	11,482	-	11,482	-	(11,482)	-
79462	CITYWIDE GUARDRAILS	135,255	-	135,255	-	(2,107)	133,147
79463	CITYWIDE PIPELINE REPAIR	582,675	-	582,675	-	-	582,675
79464	LITTER TRAP & SITE IMPROVEMENTS	63,209	-	63,209	-	-	63,209

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Asset	Project	Balance, beginning	Prior Year Adjustments (Note 18)	Balance, beginning revised	Additions	Deductions	Balance, ending
79465	DRAINAGE-MAUDELAYNE DRIVE REPAIRS	\$ 12,387	\$ -	\$ 12,387	\$ 83,490	\$ -	\$ 95,877
79466	MONTLIMAR CREEK REPAIRS	761,802	27,784	789,586	17,971	-	807,557
79467	DRAINAGE-CORONADO CT DITCH REPAIRS	122,929	-	122,929	62	-	122,991
79468	DITCH REPAIRS - MONTLIMAR CANAL & COL	101,077	19,304	120,381	3,937	-	124,318
79469	CITYWIDE LITTER/INLET REPAIRS	51,763	-	51,763	443,330	-	495,093
79470	PKS-MIMS-RENOVATIONS & REPAIRS	35,530	-	35,530	17,868	-	53,397
79471	PKS-MAITRE PARK IMPROVEMENTS	305,841	-	305,841	204,385	-	510,226
79472	LADD STADIUM RENOVATIONS & REPAIRS	68,827	-	68,827	39,138	-	107,965
79474	ARCHITECTURAL ENGINEERING PROJECTS	24,214	-	24,214	44,540	-	68,754
79475	PKS-FIGURES PARK IMPROVEMENTS	50,534	-	50,534	81,803	-	132,337
79476	PKS-FIGURES COMMUNITY CENTER	53,914	-	53,914	-	-	53,914
79477	FT CONDE VISITORS CENTER	-	71,668	71,668	-	-	71,668
79478	CDBG 2014 - AFRICAN AMERICAN ARCHIVES	-	39,021	39,021	18,002	-	57,023
79479	CDBG 2012 - MOBILE STREET SIDEWALKS	98,044	-	98,044	32,701	-	130,745
79480	CDBG 2013-ROBERT HOPE CTR WALKING TRAIL	95,184	-	95,184	-	(95,184)	-
79481	NRCS EMERGENCY WATERSHED PROTECTION	-	-	-	1,089,662	(1,089,662)	-
79482	DISTRICT 1 BRIDGE AND CULVERT REPAIRS	-	-	-	1,350	-	1,350
79489	CITYWIDE BRIDGE AND CULVERT REPAIRS	-	-	-	41,632	-	41,632
79497	AIRPORT & SAGE TURNING RADIUS & MO	3,727	-	3,727	-	-	3,727
79498	MOBILE CARNIVAL MUSEUM - FENCE	56,792	-	56,792	-	(56,792)	-
79499	FORT CONDE FENCE REPAINTING	5,822	-	5,822	32,781	(38,603)	-
79500	PARKS-SULLIVAN PARK IMPROVEMENTS	-	-	-	16,658	-	16,658
79501	RECREATION CENTER CAMERAS AND LIGHTING	-	-	-	3,234	-	3,234
79503	PARKS-HILLSDALE COM CTR-DISTRICT 7	-	-	-	27,927	-	27,927
79505	STORMWATER-MISC BRIDGE IMPROVEMENTS	9,133	-	9,133	8,015	-	17,148
79506	TRAFFIC CALMING DEVICES PROG	15,645	-	15,645	25,735	-	41,380
79509	2017 CITYWIDE ADA ASSESSMENTS	-	-	-	35,920	-	35,920
79510	SAENGER- RENOVATIONS AND REPAIRS	-	-	-	114,221	-	114,221
79512	PARKS-MEDAL OF HONOR PARK PROJ	-	-	-	18,000	-	18,000
79513	CS-ZEIGLER-CODY TO SCHILLINGER	167,000	-	167,000	-	-	167,000
79514	PARKS-LAKE DR TRICENTENNIAL PARK IMPR	-	-	-	7,000	-	7,000
79516	PARKS-RICKARBY PARK IMPROVEMENTS	-	-	-	106,979	-	106,979
79519	PARKS-TRINITY GARDEN PK IMP-DIST 1	16,155	-	16,155	165,503	-	181,658
79526	HISTORIC DEV-AFRICAN AMERICAN HTG	31,250	-	31,250	-	-	31,250
79530	GUS REHM/CRICHTON FIRE STATION	10,326	-	10,326	1,018,736	-	1,029,063
79532	POLICE HEADQUARTERS UPGRADES	-	-	-	8,671	-	8,671
79533	PARKS-AARON PARK IMPROVEMENTS	-	-	-	23,469	-	23,469
79535	PARKS-MCNALLY PARK IMPROVEMENTS	-	-	-	12,370	-	12,370
79536	PARKS-FRY PARK IMPROVEMENTS	-	-	-	85,869	-	85,869
79537	FIRE- MISC FIRE STATIONS/BLDGS IMPR	70,076	-	70,076	49,783	-	119,860
79539	PARKS-DENTON PARK IMPROVEMENTS	-	-	-	25,758	-	25,758
79540	PKS-NEW PARK-THEODORE AREA	40,000	-	40,000	34,660	-	74,660
79542	PARKS-UNITY POINT IMPROVEMENTS	-	-	-	28,433	-	28,433
79543	TOULMINVILLE LIBRARY	-	-	-	7,313	-	7,313
79546	TRINITY GARDENS-DITCH ENCLOSURES	160,816	-	160,816	1,128,639	-	1,289,455
79548	HILLCREST ROAD ST IMPROVEMENTS	-	-	-	50,178	-	50,178
79550	WOODCOCK DRAING AITPORT TO US90	-	-	-	17,500	-	17,500
79553	PARKS-TAYLOR PARK IMPROVEMENTS	-	-	-	3,522	-	3,522
79558	WEST REGIONAL LIBRARY IMPROVEMENT	-	-	-	3,300	-	3,300
79559	PARKS-COPELAND-COX TENNIS CTR-D 7	6,786	-	6,786	-	-	6,786
79561	CITYWIDE ROOF REPAIRS	112,443	-	112,443	314,214	-	426,657
79563	MILL STREET PARK IMPROVEMENTS	70	-	70	100,933	-	101,002
79564	3 MILE CREEK WALKING/BIKE TRAIL	-	-	-	21,980	-	21,980
79566	PARKS-ANNEXED AREA-WEST-MCCANTS PARK	49,998	-	49,998	-	-	49,998
79567	BROAD ST IMPROVEMENTS-TIGER	158,817	-	158,817	211,953	-	370,770
79568	ED-WESTWOOD PLAZA	12,437	-	12,437	5,833	-	18,270
79570	DRAINAGE-LA PINE DR AT CLUBHOUSE	21,398	-	21,398	66,084	-	87,482
79571	DRAINAGE-FLORIDA ST AT DOHM ST	50,896	-	50,896	6,535	-	57,431

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79572	DRAINAGE-2008 HOLLEMAN DR	\$ 79,526	\$ -	\$ 79,526	\$ 16,909	\$ -	\$ 96,435
79573	DRAINAGE-SPRINGHILL/MOBILE INFIRMARY	11,133	-	11,133	-	-	11,133
79574	PARKS-DOTCH COMMUNITY CENTER	1,072	-	1,072	33,927	-	34,999
79575	2016 DOWNTOWN SIDEWALK REP/MAINT	-	-	-	95,245	-	95,245
79576	PARKS-CRAWFORD PARK IMPROVEMENTS	31,156	-	31,156	6,404	-	37,560
79577	PARKS-HARMON RECREATION CENTER	37,257	-	37,257	80,645	-	117,902
79578	PARKS-SPRINGHILL RECREATION CENTER	32,024	-	32,024	30,564	-	62,588
79579	DOWNTOWN PEDESTRIAN LIGHTING	106,050	-	106,050	1,860	-	107,910
79580	STREETSCAPE GATEWAY TO PLATEAU	225,786	-	225,786	831	-	226,617
79582	DRAINAGE-BOLTON BR DITCH REPRS-165	5,150	-	5,150	56,050	-	61,200
79583	DRAINAGE-BURMA HILLS REPAIRS	6,413	-	6,413	95,695	-	102,107
79585	MOORES CREEK DITCH REPAIRS	16,914	-	16,914	455,826	-	472,740
79586	DRAINAGE-KING ST IMPROVEMENTS	6,840	-	6,840	-	-	6,840
79587	LIGHTING GREYSTONE FACILITY	19,227	-	19,227	54,037	-	73,264
79588	DRAINAGE-GREENWICH AT DOGWOOD	-	-	-	21,355	-	21,355
79589	DRAINAGE-ESLAVA CREEK IMPROVEMENTS	50,220	-	50,220	-	-	50,220
79590	DRAINAGE-GAFHILL DR PIPE REPAIRS	13,338	-	13,338	40,948	-	54,286
79591	GOVERNMENT ST REBUILD	-	-	-	6,755	-	6,755
79592	SIDEWALKS-MICHAEL BLVD FR MONTLIMAR	-	-	-	249,998	-	249,998
79593	MCGREGOR SIDEWALKS-OLD SHELL TO DAU	29,498	-	29,498	698,399	-	727,897
79594	TURNING RAIDUS-AIRPORT BLVD	1,665	-	1,665	4,960	-	6,625
79595	SIGNAL IMPROVEMENTS AIRPORT & SAGE	39,636	-	39,636	18,438	-	58,074
79597	CROSSWALK-SEMINOLE & AIRPORT	-	-	-	676	-	676
79599	GASLIGHT PIPE REPAIRS	18,645	-	18,645	18,756	-	37,401
79600	SIDEWALKS-MEDAL OF HONOR-HICKORY RIDGE	-	112,449	112,449	37,475	-	149,925
79601	1524 RIDGELAND RD W PIPE REPAIRS	14,630	-	14,630	32,901	-	47,532
79602	CENTER ST OUTFALL-12 MILE CREEK	4,750	-	4,750	8,572	-	13,322
79603	2505 WOODLAND ROAD DRAINAGE	1,012	-	1,012	19,408	-	20,420
79604	MEDAL OF HONOR PARK PLAYGROUND	26,081	-	26,081	1,045,208	-	1,071,289
79605	AIRWAY PK DR & SCHILLINGER	3,007	-	3,007	5,908	-	8,915
79606	DRAINAGE-GRAHAM RD SOUTH	23,459	-	23,459	-	-	23,459
79607	PARK-LANGAN PK-COPELAND-COX TENNIS	14,243	-	14,243	56,798	-	71,041
79608	12 MI CREEK BANK STABILIZATION PROJ	52,483	-	52,483	17,968	-	70,452
79609	IRENE & LONGS GARDEN OUTFALL	100	-	100	-	-	100
79610	RETENTION POND SUMMER PLACE SUBDIVISION	3,150	-	3,150	-	-	3,150
79612	PARKS-BOTANICAL GARDENS	150,000	-	150,000	-	-	150,000
79613	PARKS-JAPANESE GARDENS	150,000	-	150,000	-	-	150,000
79614	TRAFFIC LIGHT-MOFFAT ROAD	-	-	-	9,745	-	9,745
79615	PARK-COPELAND COX TENNIS CENTER	76,315	-	76,315	74,716	-	151,031
79616	EXPLOREUM RENOVATION & REPAIRS	45,974	-	45,974	35,232	-	81,206
79617	MPL MOORER BRANCH	44,465	-	44,465	297,762	-	342,227
79618	SIDEWALKS-LANGAN PARK AREA	134,803	-	134,803	169	-	134,971
79619	BOLTON BR UNIV TO AZALEA	245,593	-	245,593	433,182	-	678,775
79620	DAUPHIN ISLAND PARKWAY	5,866	-	5,866	3,500	-	9,367
79621	CRUISE TERMINAL-EQUIPMENT & MISC	888,444	-	888,444	736,642	-	1,625,086
79622	PARKS-LANGAN PARK SHADE STRUCTURE	52,103	-	52,103	12,897	-	65,000
79623	3 MI CREEK-FENNEL ST/BUSH PARK	15,820	-	15,820	154,708	-	170,528
79624	1125 NORTH DR PIPE LINING	20,983	-	20,983	25,987	-	46,970
79625	2556 FLEETWOOD DR N	16,361	-	16,361	66,305	-	82,666
79626	2666 GOVT BLVD PIPE LINING	9,705	-	9,705	49,683	-	59,388
79627	CODY RD-MILKHOUSE CREEK	5,026	-	5,026	12,384	-	17,410
79628	4317 MARQUEETE DR INLET	13,662	-	13,662	56,434	-	70,096
79629	3 MILE CREEK JAPANESE GARDENS	20,000	-	20,000	158,446	-	178,446
79631	4558 BROOKMORE PIPE LINING	15,492	-	15,492	26,552	-	42,044
79632	2124LUCKNER CT OUTFALL REPAIR	22,762	-	22,762	4,390	-	27,153
79633	ZEIGLER AT 3 MILE CREEK CULVERT	5,950	-	5,950	-	-	5,950
79634	3 MILE CREEK AT BOWIE COURT	12,422	-	12,422	1,221	-	13,643
79635	2409 WOODLAND ROAD DRAINAGE	5,000	-	5,000	900	-	5,900

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79636	350 GULFWOOD DR DRAINAGE	\$ 5,000	\$ -	\$ 5,000	\$ 18,549	\$ -	\$ 23,549
79637	WATER ST STRIPING/SIGNALS	124,618	-	124,618	116,333	-	240,950
79638	ANN ST (ARLINGTON - DOUGLAS) DRAIN	975,805	-	975,805	2,425,229	-	3,401,035
79641	MOBILE CO RESURFACING CIP 2015-004A	399,340	-	399,340	399,660	-	799,000
79642	CITY SHARE-TOULMINVILLE SIDEWALKS	279,481	-	279,481	126,240	-	405,721
79643	PARKS-CRESTVIEW PARK IMPROV	-	-	-	43,272	-	43,272
79644	PARKS-DOG RIVER PARK IMPROVEMENT	-	-	-	40,355	-	40,355
79646	HUDSON MOBILE REG SENIOR CENTER	-	-	-	4,795	-	4,795
79647	MUSEUM OF ARTS IMPROV	-	-	-	99,466	-	99,466
79648	MOORER/SPRINGHILL LIBRARY	-	-	-	2,400	-	2,400
79649	MOBILE GREENWAY INITIATIVE	-	-	-	282,772	-	282,772
79669	CW DRAINAGE REPR CONTRACTS	-	-	-	108,181	-	108,181
79722	DISTRICT 1 PARK REPAIR PROJECTS	-	-	-	1,548	-	1,548
79724	DISTRICT 3 PARK REPAIR PROJECTS	-	-	-	16,567	-	16,567
79726	DISTRICT 5 PARK REPAIR PROJECTS	-	-	-	1,200	-	1,200
79728	DISTRICT 7 PARK REPAIR PROJECTS	-	-	-	3,086	-	3,086
79729	CITYWIDE RESURFACING PROGRAM	-	-	-	3,485,448	-	3,485,448
79730	DISTRICT 1 ROADWAY RESURFACING	444,827	-	444,827	17,465	-	462,292
79731	DISTRICT 2 ROADWAY RESURFACING	746,455	-	746,455	67,002	-	813,457
79732	DISTRICT 3 ROADWAY RESURFACING	282,836	-	282,836	28,952	-	311,788
79733	DISTRICT 4 ROADWAY RESURFACING	481,076	-	481,076	53,165	-	534,241
79734	DISTRICT 5 ROADWAY RESURFACING	490,855	-	490,855	22,903	-	513,758
79735	DISTRICT 6 ROADWAY RESURFACING	562,520	-	562,520	32,607	-	595,126
79736	DISTRICT 7 ROADWAY RESURFACING	438,665	-	438,665	80,833	-	519,498
79744	CITYWIDE ROADWAY STRIPING	9,505	-	9,505	-	-	9,505
79745	DISTRICT 1 SIDEWALK REPAIRS & MAINT	96,163	-	96,163	34,628	-	130,791
79746	DISTRICT 2 SIDEWALK REPAIRS & MAINT	404,477	-	404,477	292,279	-	696,756
79747	DISTRICT 3 SIDEWALK REPAIRS & MAINT	56,350	-	56,350	154,472	-	210,822
79748	DISTRICT 4 SIDEWALK REPAIRS & MAINT	147,709	-	147,709	31,756	-	179,464
79749	DISTRICT 5 SIDEWALK REPAIRS & MAINT	-	-	-	202,791	-	202,791
79750	DISTRICT 6 SIDEWALK REPAIRS & MAINT	78,398	-	78,398	217,454	-	295,852
79751	DISTRICT 7 SIDEWALK REPAIRS & MAINT	158,979	-	158,979	104,962	-	263,941
79752	DISTRICT 1 STREET LIGHT IMPROVEMENT	2,684	-	2,684	1,705	-	4,389
79753	DISTRICT 2 STREET LIGHT IMPROVEMENT	-	-	-	49,986	-	49,986
79754	DISTRICT 3 STREET LIGHT IMPROVEMENT	-	-	-	16,270	-	16,270
79755	DISTRICT 4 STREET LIGHT IMPROVEMENT	-	-	-	43,305	-	43,305
79756	DISTRICT 5 STREET LIGHT IMPROVEMENT	-	-	-	110,119	-	110,119
79757	DISTRICT 6 STREET LIGHT IMPROVEMENT	13,557	-	13,557	180	-	13,737
79758	DISTRICT 7 STREET LIGHT IMPROVEMENT	6,012	-	6,012	20,737	-	26,749
79759	CITYWIDE STREET LIGHT IMPROVEMENTS	-	-	-	950	-	950
79977	RICHARDS DAR HOUSE - FENCING	-	-	-	81,528	-	81,528
79978	PROPERTY- ZEIGLER RD	-	-	-	105,782	-	105,782
79979	PARKS-WOODCOCK TSAC FACILITY IMPROV	-	-	-	3,906	-	3,906
79980	PARKS - WESTSIDE IMPROVEMENTS	-	-	-	5,700	-	5,700
79981	LAVRETTA PARK IMPROVEMENTS	-	-	-	2,425	-	2,425
79982	TRIMMIER PARK IMPROVEMENTS	-	-	-	10,725	-	10,725
79983	MAIN LIBRARY IMPROVEMENTS	-	-	-	3,290	-	3,290
79984	1453 NAVCO ROAD IMPROVEMENTS	-	-	-	30,106	-	30,106
79987	MATTHEWS PARK IMPROVEMENTS	-	-	-	61	-	61
79988	WALSH PARK IMPROVEMENTS	-	-	-	343	-	343
80026	TAP SIDEWALK PROJECT- DIP	-	-	-	109,944	-	109,944
80027	TAP SIDEWALK - BIT AND SPUR	-	-	-	1,019	-	1,019
80028	2016 CRUISE TERMINAL REPAIRS	-	1,451,768	1,451,768	836,492	-	2,288,260
80033	TAYLOR PARK WALKING TRAIL	-	-	-	16,328	-	16,328
80034	TIGER - COMPLETE STREETS IMPROVEMENTS	-	-	-	212,258	-	212,258
80035	JOE J PLAYHOUSE-RENOV, ADA & ROOF REPAIR	-	-	-	164	-	164
80036	DRAINAGE - GRAND BLVD	-	25,613	25,613	15,225	-	40,838
80039	CDBG 2015 - BALTIMORE ST REHAB	-	107,646	107,646	95,569	-	203,215
<b>Total</b>		<b>\$ 39,502,578</b>	<b>\$ 1,790,977</b>	<b>\$ 41,293,554</b>	<b>\$ 27,486,620</b>	<b>\$ (1,525,112)</b>	<b>\$ 67,255,062</b>

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Depreciation expense was charged to governmental activities as follows:

<u>Function</u>	<u>Depreciation Expense</u>
General government	\$ 15,578,090
Economic development	2,197
Public safety	3,786,880
Public works	2,130,923
Engineering, development & build	271,804
Culture & recreation	2,198,972
Finance	23,678
Total depreciation expense	<u>\$ 23,992,543</u>

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2017:

	<u>Capital Assets, Not Depreciated</u>	
	<u>Land</u>	<u>Construction in Progress</u>
	Balance, beginning	\$ 10,684,497
Additions	227,873	131,045
Deductions	-	-
Capital Assets, Net	<u>\$ 10,912,370</u>	<u>\$ 281,082</u>

	<u>Capital Assets, Depreciated</u>				<u>Totals</u>
	<u>Improvements</u>			<u>Other Equipment</u>	
	<u>Buildings</u>	<u>Other than Buildings</u>	<u>Vehicular Equipment</u>		
Balance, beginning	\$ 126,851,808	\$ 17,952,542	\$ 12,766,739	\$ 7,109,878	\$ 175,515,501
Additions	-	-	83,278	255,854	698,050
Deductions	-	-	(78,297)	(45,380)	(123,677)
Balance, ending	<u>126,851,808</u>	<u>17,952,542</u>	<u>12,771,720</u>	<u>7,320,352</u>	<u>176,089,874</u>
Accumulated Depreciation, beginning	58,841,812	11,359,747	9,496,649	5,587,587	85,285,795
Additions	2,371,718	538,467	775,869	364,765	4,050,819
Deductions	-	-	(78,297)	(40,842)	(119,139)
Accumulated Depreciation, ending	<u>61,213,530</u>	<u>11,898,214</u>	<u>10,194,221</u>	<u>5,911,510</u>	<u>89,217,475</u>
Capital Assets, Net	<u>\$ 65,638,278</u>	<u>\$ 6,054,328</u>	<u>\$ 2,577,499</u>	<u>\$ 1,408,842</u>	<u>\$ 86,872,399</u>

Approximately \$4.9 million (cost of \$12.0 million and accumulated depreciation of \$7.1 million) of the Municipal Parking Garage property is leased to others as of September 30, 2017. (See Note 13)



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

<u>Fund</u>	<u>Depreciation Expense</u>
Civic center	\$ 370,696
Convention center	1,318,317
Cruise terminal	406,861
WAVE transit	1,401,118
Parking garage	201,644
Golf course	144,243
Emergency medical services	16,836
Tennis center	1,946
Saenger theater	189,159
Total depreciation expense	<u>\$ 4,050,820</u>

**NOTE 8 - LONG-TERM DEBT**

Outstanding Debt

The general and limited obligation bonds/warrants and notes of the City include the following at September 30, 2017:

<b>Debt Issuance</b>	<b>Principal Balance</b>
\$69,295,000; 2008B General Obligation Refunding and Improvement Warrants, due semiannually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2020	19,940,000
\$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	940,000
\$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	55,850,000
\$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
\$13,715,000; 2011 General Obligation Private Placement Warrants, due annually with interest payable semi-annually 2.84% per annum; maturing February 12, 2026	8,300,000
\$39,402,000; 2016 General Obligation Refunding Warrants; due annually with interest payable semi-annually at rates ranging from 4.50% to 5.00% per annum; maturing February 15, 2030	38,014,000

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\$17,735,000; 2016C General Obligation Warrants Taxable, due annually with interest payable semi-annually at rates ranging from 5.40% to 5.50% per annum, maturing February 15, 2030	17,735,000
\$64,610,000; 2017A General Obligation Warrants Tax-Exempt, due annually with interest payable semi-annually at rates ranging from 3.00% to 5.00% per annum, maturing February 15, 2030	64,610,000
\$4,430,000; 2017B General Obligation Warrants Tax-Exempt, due annually with interest payable semi-annually at rates ranging from 3.00% to 4.00% per annum, maturing February 15, 2023	4,430,000
<b>Total bonds/warrants payable</b>	\$ 233,014,000
<b>Debt Issuance</b>	<b>Principal Balance</b>
\$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%	505,000
\$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%	140,000
\$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%	1,365,000
<b>Total notes payable</b>	\$ 2,010,000

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:

Fiscal Year Ending September 30	Bonds/Warrants Payable		
	Governmental Activities		
	Principal	Interest	Total
2018	\$ 14,343,000	\$ 9,938,130	\$ 24,281,130
2019	13,998,000	9,296,006	23,294,006
2020	15,244,000	8,655,572	23,899,572
2021	16,340,000	8,020,774	24,360,774
2022	16,607,000	7,418,613	24,025,613
2023-2027	92,579,000	26,206,062	118,785,062
2028-2030	63,903,000	4,817,456	68,720,456
Subtotals	233,014,000	74,352,613	307,366,613
Plus: Bond Premium	10,509,599	(10,509,599)	-
Less: Deferred Bond Discount	(11,183)	11,183	-
Less: Deferred amount on refunding	(5,373,413)	5,373,413	-
Totals	\$ 238,139,003	\$ 69,227,610	\$ 307,366,613

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Fiscal Year Ending September 30	Notes Payable		
	Governmental Activities		
	Principal	Interest	Total
2018	\$ 375,000	\$ 89,038	\$ 464,038
2019	250,000	77,562	327,562
2020	260,000	67,328	327,328
2021	265,000	56,532	321,532
2022	285,000	45,153	330,153
2023-2025	575,000	66,571	641,571
Totals	<u>\$ 2,010,000</u>	<u>\$ 402,184</u>	<u>\$ 2,412,184</u>

The following is a summary of the changes in liabilities reported in the Statement of Net Position for the year ended September 30, 2017:

	Balance, October 1	Additions	Deductions	Balance, September 30	Due Within One Year
<u>Governmental Activities</u>					
General and limited obligation					
bonds/warrants	\$ 254,118,964	\$ 86,775,000	\$ 107,879,964	\$ 233,014,000	\$ 14,343,000
Plus: Bond premium	1,962,222	9,572,430	1,025,053	10,509,599	-
Less: Bond discount	(215,640)	-	(204,457)	(11,183)	-
Total general and limited obligation bonds/warrants	255,865,546	96,347,430	108,700,560	243,512,416	14,343,000
Notes payable	2,495,000	-	485,000	2,010,000	375,000
Obligations under capital leases	492,519	-	492,519	-	-
Compensated absences	13,051,181	5,421,216	2,155,898	16,316,499	2,155,898
Self-insured legal liability	1,847,500	774,250	980,251	1,641,500	-
Insurance claims	17,197,636	25,499,464	25,286,447	17,410,653	4,610,847
Landfill postclosure liability	671,674	-	49,873	621,801	51,868
OPEB liability	201,065,000	12,432,000	7,558,000	205,939,000	-
Net pension liability	165,596,503	43,450,442	52,815,451	156,231,494	-
Total governmental activities	<u>658,282,559</u>	<u>183,924,802</u>	<u>198,523,999</u>	<u>643,683,362</u>	<u>21,536,613</u>
<u>Business-type Activities</u>					
Compensated absences	471,925	511,014	467,496	515,443	100,663
Net pension liability	13,226,345	3,241,103	4,368,238	12,099,210	-
Total business-type activities	<u>13,698,270</u>	<u>3,752,117</u>	<u>4,835,734</u>	<u>12,614,653</u>	<u>100,663</u>
Total primary government	<u>\$ 671,980,829</u>	<u>\$ 187,676,919</u>	<u>\$ 203,359,733</u>	<u>\$ 656,298,015</u>	<u>\$ 21,637,276</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, 2017, the permissible debt limit exceeded actual debt by approximately \$354.4 million.

**CITY OF MOBILE, ALABAMA**  
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**NOTE 9 – DEBT REFUNDING & DEFEASANCE OF PRIOR DEBT**

2016C General Obligation Warrants, Taxable

On December 29, 2016, the City issued the Taxable General Obligation Warrants, Series 2016C for \$17,735,000 with interest of 1.90 to 3.86 percent per annum. The Series 2016C Warrants were issued at a discount of \$53,205.00. Total proceeds were \$17,681,795.

The 2016C Warrants were issued to advance refund Taxable General Obligation Warrants, Series 2008C with stated maturities, or subject to mandatory redemption, in 2019 and thereafter, which are now outstanding in the aggregate principal amount of \$16,375,000. 2008 Warrants with stated maturities, or subject to mandatory redemption, prior to 2019 will not be refunded.

Simultaneously with the sale and issuance of the Series 2016C Warrants, an irrevocable trust fund was established for the benefit of the holders of the Refunded Warrants. The amount of \$17,565,866.35 was transferred to the Escrow Trustee to provide for the redemption and prepayment of the Series 2008C Warrants. Substantially all such monies are required to be invested by the Escrow Trustee in United States Treasury obligations.

On February 15, 2018, the Series 2008C Warrants will be redeemed at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The total debt service related to the refunded Series 2008C Warrants would have been \$24,160,305. The Series 2016C Warrants have debt service requirements totaling \$22,652,953.08. The net effect of the issuance is a \$1,507,351.92 decrease in total debt service payments through the 2030 fiscal year. The issuance resulted in an economic gain of \$1,507,351.92 in gross savings, or \$1,426,614.34 in present value savings.

2017A and 2017B General Obligation Warrants, Tax Exempt

On February 15, 2017 the City issued two General Obligation Warrants as follows:

Series 2017A Tax-Exempt General Obligation Warrants were issued for \$64,610,000 with interest of 3 to 5 percent per annum. The Series 2017A Warrants were issued at a premium of \$9,282,097.05. Total proceeds were \$73,892,097.05.

Series 2017B Tax-Exempt General Obligation Warrants were issued for \$4,430,000 with interest of 3 to 4 percent per annum. The Series 2017B Warrants were issued at a premium of \$290,332.35. Total proceeds were \$4,720,332.35.

Total sources of funds for the 2017A and 2017B issuances were \$78,612,429.40.

The Series 2017A and 2017B Warrants were issued to refund the following:  
Limited Obligation Tax Increment Warrants, Series 2002. On, March 17, 2017 the Series 2002 Warrants will be called at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The principal amount to be refunded is \$4,670,000.

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General Obligation Warrants, Series 2008. On, February 15, 2018, the Series 2008 Warrants will be called at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The principal amount to be refunded is \$57,000,000.

General Obligation Refunding and Improvement Warrants, Series 2008B. On, February 15, 2018, the Series 2008 Warrants will be called at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The principal amount to be refunded is \$13,935,000.

Simultaneously with the sale and issuance of the Series 2017A and 2017B Warrants, a portion of the proceeds of the Warrants will be used to purchase United States Treasury Securities State and Local Government Series and United States Treasury Notes (restricted acquired obligations) which will be placed in an irrevocable trust together with initial cash deposit to be used solely to refund the warrants described above.

The initial cash deposit amount of \$3.38 was transferred to the Escrow Trustee on February 15, 2017 to provide for the redemption and prepayment of the Series 2002, 2008, and 2008B Warrants. Receipts from restricted acquired obligations together with the initial cash deposit will be used to pay at early redemption the principal and interest of the above-mentioned warrants.

The net effect of the issuance of the Series 2017A and 2017B Warrants was a decrease in total debt service of \$7,364,282.50. The 2017A and 2017B warrants resulted in an economic gain of \$7,364,282.50 in gross savings, or \$6,048,912.88 in present value savings.

**NOTE 10 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS**

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

Plan	Contributions
Employees' Retirement System of Alabama (ERS)	\$ 4,888,880
Police and Firefighters Retirement Plan (PFFRP)	19,977,103
General Municipal Employee Pension Trust Fund (GMEPTF)	8,843
Total	\$ 24,874,826

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.

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Employees' Retirement System of Alabama

**General Plan Information**

All the City's employees, other than sworn police and certified fire-rescue employees, participate in the Employees' Retirement System of Alabama.

*Plan description.* The Employees' Retirement System of Alabama (ERS), an agency multiple-employer plan, was established October 1, 1945 under the provisions of Act 515 of the Legislature of 1945 to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control. The ERS Board of Control consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). Title 36-Chapter 27 of the Code of Alabama grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at [www.rsa-al.gov](http://www.rsa-al.gov).

The ERS Board of Control consists of 13 trustees as follows:

1. The Governor, ex officio.
2. The State Treasurer, ex officio.
3. The State Personnel Director, ex officio.
4. The State Director of Finance, ex officio.
5. Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
6. Six members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
  - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or public agency each of whom is an active beneficiary of ERS.
  - b. Two vested active state employees.
  - c. Two vested active employees of an employer participating in ERS pursuant to Sec. 36-27-6.

*Benefits provided.* State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS.

City members are classified as Tier 1 or Tier 2 employees with different benefits and contribution rates. Employees having any ERS service prior to January 1, 2013 are classified as Tier 1 participants. Employees hired on or after January 1, 2013 with no previous creditable retirement service are classified as Tier 2 participants. The Tier 2 benefit classification was established by Act 377 of the Legislature of 2012.

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

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For Tier 1 participants, a member attaining the earlier of age 60 with 10 years of creditable service or after completing 25 or more creditable years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Eligible members may convert unused sick leave days to service credit to meet the minimum requirement for service retirement. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

For Tier 2 participants, a member is eligible to retire the first day of the month following attainment of age 62 with 10 years of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Members can only retire on the first day of any month they are eligible. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service.

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

*Membership.* The ERS serves approximately 875 local participating employers. These participating employers include 294 cities, 65 counties, and 516 other public entities. City of Mobile ERS membership as of September 30, 2016 consisted of:

<u>Category</u>	<u>Members</u>
Retired members or their beneficiaries currently receiving benefits	727
Vested inactive members	18
Non-vested inactive members	104
Active members	1,178
Post-DROP retired members still in active service	15
Total	<u>2,042</u>

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

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The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2017, the City's average active employee contribution rate was 5.20% percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 10.67% of covered payroll.

The City's contractually required contribution rate for Tier 1 employer contributions during fiscal 2017 were based on 11.20% of pensionable pay. Tier 2 employer contributions during fiscal 2017 were based on 8.61% of pensionable pay. These required contribution rates are based upon the actuarial valuation dated September 30, 2014, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total contributions to the Plan in fiscal year 2017 amounted to \$7,272,819 of which \$4,888,880 and \$2,383,939 were made by the City of Mobile and its employees, respectively.

**Net Pension Liability**

The City's net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2015 rolled forward to September 30, 2016 using standard roll-forward techniques shown in the following table:

Roll-Forward of the Total Pension Liability	Expected	Actual 2015 Valuation Assumptions	Actual 2016 Valuation Assumptions
Total pension liability			
as of September 30, 2015 (a)	\$ 197,380,586	\$ 199,808,202	\$ 204,827,961
Discount rate (b)	8.00%	8.00%	7.75%
Entry Age Normal Cost for			
October 1, 2015 - September 30, 2016 (c)	3,871,747	3,871,747	3,695,224
Transfers among employers (d)		(238,266)	(238,266)
Actual Benefit Payments and Refunds			
for October 1, 2015 - September 30, 2016 (e)	<u>(13,379,634)</u>	<u>(13,379,634)</u>	<u>(13,379,634)</u>
Total Pension Liability			
as of September 30, 2016			
[(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))]	<u>\$ 203,127,961</u>	<u>\$ 205,511,520</u>	<u>\$ 210,260,991</u>
Difference between Expected and Actual Experience		\$ 2,383,559	
Less: Liability Transferred for Immediate Recognition		<u>(238,266)</u>	
Experience (Gain)/Loss (i) = (g) - (h)		\$ 2,621,825	
Difference between Actual (2015 Assumptions) and and Actual (2016 Assumptions)			
Assumption Change (Gain)/Loss (j)			\$ 4,749,471



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*Actuarial assumptions.* The total pension liability in the September 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25% - 5.00%
Investment rate of return*	7.75%
<i>*Net of pension plan investment expense</i>	

Mortality rates were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females at ages on and after age 78. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

The actuarial assumptions used in the September 30, 2015 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return*
Fixed income	17.00%	4.40%
U.S. large stocks	32.00%	8.00%
U.S. mid stocks	9.00%	10.00%
U.S. small stocks	4.00%	11.00%
International developed market stocks	12.00%	9.50%
International emerging market stocks	3.00%	11.00%
Alternatives	10.00%	10.10%
Real estate	10.00%	7.50%
Cash	3.00%	1.50%
Total	<u>100.00%</u>	

*\*Includes assumed rate of inflation of 2.50%*

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*Discount rate.* The discount rate used to measure the total pension liability was the long-term rate of return, 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current pan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
<b>Changes in Net Pension Liability</b>			
Balances at 9/30/2015	\$ 197,380,586	\$ 138,593,005	\$ 58,787,581
Changes for the year:			
Service cost	3,871,747	-	3,871,747
Interest	15,255,262	-	15,255,262
Differences between expected and actual experience	2,621,825	-	2,621,825
Contributions-employer	-	4,790,583	(4,790,583)
Contributions-employee	-	2,383,150	(2,383,150)
Net investment income	-	13,786,336	(13,786,336)
Benefit payments, including refunds of employee contributions	(13,379,634)	(13,379,634)	-
Administrative expense	-	-	-
Changes in benefit terms	-	-	-
Changes in assumptions or other inputs	4,749,471	-	4,749,471
Transfers among employers	(238,266)	(238,266)	-
Net changes	12,880,405	7,342,169	5,538,236
Balances at 9/30/2016	<u>\$ 210,260,991</u>	<u>\$ 145,935,174</u>	<u>\$ 64,325,817</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the City's net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's Net Pension Liability	\$85,815,721	\$64,325,817	\$46,020,471

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*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2016. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2016. The auditor's report dated September 18, 2017 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at [www.rsa-al.gov](http://www.rsa-al.gov).

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2017 the City recognized pension expense (income) of \$7,151,751.

Components of pension expense are as follows:

Service Cost	\$ 3,871,747
Interest on the total pension liability	15,255,262
Current-period benefit changes	-
Expensed portion of the current-period difference between expected and actual experience	476,695
Expensed portion of current-period changes of assumptions	863,540
Member contributions	(2,383,150)
Projected earnings on plan investments	(10,829,674)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(591,332)
Transfers among employers	-
Recognition of beginning deferred outflows as pension expense	865,044
Recognition of beginning deferred inflows as pension expense	(376,381)
Pension Expense (Income)	<u>\$ 7,151,751</u>

At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to ERS pension of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,145,130	\$ 1,242,056
Changes of assumptions or other inputs	3,885,931	-
Net difference between projected and actual earnings on pension plan investments	1,272,379	-
Employer contributions subsequent to the measurement date*	4,719,457	-
Total	<u>\$ 12,022,897</u>	<u>\$ 1,242,056</u>

\*Employer contributions made from 10/01/2016-09/30/2017, related to normal and accrued liability components of employer rate net of any refunds or error service payments. These amounts will be recognized in 2018 as a reduction of the net pension liability.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources to ERS pension will be recognized in pension expense as follows:

Year ended September 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2018	\$ 1,613,947	\$ 376,381	\$ 1,237,566
2019	1,613,949	376,381	1,237,568
2020	2,656,522	376,381	2,280,141
2021	748,901	112,913	635,988
2022	670,121	-	670,121
Thereafter	-	-	-
	\$ 7,303,440	\$ 1,242,056	\$ 6,061,384

Employer contributions made from 10/01/2016-09/30/2017 will be recognized in fiscal year 2018 as a reduction of pension expense totaling \$4,719,457.

Police and Firefighters Retirement Plan

**General Plan Information**

*Plan description.* The Police and Firefighters Retirement Plan (PFFRP) is a single-employer defined benefit pension plan. The Plan was established by an Act of the Alabama State Legislature (the Act) on September 2, 1964. 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.

The responsibilities for general administration of the Plan are entrusted to a Board of Trustees made up of three elected police officers, three elected firefighters, the Executive Director of Financial Services for the City of Mobile and two members appointed by the governing body of the City of Mobile. The Plan's assets are held in trust by The Bank of New York Mellon. Plan benefit provisions were established and may be amended by the Plan's Board of Trustees subject to approval by the City of Mobile City Council. Cost of living adjustments may be provided by the Plan's Board of Trustees after consultation with its actuary and other advisors. Contribution requirements were established and may be amended subject to approval by the Board of Trustees and the City of Mobile City Council. Certain administrative functions are performed by the City. Those employees are not compensated by the Plan nor are they members of the Plan.

The City may terminate the Plan with consent of the majority of the participants for any reason at any time. In the case of termination, the rights of the participants to their benefits as of the date of termination, to the extent then funded or protected by law, if greater, shall be non-forfeitable.

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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.

*Benefits provided.* Participants in the PFFRP are entitled to certain benefits depending upon whether sufficient assets are in the fund to cover the benefits. The Plan provides for retirement, disability, and death benefits. Also, the Plan provides for certain types of benefits including a Deferred Retirement Option Plan (DROP).

*Retirement.* The Plan provides that a participant, who was hired prior to March 28, 1990, with at least 20 years of service (the last 10 years of which are consecutive) and who has attained 50 years of age, may retire and receive a monthly payment equal to 2.5% of his or her final average salary (average of the highest salary for 36 months of the previous ten years of service) multiplied by the number of years in service and divided by twelve. The benefit, however, cannot exceed 75% of the participant's final average salary. The Plan provides that a participant, who was 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 his or her final average salary (average of the highest salary for 60 months of the previous ten years of service) multiplied by the first 20 years of service, and 2.25% of his or her final average salary for years of service in excess of 20 years. The benefit, however, is not to exceed 72.5% of the participant's final average salary.

*DROP.* Effective October 1, 1997, the Plan was amended to provide for the addition of a Deferred Retirement Option Plan (DROP). The DROP program is available for participants who are eligible for retirement and who wish to continue their respective jobs with the police or fire departments. Those retirees who elect the DROP will have their monthly retirement benefits accumulated in a DROP account. DROP accounts earn a rate of interest that is based on the actual investment return of the fund for the prior Plan year, less two percent, if the return is at least equal to the assumed investment return.

*Disability.* 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 or her duties as a uniformed officer by reason other than hypertension, heart disease, respiratory disease, AIDS, hepatitis, or cancer, he or she shall receive a monthly disability benefit equal to 2.5% of his or her final salary multiplied by his or her years of service, but not more than 60% of his or her final salary. If any participant becomes permanently physically or mentally disabled while performing his or her duties as a uniformed officer other than due to hypertension, heart disease, respiratory disease, AIDS, hepatitis, or cancer; or, any participant who has completed three years of service as a uniformed officer becomes permanently physically or mentally disabled due to hypertension, heart disease, respiratory disease, AIDS, hepatitis, or cancer, the participant shall receive a monthly disability benefit equal to 45% of his or her final salary at the time the participant became disabled. However, any participant who can demonstrate to the Board of Trustees that he or she is totally disabled from gainful employment, he or she shall receive a disability benefit equal to 60% of his or her final salary at the time the participant became disabled.

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*Other.* Whenever the employment of a participant of the Plan is terminated other than by reason of death or disability after completion of 15 years of service (the last ten years without a break in service exceeding one year), he or she shall receive a pension beginning on the first day following the latest of his or her termination of employment or on his or her 65th birthday. If a participant terminates employment prior to 15 years of service for causes other than death or disability, he or she will receive a refund of his or her contributions excluding interest.

*Death.* Whenever the employment of a participant is terminated by death before eligibility for pension benefits has been established, the contributions of such participant to the Plan shall be refunded in a lump sum plus up to \$5,000 in matching benefits, without interest, to the named beneficiary on file with the Plan secretary. If a participant who is eligible for a retirement benefit dies prior to his or her annuity starting date, his or her eligible family members shall receive a benefit equal to the greater of, (1) the benefit they would have received had the participant met the requirements of the Plan, as the case may be, retired or terminated employment on the day preceding his or her death and begun to receive his or her benefit in accordance with the 50% survivor's benefit, or (2) in a single lump sum equal to the lesser of twice the participant's contributions to the Plan plus \$5,000.

*Contributions.* The Act requires that employees who have earned less than 30 years of service contribute to the fund 8% of their basic salary, as defined by the Plan. Employer contributions are actuarially determined. 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 actuarially determined 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. These receipts are included in employer contributions. 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.

For the year ended September 30, 2017, the City's active employee contribution rate was 8.01 percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 48.39 percent of covered payroll. Total contributions to the Plan during fiscal year 2017 amounted to \$23,284,040 of which \$19,977,104 and \$3,306,936 were made by the City of Mobile and its employees, respectively. Future contributions from the employer and employees are assumed to be made as legally required.

*Membership.* Participation in the Plan as of October 1, 2016, according to the latest actuarial valuations, was comprised of the following:

<u>Category</u>	<u>Members</u>
Retirees and beneficiaries currently receiving benefits	714
Vested terminated employees	17
Active employees	918
Total	<u>1,649</u>

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**Net Pension Liability**

The City's net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2015 rolled forward to September 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement.

*Actuarial assumptions.*

Discount rate	7.32%
Investment rate of return, net of pension plan investment expense, including inflation	7.00%
Inflation	2.50%
Salary increases	3.00%
Cost-of-living increases	2.50%

*(only for those who retired during the period October 1, 1977 through April 14, 1985)*

The actuarial assumptions used in the October 1, 2015 and 2014 valuations were based on results of an actuarial experience study for the period October 1, 2006 through September 30, 2015.

The discount rate used to measure the total pension liability was 7.32 percent. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rates and the member rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Mortality rates were based on the sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430. Future generational improvements in mortality have not been reflected.

For retirement, 25% of eligible participants are assumed to retire at age 50, 20% are assumed to retire at each of ages 51 and 52, 22% are assumed to retire at age 53, 33% are assumed to retire at age 54, 35% are assumed to retire at age 55, 30% are assumed to retire at age 56, 25% are assumed to retire at age 57, 20% are assumed to retire at age 58, 15% are assumed to retire at age 59, 20% are assumed to retire at each of ages 60 and 61, and 100% of participants are assumed to retire at age 62

Assumed employment termination is based on age, ranging from 7.07% at age 20 to 0.00% at age 50; assumed disability is based on age, ranging from 0.19% at age 30 to 0.67% at age 65.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Best estimates of arithmetic real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return
Broad equity markets	5.00%	6.01%
Domestic large cap equity	28.00%	6.91%
Domestic mid cap equity	9.50%	8.91%
Domestic small cap equity	9.50%	5.01%
International equity	10.00%	3.31%
Domestic fixed equity	25.00%	0.81%
Alternative investments	13.00%	7.51%
Total	<u>100.00%</u>	<u>5.07%</u>

**Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<b>Changes in Net Pension Liability</b>			
Balances at 9/30/2015	\$ 260,565,945	\$ 144,469,292	\$ 116,096,653
Changes for the year:			
Service cost	1,414,553	-	1,414,553
Expected interest growth	18,550,878	10,731,326	7,819,552
Unexpected investment income	-	1,196,395	(1,196,395)
Demographic experience	(1,557,256)	-	(1,557,256)
Contributions-employer	-	19,701,944	(19,701,944)
Contributions-employee	-	2,995,750	(2,995,750)
Benefit payments, including refunds of employee contribution	(18,335,869)	(18,335,869)	-
Administrative expense	-	(18,061)	18,061
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Net changes	<u>72,306</u>	<u>16,271,485</u>	<u>(16,199,179)</u>
Balances at 9/30/2016	<u>\$ 260,638,251</u>	<u>\$ 160,740,777</u>	<u>\$ 99,897,474</u>



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*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the City's total pension liability calculated using the discount rate of 7.32%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.32%) or 1-percentage point higher (8.32%) than the current rate:

	1% Decrease (6.32%)	Current Discount Rate (7.32%)	1% Increase (8.32%)
City's Net Pension Liability	\$ 130,126,313	\$ 99,897,474	\$ 75,068,542

*Pension plan fiduciary net position.* Detailed information about the Plan's fiduciary net position is available in the separately issued annual financial report. The Plan's fiduciary net position has been determined on the same basis used by the Plan and is equal to the market value of assets calculated under the accrual basis of accounting.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2017 the City recognized pension expense (income) of \$9,552,618.

Components of pension expense are as follows:	
Service Cost	\$ 1,414,553
Expected interest growth	7,819,552
Investment gain/loss	3,312,347
Demographic gain/loss	(16,145)
Employee contributions	(2,995,750)
Benefit payments and refunds	-
Administrative expenses	18,061
Changes in benefit terms	-
Changes in assumptions or other inputs	-
Pension Expense (Income) for the year ended 9/30/2017	\$ 9,552,618

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At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to PFFRP of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2015	\$ 35,321,450	\$ 129,061
Amortization payments	(3,694,802)	(398,600)
Prior year employer contributions paid subsequent to the measurement date (10/01/15-09/30/16)	(19,701,944)	-
Investment gain/loss	-	1,196,395
Demographic gain/loss	-	1,557,256
Changes in assumptions or other inputs	-	-
Employer contributions subsequent to the measurement date*	19,977,103	-
Balance as of September 30, 2016	<u>\$ 31,901,807</u>	<u>\$ 2,484,112</u>

*\*Employer contributions made from 10/01/2016-09/30/2017, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amounts will be recognized in 2018 as a reduction of the net pension liability.*

Other amounts reported as deferred outflows of resources and deferred inflows of resources to PFFRP pension will be recognized in pension expense as follows:

Year ended September 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2018	\$ 3,694,802	\$ 398,600	\$ 3,296,202
2019	3,694,802	398,598	3,296,204
2020	3,694,802	355,579	3,339,223
2021	100,155	355,579	(255,424)
2022	100,155	116,300	(16,145)
2023	100,155	116,300	(16,145)
Thereafter	539,833	743,156	(203,323)
	<u>\$ 11,924,704</u>	<u>\$ 2,484,112</u>	<u>\$ 9,440,592</u>

Employer contributions made from 10/01/2016-09/30/2017 will be recognized in fiscal year 2018 as a reduction of pension expense totaling \$19,977,103.

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 could elect participation in the Employees' Retirement System of Alabama plus some combination of benefits under the GMEPTF.

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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, 2017, 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, 2017, 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, the relative insignificance and immateriality 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, 2017 were \$8,843.

Transit Workers Pension Plan

**General Plan Information**

*Plan description.* 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 Transit Workers Pension Plan (TWPP), a single-employer defined benefit pension plan, to provide pension benefits to participants, retired participants and beneficiaries that are equivalent to those benefits that were previously offered under the Employees Retirement Systems of Alabama (ERS).

The TWPP covers employees of the contracted Operator (former employees of the City) and was established under the Urban Mass Transportation Act, specifically 49 U.S.C. section 1609, 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 responsibilities for general administration of the Plan are entrusted to an independent Board of Trustees. The Plan's assets are held in trust by Regions Morgan Keegan Trust. The Board of Trustees may terminate the Plan at any time for any reason, provided that such termination is permitted by State law. Upon termination of the Plan or the complete termination of contributions to the Plan, the rights of all participants to benefits accrued to the date of such termination or discontinuance to the extent funded shall be non-forfeitable.

The TWPP issues a stand-alone financial report which may be obtained by contacting the Board of Trustees of the TWPP at 1224 West 1-65 Service Road South, Mobile, AL 36609.

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*Benefits provided.* 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 (regardless of age) 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 ERS, including periods of purchased creditable service under the ERS, as well as for the period beginning with the date the participant was no longer an active member of ERS 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 ERS and attributable to service recognized as credited service under the 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 or her designated beneficiary receives payments, not to exceed the balance of his or 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).

No changes were made to the benefit terms from the prior measurement date.

*Contributions.* The City of Mobile is required to contribute at an actuarially determined amount each plan year. The City's contribution is determined as of each July 1. At a minimum, the City will make such contributions as are necessary to fund the Plan in accordance with the minimum funding standards set forth in Code section 412 as if the Plan were otherwise subject to such funding standards and in accordance with any other applicable State law. The normal cost has been increased by \$20,000 per year to finance the administrative expenses of the Plan. Employees participating in the Plan are required to contribute 5% of their earnings to the Plan. Employer and employee contribution requirement may be amended by Ordinance of the City of Mobile City Council.

For the year ended September 30, 2017, the City's active employee contribution rate was 5% of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 12.77% percent of covered payroll. Total contributions to the pension plan during plan fiscal year 2017 amounted to \$688,074 of which \$457,063 and \$231,011 were made by the City of Mobile and the Wave Transit employees respectively. Future contributions from the employer and employees are assumed to be made as legally required.

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*Membership.* Participation in the Plan as of July 1, 2016, according to the latest actuarial valuations, was comprised of the following:

Category	Members
Retirees and beneficiaries currently receiving benefits	30
Vested terminated employees	7
Active employees	114
Total	151

**Net Pension Liability**

The City's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.*

Discount rate	4.75%
Inflation	2.00%
Salary increases	4.00%
Investment rate of return	5.93%
Cost-of-living increases	None assumed

The discount rate used to measure the total pension liability was 4.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Mortality rates were based on sex distinct mortality rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Best estimates of weighted arithmetic real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return
International developed equity	11.31%	5.06%
International emerging equity	1.87%	6.27%
U.S. large cap equity	26.96%	4.66%
U.S. mid cap equity	6.92%	5.26%
U.S. small cap equity	6.66%	5.76%
Foreign bond	1.09%	0.47%
High yield bond	1.11%	2.22%
U.S. core fixed income	32.58%	0.24%
Cash	11.50%	0.07%
Total	<u>100.00%</u>	<u>2.75%</u>

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Changes in Net Pension Liability	(a)	(b)	(a)-(b)
Balances at 6/30/2016:	\$ 14,817,480	\$ 10,878,866	\$ 3,938,614
Changes for the year:			
Service cost	850,659	-	850,659
Interest	732,175	522,338	209,837
Differences between expected and actual experience	156,090	387,793	(231,703)
Contributions-employer	-	457,063	(457,063)
Contributions-employee	-	231,011	(231,011)
Benefit payments, including refunds of employee contributions	(421,768)	(421,768)	-
Administrative expense	-	(28,080)	28,080
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Net changes	<u>1,317,156</u>	<u>1,148,357</u>	<u>168,799</u>
Balances at 6/30/2017:	<u>\$ 16,134,636</u>	<u>\$ 12,027,223</u>	<u>\$ 4,107,413</u>

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*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the City's total pension liability calculated using the discount rate of 4.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.75%) or 1-percentage point higher (5.75%) than the current rate:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
City's Net Pension Liability	\$ 6,404,545	\$ 4,107,413	\$ 2,223,169

*Pension Plan fiduciary net position.* The Plan issues a stand-alone financial report each year, which contains information about the Plan's fiduciary net position. The Plan's fiduciary net position has been determined on the same basis used by the Plan and is equal to the market value of assets calculated under the accrual basis of accounting. This report is available to the public at the Plan's administrative office: Human Resources Department, The Wave Transit System, 1224 West I-65 Service Road South, Mobile, AL 36609, (251) 344-6600.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2017 the City recognized pension expense (income) of \$853,268.

Components of pension expense are as follows:

Service Cost	\$ 850,659
Expected interest growth	209,837
Investment gain/loss	(84,253)
Demographic gain/loss	88,153
Employee contributions	(231,011)
Administrative expenses	28,080
Changes in benefit terms	-
Changes in assumptions or other inputs	(8,197)
Pension Expense (Income)	\$ 853,268

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At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to TWPP of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2016	\$ 1,425,066	\$ 988,137
Amortization payments	(300,704)	(305,001)
Prior year employer contributions paid subsequent to the measurement date (07/01/16-09/30/17)	(75,000)	-
Investment gain/loss	-	387,793
Demographic gain/loss	156,090	-
Changes in assumptions or other inputs	-	-
Employer contributions subsequent to the measurement date*	75,000	-
Balance as of September 30, 2017	<u>\$ 1,280,452</u>	<u>\$ 1,070,929</u>

*\*Employer contributions made from 07/01/2017-09/30/2017, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amounts will be recognized in 2018 as a reduction of the net pension liability.*

Other amounts reported as deferred outflows of resources and deferred inflows of resources to TWPP pension will be recognized in pension expense as follows:

Year ended September 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2018	\$ 300,702	\$ 305,003	\$ (4,301)
2019	300,702	181,011	\$ 119,691
2020	249,663	181,011	\$ 68,652
2021	159,673	181,009	\$ (21,336)
2022	147,443	103,452	\$ 43,991
Thereafter	47,269	119,443	\$ (72,174)
	<u>\$ 1,205,452</u>	<u>\$ 1,070,929</u>	<u>\$ 134,523</u>

Employer contributions made from 07/01/2017-09/30/2017 will be recognized in fiscal year 2018 as a reduction of pension expense totaling \$75,000.



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**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 who participate in the health and dental plan, 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. The cost of retiree health care, dental care and life insurance benefits is recognized as an expenditure as claims are paid. For fiscal year 2017, those costs totaled approximately \$4,324,830 and the liability for incurred and not paid claims totaled \$2,292,900.

*Eligible Individuals:*

Eligible individuals include all regular, full-time employees of the City who were hired prior to 2015 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 Firefighters Retirement Plan. 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 2017, retirees have been assumed to make monthly contributions equal to \$80 for single coverage and \$210 for family coverage. COBRA contributions for the same period have been assumed to be \$474 per month for single coverage and \$1,230 per month for family coverage. If eligible, 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.

*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 time.

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The following table shows the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and changes in the City's net OPEB obligation to the OPEB Plan:

	As of September 30, 2017
Annual OPEB Cost	\$ 12,432,000
Employer Contributions	(7,454,000)
Interest on Employer Contributions	(104,000)
Increase in the Net OPEB Obligation	4,874,000
Net OPEB Obligation, beginning of year	201,065,000
Net OPEB Obligation, end of year	<u>\$ 205,939,000</u>

*Development of the Annual OPEB Cost:*

ARC	\$ 22,950,000
Interest on the Net OPEB Obligation	5,630,000
Adjustment to the ARC	(16,148,000)
Total Annual OPEB Cost	<u>\$ 12,432,000</u>

Trend information for the OPEB Plan:

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed	Annual OPEB Cost	%
				Contributed
September 30, 2015	\$ 28,272,000	37%	\$ 19,811,000	52%
September 30, 2016	\$ 28,923,000	36%	\$ 20,025,000	52%
September 30, 2017	\$ 22,950,000	33%	\$ 12,432,000	61%

*Funding Status and Funding Progress*

As of September 30, 2017, the actuarial accrued liability for benefits was \$188,074,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$76,925,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 244.5 percent.

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 presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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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)	Funded Ratio (1)/(2)	(4) Covered Payroll	Net OPEB Obligation (3)/(4)
October 1, 2013	\$ -	\$ 304,313,000	\$ 304,313,000	0.00%	\$ 87,883,000	346.3%
October 1, 2015	\$ -	\$ 216,074,000	\$ 216,074,000	0.00%	\$ 83,153,000	259.9%
October 1, 2016	\$ -	\$ 188,074,000	\$ 188,074,000	0.00%	\$ 76,925,000	244.5%

*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, 2016
Actuarial cost method	Projected unit credit
Amortization method	15-year open period; level-dollar payment
Investment return	2.8% per annum (includes inflation at 2.5% per annum)

*Changes from prior valuation.* Several changes have been made since the prior valuation. Certain changes are highlighted below:

- 1) The mortality basis was changed from 2015 projection of the RP-2000 Mortality Table to the RP-2000 Mortality Table with full generational improvements in mortality using Scale AA;
- 2) The discount rate increased from 4% per annum to 2.8% per annum;
- 3) The healthcare cost trend rates for the period of October 1, 2016 through September 30, 2017 were changed from 7.50% graded down to 5.00% to 8.00% graded down to 5.00%;
- 4) The expected healthcare claims cost at age 62 for the period of October 1, 2016 through September 30, 2017 was decreased from \$12,204 to \$8,650;
- 5) The increase in the cost of covered medical services for each year of age was changed from 3.00% to 3.50%;
- 6) Assumed dental claims for the period of October 1, 2016 to September 30, 2017 was increased from \$309 to \$325; and
- 7) Assumed administrative expenses for the period of October 1, 2016 through September 30, 2017 were decreased from \$360 to \$175.

Healthcare cost trend rate(s):	<b>Medical</b>	<b>Dental</b>
Select rates	8% for 2016/17 graded to 5.5% for 2021/22	Not applicable
Ultimate rate	5.0% per annum	3.0% per annum

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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, 2017:

<u>Activity</u>	<u>Restricted By</u>	<u>Amount</u>
Capital Projects	Enabling Legislation	\$ 2,368,814
Capital Projects	Legal Restriction	5,838,022
Debt Service	Legal Restriction	126,124
Economic Development	Enabling Legislation	11,440,975
Grant Programs	Grant Agreements	5,894,771
		<u>\$ 25,668,706</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.

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, 2017 was \$3,660,714. 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.

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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 \$390,964 for fiscal year 2017 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 \$1,370,613 for the year ended September 30, 2017.

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

Self-Insured Liability - Legal

The City of Mobile is a defendant in various suits and has been notified of claims against it, said suits and claims arising from alleged defects in sidewalks, streets, public drainage facilities and other public ways, or arising from alleged negligent operation of motor vehicles and other alleged tortuous misconduct on the part of City employees.

The City attorney has reviewed these claims and lawsuits 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. Because 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 \$1,641,500 and \$3,671,500. Consequently, the City has accrued at September 30, 2017, the lesser of the range equal to \$1,641,500. Loss contingencies categorized as "reasonably possible" range between \$395,000 and \$1,120,000.

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Governmental Funds Encumbrances

Governmental Funds Encumbrances	Amount
Major Governmental Funds:	
General Fund	\$ 1,280,108
Capital Improvements Fund	16,177,022
Governmental Funds - Nonmajor	1,107,972
Total Governmental Funds Encumbrances	\$ 18,565,102

Encumbrances for the year ended September 30, 2017 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 \$1,641,500 for loss contingencies relating to claims and judgments. Claim settlement and loss expenses are accrued for estimated reported claims. 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 self-insured for workers' compensation claims, up to \$750,000 per accident/claim, to include medical expenses and indemnity payments to the injured worker. The city is fully insured over the \$750,000 self-insured retention, through the Municipal Workers Compensation Fund (MWCF). The City contracts with a third-party administrator for claims administration of claims that occurred prior to participation in MWCF on January 1, 2017. The estimated liability for workers' compensation claims as of September 30, 2017 is \$15,389,053.

The City is also self-insured for employee health insurance claims. 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, 2017 is \$2,021,600.

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

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
Claims and judgments, general liability and general and automotive liability				
2015-2016	1,257,050	1,368,374	777,924	1,847,500
2016-2017	1,847,500	774,250	980,251	1,641,500
Employee Health				
2015-2016	2,451,800	25,473,758	25,659,758	2,265,800
2016-2017	2,265,800	22,890,586	23,134,787	2,021,600
Workers' Compensation				
2015-2016	14,345,237	3,887,462	3,300,863	14,931,836
2016-2017	14,931,836	2,608,878	2,151,660	15,389,053

**NOTE 15 - FUNDS DEFICITS OF NONMAJOR FUNDS**

Deficits in net position/fund balance of nonmajor funds at September 30, 2017, are as follows:

Nonmajor Special Revenue Fund	
Court Referral Officers	\$           3,760
Internal Service Funds	
Insurance Fund	\$       564,866

**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 the Chastang landfill has been transferred to another entity, the Solid Waste Disposal Authority. At September 30, 2017, 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 \$621,801 reported in the Statement of Net Position as a landfill postclosure liability at September 30, 2017 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.

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**NOTE 17 – TAX ABATEMENTS**

The City implemented GASB Statement No. 77, Tax Abatement Disclosures for the year ended September 30, 2017.

The City periodically enters into economic development incentive agreements with entities that propose to locate businesses within the City, or expand businesses within the City, which are expected to provide a stimulus to the City's economy and tax base. The City typically expects to experience increased local economic and commercial development because of the agreements.

The City enters into tax abatement agreements on an individual basis. These abatement agreements require approval by the Mayor and City Council and are authorized by Amendment 772 of the Constitution of Alabama. There are no specific criteria by which such agreements are evaluated. Rather, the Mayor and City Council, exercising authority granted to them by law, and weighing the projected abated taxes against the potential benefit to the City because of the agreement, conclude if the proposed tax abatement agreement would be sufficiently advantageous to the City to warrant approval.

Generally, the agreements provide for a rebate of sales and use taxes paid to the City according to formulas contained in the agreements. The total amount of taxes rebated under such agreements during fiscal year 2017 was \$2,811,794.

The agreements typically provide for the suspension of rebates or for the repayment to the City of the rebated amounts if the entity ceases to operate its business for a certain length of time or fails to produce a certain level of employment.

In the past, the City has abated sales and use taxes without the provision for the initial payment and subsequent rebate of such taxes. These agreements did not establish a required reporting mechanism for the City to receive information on the amount of taxes abated. Therefore, the City is unable to estimate the amount of taxes abated under these existing agreements. However, the City will begin implementing reporting requirements to comply with GASB Statement No. 77 in future abatement agreements.

Occasionally, the City will agree to provide assistance with contractual lease obligations of certain abatees under tax abatement agreements. The amount of such remaining obligations is \$750,000.

**Tax Abatement Agreements of Other Entities**

**Industrial Development Board of the City of Mobile, AL**

Generally, the Industrial Development Board of the City of Mobile, AL (IDB) has the authority to abate City construction-related sales and use transaction taxes and the non-educational portion of ad-valorem taxes for qualified applicants. The Board is comprised of thirteen members appointed by the Mayor of the City of Mobile. The City does not collect its own ad-valorem taxes. The Mobile County Revenue Commissioner is responsible for such collection. Such abatements are authorized under the Code of Alabama Section 40-9B-4.



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The information presented below regarding tax abatements of the Industrial Development Board of the City of Mobile has been compiled after reasonable attempts to obtain the required information. The City makes no representation that this information is correct or complete.

The gross amount of foregone City ad-valorem taxes during the 2017 fiscal year due to tax abatement agreements was \$587,685.

In the past, The City IDB has abated construction-related sales and use taxes without the provision for the initial payment and subsequent rebate of such taxes. These agreements did not establish a required reporting mechanism for the IDB or the City to receive information on the amount of taxes abated. Therefore, neither the IDB nor the City is able to estimate the amount of taxes abated under these existing agreements. However, the City will begin working with the IDB to implement reporting requirements to comply with GASB Statement No. 77 in future abatement agreements.

**Mobile County Industrial Development Authority**

Generally, the Mobile County Industrial Development Authority (IDA) has the authority to abate City construction-related sales and use transaction taxes and the non-educational portion of ad-valorem taxes for qualified applicants. The members of the Board are appointed by the Mobile County Commission. The City does not collect its own ad-valorem taxes. The Mobile County Revenue Commissioner is responsible for such collection. Such abatements are authorized under the Code of Alabama Section 40-9B-4.

There were no records of foregone ad-valorem taxes abated during the 2017 fiscal year identified due to agreements authorized by the Mobile County IDA.

In the past, The County IDA has abated construction-related sales and use taxes without the provision for the initial payment and subsequent rebate of such taxes. These agreements did not establish a required reporting mechanism for the County IDA or the City to receive information on the amount of taxes abated. Therefore, neither the County IDA nor the City is able to estimate the amount of taxes abated under these existing agreements. However, the City will begin working with the County IDA to implement reporting requirements to comply with GASB Statement No. 77 in future abatement agreements.

**NOTE 18 - PRIOR PERIOD ADJUSTMENTS**

**Governmental Activities**

**Capital Assets – Governmental Activities**

Increase net position \$62,798.

To capitalize improvements acquired in prior years which were not capitalized for asset 79254 – ADA Modifications.

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Decrease net position \$47,399.

To correct improvements capitalized in prior years in error for asset 79255 – Ziegler Blvd.

Increase net position \$27,971.

To capitalize improvements acquired in prior years which were not capitalized for asset 79256 – Resurfacing 4-cent gas tax project.

Decrease net position \$107,646.

To correct improvements capitalized in prior years in error for asset 79290 – CDBG 2014 Rehab 773 Baltimore St.

Increase net position \$27,784.

To capitalize improvements acquired in prior years which were not capitalized for asset 79466 – Montlimar Creek Repairs.

Increase net position \$19,304.

To capitalize improvements acquired in prior years which were not capitalized for asset 79468 – Ditch Repairs Montlimar Canal.

Increase net position \$71,668.

To capitalize improvements acquired in prior years which were not capitalized for asset 79477 – Ft. Conde Visitors Center.

Increase net position \$39,021.

To capitalize improvements acquired in prior years which were not capitalized for asset 79478 – CDBG 2014 African American Archives.

Increase net position \$112,449.

To capitalize improvements acquired in prior years which were not capitalized for asset 79600 – Sidewalks Medal of Honor – Hickory Ridge.

Increase net position \$1,451,768.

To capitalize improvements acquired in prior years which were not capitalized for asset 80028 – 2016 Cruise Terminal Repairs.

Increase net position \$25,613.

To capitalize improvements acquired in prior years which were not capitalized for asset 80036 – Drainage Grand Blvd.

Increase net position \$107,646.

To capitalize improvements acquired in prior years which were not capitalized for asset 80039 – CDBG 2015 Baltimore Street Rehab.

Total adjustment to beginning net position of Governmental Activities was an increase of \$1,790,977.

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**NOTE 19 – SUBSEQUENT EVENTS**

On December 6, 2017, the City issued two General Obligation Warrants as follows:

**2017C General Obligation Warrants, Tax Exempt**

Series 2017C Tax-Exempt General Obligation Warrants were issued for \$8,935,000 with interest of 5.00 percent per annum maturing on February 15, 2020. The Series 2017C Warrants were issued at a premium of \$539,123.90 less underwriter's discount of \$26,805.00. Net proceeds were \$9,447,318.90. Issuance costs totaled \$36,281.95. The 2017C Warrants resulted in a deposit to the trust escrow fund totaling \$9,411,036.95.

The Series 2017C Warrants were issued to refund a portion of the General Obligation Refunding and Improvement Warrants, Series 2008B, which are outstanding in the aggregate principal amount of \$19,940,000. The 2008B Warrants maturing on and after February 15, 2019, which are outstanding in the aggregate principal amount of \$9,205,000.00, will be refunded, on a current basis, with the proceeds of the Series 2017C Warrants. The Series 2008B Warrants with stated maturities prior to such date will not be refunded.

To effect the refunding of the Refunded 2008B Warrants, the City and Regions Bank, Birmingham, Alabama, will enter into an escrow trust agreement simultaneously with the issuance of the Series 2017C Warrants. The City will establish an irrevocable trust fund for the benefit of the holders of the Refunded 2008B Warrants and will deposit therein a portion of the proceeds of the Series 2017C Warrants. The amount so deposited in the Series 2008B Escrow Fund will be used to purchase certain United States government securities. The cash flow from such securities, without reinvestment, when added to any uninvested cash in the Series 2008B Escrow Fund, will be sufficient to pay the redemption price (principal, premium, and accrued interest) of Refunded 2008B Warrants maturing on and after February 15, 2019, which will be called for redemption on February 15, 2018. After the Series 2008B Escrow Fund is established, the Refunded 2008B Warrants will no longer be considered outstanding.

The net effect of the issuance of the Series 2017C Warrants was a decrease in total debt service of \$422,310.41. The 2017C warrants resulted in an economic gain of \$422,310.41 in gross savings, or \$415,470.48 in present value savings.

**2017D General Obligation Warrants, Taxable**

Series 2017D Taxable General Obligation Warrants were issued for \$48,770,000 with interest of 2.40 to 3.12 percent per annum. The Series 2017D Warrants were issued at par less underwriter's discount of \$146,310.00. Net proceeds were \$48,623,690.00. Issuance costs totaled \$175,879.39. The 2017D Warrants resulted in a deposit to the trust escrow fund totaling \$48,447,810.61.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2017**

The Series 2017D Warrants were issued to refund a portion of the General Obligation Refunding Warrants, Series 2009A, which are outstanding in the aggregate principal amount of \$55,850,000. The 2009A Warrants maturing on and after February 15, 2022, which are outstanding in the aggregate principal amount of \$45,925,000.00, will be advance refunded with the proceeds of the Series 2017D Warrants. The Series 2009A Warrants with stated maturities prior to such date will not be refunded.

To effect the refunding of the Refunded 2009A Warrants, the City and the City and Regions Bank, Birmingham, Alabama, will enter into an escrow trust agreement simultaneously with the issuance of the Series 2017D Warrants. The City will establish an irrevocable trust fund for the benefit of the holders of the Refunded 2009A Warrants and will deposit therein a portion of the proceeds of the Series 2017D Warrants. The amount so deposited in the Series 2009A Escrow Fund will be used to purchase certain United States government securities.

The cash flow from such securities, without reinvestment, when added to any uninvested cash in the Series 2009A Escrow Fund, will be sufficient to pay (i) the principal and interest requirements on the Refunded 2009A Warrants maturing on and after February 15, 2022 and (ii) the redemption price (principal, premium, and accrued interest) of Refunded 2009A Warrants maturing on and after the same date, which will be called for redemption on February 15, 2019. After the Series 2009A Escrow Fund is established, the Refunded 2009A Warrants will no longer be considered outstanding.

The net effect of the issuance of the Series 2017D Warrants was a decrease in total debt service of \$4,325,410.79. The 2017D warrants resulted in an economic gain of \$4,325,410.79 in gross savings, or \$4,200,144.66 in present value savings.



University of South Alabama  
Moulton Tower and Alumni Plaza  
*Photo by John Adams, University Photographer*



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



Downtown Mobile



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**CITY OF MOBILE, ALABAMA**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**For the Year Ended September 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 186,340,467	\$ 186,340,467	\$ 178,363,373	\$ (7,977,094)
Licenses and permits	36,641,339	36,641,339	36,236,283	(405,056)
Intergovernmental	97,451	97,451	49,639	(47,812)
Charges for services	6,413,000	6,413,000	6,364,939	(48,061)
Fines and forfeitures	3,074,500	3,074,500	1,642,424	(1,432,076)
State and federal assistance	85,000	85,000	78,006	(6,994)
Investment income	350,000	350,000	199,261	(150,739)
Other revenue	75,000	75,000	358,586	283,586
Total revenues	<u>233,076,757</u>	<u>233,076,757</u>	<u>223,292,511</u>	<u>(9,784,246)</u>
<b>EXPENDITURES</b>				
Current:				
General government				
311	471,943	471,943	382,263	89,680
Archives	344,042	344,042	281,785	62,257
City clerk	653,687	658,757	662,162	(3,405)
City council	620,797	636,156	483,458	152,698
City council discretionary funds	385,000	269,344	254,422	14,922
City hall overhead	3,753,548	3,753,548	5,309,445	(1,555,897)
Communications and external affairs	461,630	465,709	345,207	120,502
Geographical information system	769,850	769,850	683,728	86,122
Information technology	3,769,810	3,769,846	3,430,412	339,434
Legal	1,394,942	1,395,179	1,470,927	(75,748)
Mail room	102,803	105,115	81,441	23,674
Mayor's office	703,153	710,641	509,356	201,285
Mayor's office discretionary funds	25,000	25,000	5,000	20,000
Total General government	<u>13,456,205</u>	<u>13,375,130</u>	<u>13,899,605</u>	<u>(524,475)</u>
Culture and recreation				
Community activities	510,289	510,289	614,568	(104,279)
Community centers	2,297,952	2,023,309	1,895,024	128,285
Forestry	520,339	520,652	522,847	(2,195)
Landscape services	-	7,300	(997)	8,297
Mobile museum of art	2,240,292	2,246,662	1,950,252	296,410
Mobile regional senior community center	610,290	571,779	452,315	119,464
Mowing	-	642	(201)	843
Operations and cemeteries	2,023,873	2,420,131	2,242,737	177,394
Parks administration	-	380	(254)	634
Parks and recreation administration	641,082	558,752	465,428	93,324
Parks maintenance	4,284,261	4,288,345	3,911,031	377,314
Recreation - athletics	809,037	814,308	782,104	32,204
Special activities	1,057,891	990,577	810,933	179,644
Total Culture and recreation	<u>14,995,306</u>	<u>14,953,126</u>	<u>13,645,786</u>	<u>1,307,340</u>

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Economic development				
Civic engagement	491,300	491,300	305,993	185,307
Mobile film office	196,088	196,088	182,835	13,253
Special events	502,215	512,185	467,968	44,217
Total Economic development	1,189,603	1,199,573	956,797	242,776
Engineering, development & build				
Architectural engineering	1,072,444	1,072,444	812,958	259,486
Building services	581,225	581,225	520,540	60,686
Build mobile	185,398	185,398	109,332	76,066
Build mobile executive administration	479,117	479,571	452,821	26,750
Community and housing development	112,616	138,495	131,610	6,885
Engineering	2,698,129	2,698,422	2,391,877	306,545
Engineering and development	610,826	457,426	303,967	153,459
Facility maintenance	4,377,835	4,377,835	3,716,365	661,470
Historic development	319,532	319,532	260,538	58,994
Inspection services	1,665,698	1,667,059	1,253,944	413,115
Mechanical systems	-	2,564	(1,301)	3,865
Municipal enforcement	1,094,765	1,079,233	1,053,897	25,336
Permitting	684,754	684,904	435,502	249,402
Planning and zoning	1,076,485	1,077,015	947,976	129,039
Public buildings	-	2,248	(716)	2,964
Real estate	393,484	393,484	232,196	161,288
Real estate asset management	281,690	181,690	173,016	8,674
Total Engineering, development & build	15,633,998	15,398,545	12,794,522	2,604,023
Public safety				
Animal shelter	917,334	921,537	769,390	152,147
Fire	32,106,113	32,235,224	30,947,475	1,287,749
Mobile metro jail	8,200,000	8,200,000	8,469,826	(269,826)
Municipal court	2,385,055	2,385,248	2,262,935	122,313
Police	52,217,335	52,359,098	48,196,382	4,162,716
Public safety administration	177,426	177,426	154,543	22,883
Safety and performance	403,803	410,553	319,433	91,120
Total Public safety	96,407,066	96,689,086	91,119,984	5,569,102
Finance				
Accounting	919,661	919,661	817,626	102,035
Finance administration	746,453	746,453	725,273	21,180
Human resources	390,026	390,026	351,566	38,460
Payroll	293,955	293,955	277,026	16,929
Police and fire pension administration	242,731	242,731	229,386	13,345
Procurement	758,763	759,774	651,274	108,500
Revenue	2,206,529	2,207,062	1,915,359	291,703
Treasury	405,347	406,513	350,785	55,728
Total Finance	5,963,465	5,966,175	5,318,293	647,882

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public works				
Asphalt street repair	718,475	732,729	695,298	37,431
Bates field landfill	47,880	47,880	31,101	16,779
Concrete and sidewalk repair	1,497,141	1,514,166	1,307,783	206,384
Dredge	655,372	655,995	648,248	7,747
Electrical	2,292,038	2,337,530	2,020,380	317,150
Equipment services	8,801,057	8,946,732	7,297,659	1,649,073
Flood control	2,261,242	2,263,892	1,946,096	317,796
Inventory control	371,186	372,566	319,630	52,936
Litter and recycling	335,338	335,338	292,310	43,028
Public works executive administration	348,924	348,976	310,770	38,206
Public works administration	1,030,201	1,030,315	877,871	152,444
Right-of-way maintenance	683,213	683,213	583,000	100,213
Solid waste	4,645,239	4,645,797	4,022,688	623,109
Storm drain and heavy equipment	1,093,398	1,132,132	1,004,551	127,581
Street sweeping	631,733	632,128	560,245	71,883
Traffic engineering	1,575,386	1,577,251	1,772,079	(194,828)
Trash	3,910,291	3,910,122	3,532,784	377,338
Total Public works	30,898,114	31,166,762	27,222,491	3,944,271
Total Departmental	178,543,757	178,748,397	164,957,478	13,790,919
Non-departmental				
Reserve for retirement	2,000,000	2,000,000	2,461,921	(461,921)
Board of health	600,000	600,000	600,000	-
Juvenile court and youth center	3,050,000	3,050,000	3,090,318	(40,318)
Personnel board	1,543,931	1,543,931	1,436,331	107,600
Board of equalization	7,152	7,152	7,142	10
Emergency management	503,704	503,704	503,703	1
Mobile legislative delegation	4,490	4,490	3,521	969
Public library	7,025,259	7,025,259	7,025,259	-
Solid waste disposal authority	2,371,435	2,371,435	2,123,583	247,852
Employee education	50,000	50,000	50,000	-
Employees' pension	121,630	121,630	139,964	(18,334)
Police and firefighter's retirement	13,155,506	13,155,506	12,925,819	229,687
Retired employees insurance	4,800,000	4,800,000	7,264,742	(2,464,742)
Unemployment compensation	76,000	76,000	50,141	25,859
Worker's compensation	2,832,322	2,832,322	2,888,240	(55,918)
Athletic fund	-	-	53,611	(53,611)
Contingency reserve	18,000	18,000	263,022	(245,022)
Dues	376,844	376,844	443,881	(67,037)
Performance contracts/organizations	4,026,674	4,026,674	4,053,253	(26,579)
Property insurance	1,630,000	1,630,000	1,200,550	429,450
Miscellaneous	917,560	1,149,120	192,541	956,579
Total Non-departmental	45,110,507	45,342,067	46,777,542	(1,435,475)
Total current	223,654,264	224,090,464	211,735,021	12,355,443
Debt service:				
Interest	12,000	12,000	10,992	1,008
Principal retirement	75,000	75,000	80,000	(5,000)
Total debt service	87,000	87,000	90,992	(3,992)
Total expenditures	223,741,264	224,177,464	211,826,013	12,351,451
Excess (deficiency) of revenues over expenditures	9,335,493	8,899,293	11,466,498	2,567,205

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	13,000	13,000	1,476	(11,524)
Transfers in	2,021,000	2,246,000	4,074,570	1,828,570
Transfers out	(22,764,824)	(23,383,408)	(21,890,961)	1,492,447
Total other financing sources (uses)	<u>(20,730,824)</u>	<u>(21,124,408)</u>	<u>(17,814,915)</u>	<u>3,309,493</u>
Net change in fund balances	<u>\$ (11,395,331)</u>	<u>\$ (12,225,115)</u>	<u>(6,348,417)</u>	<u>\$ 5,876,698</u>
Fund balances - beginning			33,727,269	
Fund balances - ending			<u>\$ 27,378,852</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/other financing sources over expenditures/other	\$ (6,348,417)
Encumbrances outstanding at September 30, 2017	1,280,108
Encumbrances outstanding at September 30, 2016	<u>(964,058)</u>
Net change in fund balance per the statement of revenues, expenditures, and changes in fund bal.	<u>\$ (6,032,367)</u>

**CITY OF MOBILE, ALABAMA**  
**General Fund**  
**Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2017**

**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, 2017:

GAAP expenditures	\$	211,509,963
Encumbrances at:		
September 30, 2017		1,280,108
September 30, 2016		(964,058)
Budgetary expenditures	\$	<u>211,826,013</u>

For the fiscal year ended September 30, 2017, general fund budgetary appropriations exceeded total expenditures by \$12,351,451.

**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, 2017	\$	27,378,852
Add encumbrances:		
Function:		
General government		100,466
Culture and recreation		31,184
Economic development		5,428
Engineering, development & build		35,766
Finance		14,069
Public safety		373,938
Public works		719,257
Total encumbrances		<u>1,280,108</u>
Fund balance - GAAP basis at September 30, 2017	\$	<u>28,658,960</u>

**NOTE 3 - BUDGET AMENDMENTS**

The City makes various amendments to the adopted budget throughout the fiscal year. In Fiscal Year 2017, the most significant of those amendments was to authorize a transfer of \$225,000 from the Capital Improvements Fund for Move Mobile Youth YES Initiative.



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Required Supplementary Information — Pension Plans

Employees' Retirement System of Alabama

Schedule of Changes in the Net Pension Liability and Related Ratios

Schedule of Employer Contributions

Police and Firefighters Retirement Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

Schedule of Employer Contributions

Transit Workers Pension Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

Schedule of Employer Contributions



*Photo by Tad Denson*



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**CITY OF MOBILE, ALABAMA**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**EMPLOYEES' RETIREMENT SYSTEM OF ALABAMA**  
**Last 10 Fiscal Years Ending September 30\***

	2016	2015	2014
<b>Total pension liability</b>			
Service cost	\$ 3,871,747	\$ 3,700,746	\$ 3,797,860
Interest	15,255,262	14,994,981	14,582,730
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,621,825	(1,994,818)	-
Changes of assumptions	4,749,471	-	-
Benefit Payments, including refunds of employee contributions	(13,379,634)	(13,515,159)	(12,939,756)
Transfers among employers	(238,266)	-	-
<b>Net change in total pension liability</b>	<u>12,880,405</u>	<u>3,185,750</u>	<u>5,440,834</u>
<b>Total pension liability - beginning</b>	<u>197,380,586</u>	<u>194,194,836</u>	<u>188,754,002</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 210,260,991</u></u>	<u><u>\$ 197,380,586</u></u>	<u><u>\$ 194,194,836</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 4,790,583	\$ 4,996,104	\$ 4,682,549
Contributions - member	2,383,150	2,362,148	2,266,801
Net investment income	13,786,336	1,660,751	15,642,317
Benefit payments, including refunds of employee contributions	(13,379,634)	(13,515,159)	(12,939,756)
Transfers among employers	(238,266)	50,472	46,811
<b>Net change in plan fiduciary net position</b>	<u>7,342,169</u>	<u>(4,445,684)</u>	<u>9,698,721</u>
<b>Plan net position - beginning</b>	<u>138,593,005</u>	<u>143,038,689</u>	<u>133,339,968</u>
<b>Plan net position - ending (b)</b>	<u><u>\$ 145,935,174</u></u>	<u><u>\$ 138,593,005</u></u>	<u><u>\$ 143,038,689</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 64,325,817	\$ 58,787,581	\$ 51,156,147
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	69.41%	70.22%	73.66%
<b>Covered payroll</b>	\$ 46,861,508	\$ 47,096,079	\$ 45,476,596
<b>Net pension liability (asset) as a percentage of covered payroll</b>	137.27%	124.82%	112.49%

\* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

**CITY OF MOBILE, ALABAMA**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**EMPLOYEES' RETIREMENT SYSTEM OF ALABAMA**  
**Last 10 Fiscal Years Ending September 30\***

	2017	2016	2015
Actuarially determined contribution**	\$ 4,719,457	\$ 4,791,994	\$ 4,994,771
Contributions in relation to the actuarially determined contribution**	<u>4,719,457</u>	<u>4,791,994</u>	<u>4,994,771</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	45,753,761	46,861,508	47,096,079
Contributions as a percentage of covered payroll	10.31%	10.23%	10.61%

\* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

\*\* The actuarially determined contribution is the amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. The Schedule of Employer Contributions is based on the 12 month period of the underlying financial statement.

**NOTES TO SCHEDULE**

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported.

Contributions for fiscal year 2017 were based on the September 30, 2014 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	30 years
Asset valuation method	Five year smoothed market
Inflation	3.00%
Salary increases	3.75 - 7.25%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

**CITY OF MOBILE, ALABAMA**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**POLICE AND FIREFIGHTERS RETIREMENT PLAN**  
**Last 10 Fiscal Years Ending September 30\***

	2016	2015	2014
<b>Total pension liability</b>			
Service cost	\$ 1,414,553	\$ 1,501,441	\$ 1,542,522
Interest	18,550,878	18,407,492	18,287,147
Changes of benefit terms	-	-	-
Demographic experience	(1,557,256)	1,341,073	-
Changes of assumptions	-	-	-
Benefit Payments, including refunds of employee contributions	<u>(18,335,869)</u>	<u>(19,657,648)</u>	<u>(17,958,800)</u>
<b>Net change in total pension liability</b>	72,306	1,592,358	1,870,869
<b>Total pension liability - beginning</b>	<u>260,565,945</u>	<u>258,973,587</u>	<u>257,102,718</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 260,638,251</u></u>	<u><u>\$ 260,565,945</u></u>	<u><u>\$ 258,973,587</u></u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 19,701,944	\$ 16,354,458	\$ 14,950,855
Contributions - member	2,995,750	2,969,379	2,945,173
Net investment income	11,927,721	(6,881,722)	10,307,058
Benefit payments, including refunds of employee contributions	(18,335,869)	(19,657,648)	(18,186,135)
Administrative expenses	<u>(18,061)</u>	<u>(4,989)</u>	<u>(110,549)</u>
<b>Net change in plan fiduciary net position</b>	16,271,485	(7,220,522)	9,906,402
<b>Plan net position - beginning</b>	<u>144,469,292</u>	<u>151,689,814</u>	<u>141,783,412</u>
<b>Plan net position - ending (b)</b>	<u><u>\$ 160,740,777</u></u>	<u><u>\$ 144,469,292</u></u>	<u><u>\$ 151,689,814</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 99,897,474	\$ 116,096,653	\$ 107,283,773
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	61.67%	55.44%	58.57%
<b>Covered payroll</b>	\$ 36,451,544	\$ 35,887,574	\$ 36,010,184
<b>Net pension liability (asset) as a percentage of covered payroll</b>	274.06%	323.50%	297.93%

\* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

**CITY OF MOBILE, ALABAMA**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE AND FIREFIGHTERS RETIREMENT PLAN**  
**Last 10 Fiscal Years Ending September 30\***

	2017	2016	2015	2014
Actuarially determined contribution**	\$ 19,977,103	\$ 19,701,944	\$ 16,354,458	\$ 14,950,855
Contributions in relation to the actuarially determined contribution**	<u>19,977,103</u>	<u>19,701,944</u>	<u>16,354,458</u>	<u>14,950,855</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	41,282,235	36,451,544	35,887,574	36,010,184
Contributions as a percentage of covered payroll	48.39%	54.05%	45.57%	41.52%

\* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

\*\* The actuarially determined contribution is the amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. The Schedule of Employer Contributions is based on the 12 month period of the underlying financial statement.

**NOTES TO SCHEDULE**

Contributions for fiscal year 2017 were based on the October 1, 2016 actuarial valuation.

Actuarially determined contribution rates are calculated as of September 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

There were no changes in benefit provisions or actuarial assumptions as of the actuarial valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Asset valuation method	Open 5-year smoothed market
Inflation	2.75%
Salary increases	3.00% per annum
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.
Mortality rates	RP-2000 Mortality Table

**CITY OF MOBILE, ALABAMA**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY**  
**AND RELATED RATIOS**  
**TRANSIT WORKERS PENSION PLAN**  
**Last 10 Fiscal Years Ending June 30\***

	2017	2016	2015
<b>Total pension liability</b>			
Service cost	\$ 850,659	\$ 855,623	\$ 916,967
Interest	732,175	710,345	605,268
Changes of benefit terms	-	-	-
Differences between expected and actual experience	156,090	(760,649)	1,197,488
Changes of assumptions	-	26,156	(94,322)
Benefit Payments, including refunds of employee contributions	(421,768)	(340,857)	(316,249)
<b>Net change in total pension liability</b>	<u>1,317,156</u>	<u>490,618</u>	<u>2,309,152</u>
<b>Total pension liability - beginning</b>	<u>14,817,480</u>	<u>14,326,862</u>	<u>12,017,710</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 16,134,636</u>	<u>\$ 14,817,480</u>	<u>\$ 14,326,862</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 457,063	\$ 280,573	\$ 404,160
Contributions - member	231,011	227,928	218,400
Net investment income	910,131	173,650	228,476
Benefit payments, including refunds of employee contributions	(421,768)	(340,857)	(318,619)
Administrative expenses	(28,080)	(19,280)	(17,915)
<b>Net change in plan fiduciary net position</b>	<u>1,148,357</u>	<u>322,014</u>	<u>514,502</u>
<b>Plan net position - beginning</b>	<u>10,878,866</u>	<u>10,556,852</u>	<u>10,042,350</u>
<b>Plan net position - ending (b)</b>	<u>\$ 12,027,223</u>	<u>\$ 10,878,866</u>	<u>\$ 10,556,852</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 4,107,413	\$ 3,938,614	\$ 3,770,010
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	74.54%	73.42%	73.69%
<b>Covered payroll*</b>	\$ 3,578,494	\$ 3,624,022	\$ 3,891,061
<b>Net pension liability (asset) as a percentage of covered payroll</b>	114.78%	108.68%	96.89%

\* Until a full 10-year trend is compiled, the City will present information for those years for which the information is available. Ultimately, ten years of data will be presented.

**CITY OF MOBILE, ALABAMA**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**TRANSIT WORKERS PENSION PLAN**  
**Last 10 Fiscal Years Ending June 30**

	2017	2016	2015
Actuarially determined contribution**	\$ 457,063	\$ 280,573	\$ 404,160
Contributions in relation to the actuarially determined contribution*	457,063	280,573	404,160
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	3,578,494	3,624,022	3,891,061
Contributions as a percentage of covered payroll	12.77%	7.74%	10.39%

\*\* Amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments.

**NOTES TO SCHEDULE**

Contributions for fiscal year 2017 were based on the July 1, 2016 actuarial valuation.

Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

There were no changes in benefit provisions or actuarial assumptions as of the actuarial valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage, closed
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	2.00%
Salary increases	4.00% per annum
Investment rate of return	5.93%, net of pension plan investment expense, including inflation.
Mortality rates	RP-2000 Mortality Table

2014	2013	2012	2011	2010	2009	2008
\$ 785,105	\$ 580,620	\$ 1,319,178	\$ 861,901	\$ 695,577	\$ 745,342	\$ 300,000
785,105	580,620	1,319,178	861,901	695,577	745,342	300,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,679,642	3,650,777	3,681,811	3,671,711	3,452,194	3,468,543	3,280,678
21.34%	15.90%	35.83%	23.47%	20.15%	21.49%	9.14%



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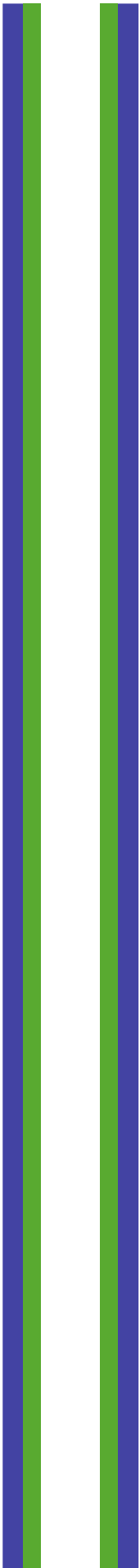
Capital Projects Funds - These funds are used to account for financial resources for the acquisition or construction of major capital facilities (other than those financed by proprietary fund types).

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.

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.



Bragg-Mitchell Mansion



## Mobile at Work





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**CITY OF MOBILE, ALABAMA**  
**Combining Governmental Balance Sheet**  
**Nonmajor Governmental Funds**  
**Summary by Fund Type**  
**September 30, 2017**

	Capital projects funds	Debt service funds	Special revenue funds	Total
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 5,848,197	\$ 125,972	\$ 21,581,707	\$ 27,555,876
Restricted cash - capital purchases	83,519	153	-	83,672
Receivables (net)	-	-	2,626,302	2,626,302
Total assets	<u>\$ 5,931,716</u>	<u>\$ 126,125</u>	<u>\$ 24,208,009</u>	<u>\$ 30,265,850</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 391,474	\$ 391,474
Unearned revenue	-	-	685,917	685,917
Due to other funds	-	-	802,323	802,323
Escrowed funds liability	-	-	1,744	1,744
Total liabilities	<u>-</u>	<u>-</u>	<u>1,881,458</u>	<u>1,881,458</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable				
Restricted				
Capital Projects	5,847,704	-	-	5,847,704
Debt Service	-	126,125	-	126,125
Grants	-	-	5,894,771	5,894,771
Law Enforcement	-	-	750,303	750,303
Road and Bridge Construction	-	-	268,386	268,386
Road and Bridge Repair	-	-	2,301,816	2,301,816
Committed				
Flood Management	84,012	-	-	84,012
Tax Increment Program	-	-	11,645,923	11,645,923
Assigned				
Economic Development	-	-	29,654	29,654
Municipal Court	-	-	1,435,698	1,435,698
Total fund balances (deficits)	<u>\$ 5,931,716</u>	<u>\$ 126,125</u>	<u>\$ 22,326,551</u>	<u>\$ 28,384,392</u>
Total liabilities and fund balances (deficits)	<u>\$ 5,931,716</u>	<u>\$ 126,125</u>	<u>\$ 24,208,009</u>	<u>\$ 30,265,850</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Summary by Fund Type**  
**For the Year Ended September 30, 2017**

	Capital projects funds	Debt service funds	Special revenue funds	Total
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 8,722,438	\$ 8,722,438
Charges for services	-	-	10,000	10,000
Fines and forfeitures	-	-	1,371,341	1,371,341
State and federal assistance	1,652,510	-	7,689,154	9,341,664
Investment income	3,948	471	411	4,830
Other revenue	-	-	9,149	9,149
Total revenues	<u>1,656,458</u>	<u>471</u>	<u>17,802,493</u>	<u>19,459,422</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	3,113,835	3,113,835
Engineering, development & build	-	-	2,399,600	2,399,600
Public safety	-	-	3,108,630	3,108,630
Public works	-	-	2,809,293	2,809,293
Debt service:				
Administrative charges	-	5,395	-	5,395
Bond issuance costs	623,165	-	-	623,165
Interest	-	10,445,413	90,291	10,535,704
Principal retirement	-	15,899,854	405,000	16,304,854
Capital outlay:				
Capital outlay	-	-	1,005,488	1,005,488
Total expenditures	<u>623,165</u>	<u>26,350,662</u>	<u>12,932,137</u>	<u>39,905,964</u>
Excess (deficiency) of revenues over expenditures	<u>1,033,293</u>	<u>(26,350,191)</u>	<u>4,870,356</u>	<u>(20,446,542)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	-	-	28,759	28,759
Refunding debt issued	86,775,000	-	-	86,775,000
Payment to refunding bond escrow agent	(95,724,264)	-	-	(95,724,264)
Premium (discount) on debt issued	9,572,429	-	-	9,572,429
Transfers in	-	26,848,189	2,337,828	29,186,017
Transfers out	(2,570,785)	(503,342)	(4,457,166)	(7,531,293)
Total other financing sources (uses)	<u>(1,947,620)</u>	<u>26,344,847</u>	<u>(2,090,579)</u>	<u>22,306,648</u>
Net change in fund balances	(914,327)	(5,344)	2,779,777	1,860,106
Fund balances - beginning	6,846,043	131,469	19,546,774	26,524,286
Fund balances - ending	<u>\$ 5,931,716</u>	<u>\$ 126,125</u>	<u>\$ 22,326,551</u>	<u>\$ 28,384,392</u>

See Accompanying Notes to the Financial Statements

- Strategic Plan
- Municipal Government Capital Improvements
- Flood Management
- 1996 General Obligation Capital Projects
- 1998 General Obligation Capital Projects
- 1998 General Obligation Refunding and Capital Projects
- 2000 Capital Projects
- 2002 Limited Obligation Tax Increment Capital Projects
- 2006 General Obligation Refunding and Capital Projects
- 2008 General Capital Improvements Projects
- 2008B General Obligation Capital Improvement Projects
- 2009B General Obligation Capital Projects – BAB Taxable Warrants
- 2009C General Obligation ARRA Capital Taxable Warrants
- 2010 Small Issue General Obligation Warrants
- 2011 General Obligation Private Placement Capital Improvements
- 2012 General Obligation Private Placement Capital Equipment
- 2016 General Obligation Refunding Warrants



The Gulf Coast Exploreum Science Center



**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**September 30, 2017**

	Municipal Govt Capital Imprv	Flood Management Escrow	1996 G.O. Capital Projects	1998 G.O. Capital Projects	1998 G.O. Ref & Cap Projects	2000 Capital Projects	2006 G.O. Ref & Cap Projects
<b>ASSETS</b>							
Cash, equity in pooled cash and investments	\$ 5,754,011	\$ 84,012	\$ -	\$ 75	\$ 44	\$ 491	\$ 5
Restricted cash - capital purchases	-	-	-	-	-	-	-
Total assets	<u>\$ 5,754,011</u>	<u>\$ 84,012</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 44</u>	<u>\$ 491</u>	<u>\$ 5</u>
<b>LIABILITIES</b>							
Total liabilities	-	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable							
Restricted							
Capital Projects	5,754,011	-	-	75	44	491	5
Committed							
Flood Management	-	84,012	-	-	-	-	-
Assigned							
Total fund balances (deficits)	<u>\$ 5,754,011</u>	<u>\$ 84,012</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 44</u>	<u>\$ 491</u>	<u>\$ 5</u>
Total liabilities and fund balances (deficits)	<u>\$ 5,754,011</u>	<u>\$ 84,012</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 44</u>	<u>\$ 491</u>	<u>\$ 5</u>

See Accompanying Notes to the Financial Statements



2008 G.O. Capital Projects	2008B G.O. Ref & Cap Proj	2009B G.O. Cap Proj	2009C G.O. Cap Proj - ARRA	2010 Small Issue G.O. Warrants	2012 G.O. Priv Pl Cap Equipment	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	Total
\$ 2	\$ 40	\$ -	\$ -	\$ -	\$ 9,517	\$ -	\$ -	\$ -	\$ 5,848,197
-	-	-	-	-	83,519	-	-	-	83,519
<u>\$ 2</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,931,716</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2	40	-	-	-	93,036	-	-	-	5,847,704
-	-	-	-	-	-	-	-	-	84,012
<u>\$ 2</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,931,716</u>
<u>\$ 2</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,931,716</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended September 30, 2017**

	Municipal Govt Capital Imprv	Flood Management Escrow	1996 G.O. Capital Projects	1998 G.O. Capital Projects	1998 G.O. Ref & Cap Projects	2000 Capital Projects	2006 G.O. Ref & Cap Projects
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State and federal assistance	1,652,510	-	-	-	-	-	-
Investment income	3,127	42	13	387	132	-	30
Total revenues	<u>1,655,637</u>	<u>42</u>	<u>13</u>	<u>387</u>	<u>132</u>	<u>-</u>	<u>30</u>
<b>EXPENDITURES</b>							
Current:							
Debt service:							
Bond issuance costs	-	-	-	-	-	-	-
Capital outlay:							
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	1,655,637	42	13	387	132	-	30
<b>OTHER FINANCING SOURCES (USES)</b>							
Refunding debt issued	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-
Premium (discount) on debt issued	-	-	-	-	-	-	-
Transfers out	(2,131,053)	-	(523)	(72,887)	(37,888)	(48)	(119,901)
Total other financing sources (uses)	<u>(2,131,053)</u>	<u>-</u>	<u>(523)</u>	<u>(72,887)</u>	<u>(37,888)</u>	<u>(48)</u>	<u>(119,901)</u>
Net change in fund balances	(475,416)	42	(510)	(72,500)	(37,756)	(48)	(119,871)
Fund balances - beginning	6,229,427	83,970	510	72,575	37,800	539	119,876
Fund balances - ending	<u>\$ 5,754,011</u>	<u>\$ 84,012</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 44</u>	<u>\$ 491</u>	<u>\$ 5</u>

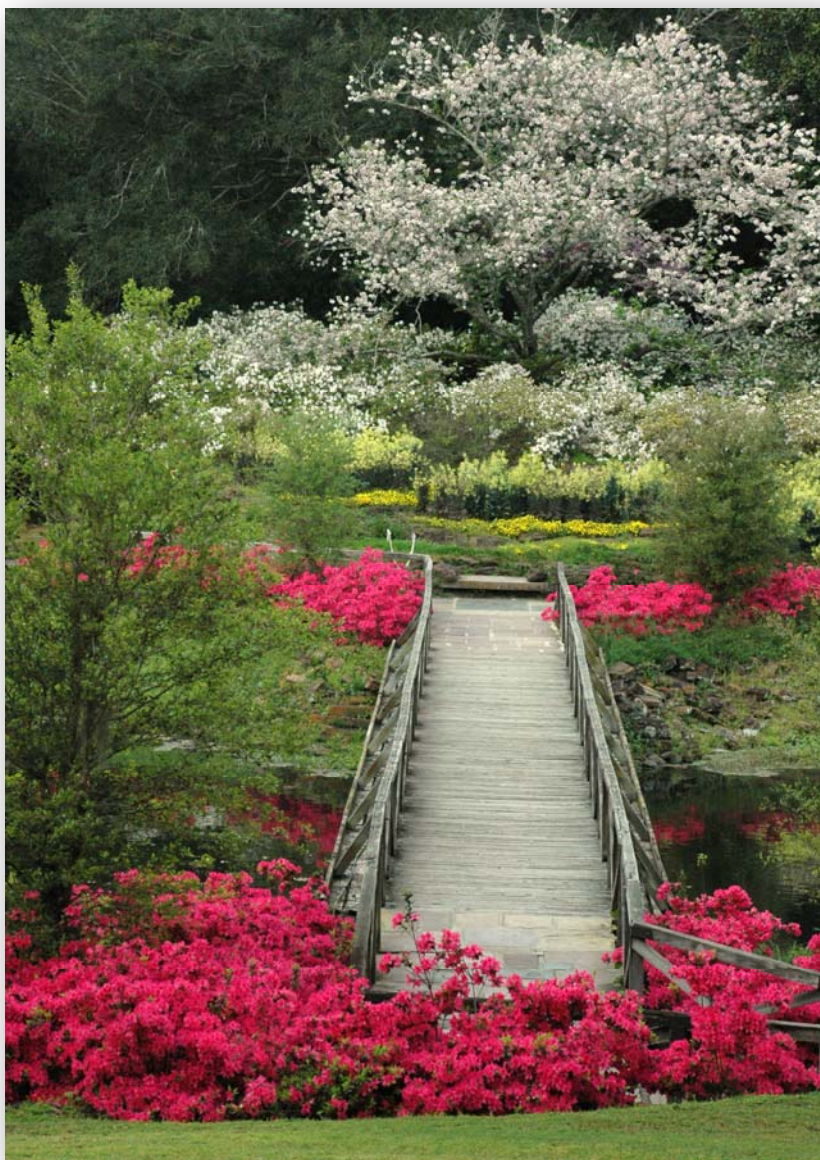
See Accompanying Notes to the Financial Statements

2008 G.O. Capital Projects	2008B G.O. Ref & Cap Proj	2009B G.O. Cap Proj	2009C G.O. Cap Proj - ARRA	2010 Small Issue G.O. Warrants	2012 G.O. Priv PI Cap Equipment	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	1,652,510
34	90	12	1	13	67	-	-	-	3,948
34	90	12	1	13	67	-	-	-	1,656,458
-	-	-	-	-	-	169,134	424,719	29,312	623,165
-	-	-	-	-	-	169,134	424,719	29,312	623,165
34	90	12	1	13	67	(169,134)	(424,719)	(29,312)	1,033,293
-	-	-	-	-	-	17,735,000	64,610,000	4,430,000	86,775,000
-	-	-	-	-	-	(17,565,866)	(73,467,378)	(4,691,020)	(95,724,264)
-	-	-	-	-	-	-	9,282,097	290,332	9,572,429
(48,076)	(160,383)	(12)	(1)	(13)	-	-	-	-	(2,570,785)
(48,076)	(160,383)	(12)	(1)	(13)	-	169,134	424,719	29,312	(1,947,620)
(48,042)	(160,293)	-	-	-	67	-	-	-	(914,327)
48,044	160,333	-	-	-	92,969	-	-	-	6,846,043
\$ 2	\$ 40	\$ -	\$ -	\$ -	\$ 93,036	\$ -	\$ -	\$ -	\$ 5,931,716



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Bank Service Charges  
2002 Limited Obligation Tax Increment Warrants  
2006 General Obligation Refunding and Improvement Warrants  
2006 General Obligation Private Placement Warrants  
2008 General Obligation Capital Improvement Warrants  
2008B & C General Obligation Refunding and Capital Warrants  
2009A General Obligation Refunding Warrants  
2009B General Obligation BAB Capital Taxable Warrants  
2009C General Obligation ARRA Capital Taxable Warrants  
2010 Small Issue Warrants  
2011 General Obligation Private Placement Warrants  
2012 General Obligation Private Placement Warrants  
2016 General Obligation Refunding Warrants



Bellingrath Gardens & Home

**CITY OF MOBILE, ALABAMA  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
September 30, 2017**

	Bank Serv Chgs-Var Issues	2002 L.O. Tax Increment Warrants	2006 Priv Place Warrants	2008 G.O. Cap Imprv Warrants	2008B & C G.O. Ref & Cap Warrants	2009A G.O. Refunding Warrants
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$119,501	\$ -	\$ 3,032	\$ -	\$ 1	\$ 1,159
Restricted cash - capital purchases	-	-	-	-	-	-
Total assets	<u>\$119,501</u>	<u>\$ -</u>	<u>\$ 3,032</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,159</u>
<b>LIABILITIES</b>						
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable						
Restricted						
Debt Service	119,501	-	3,032	-	1	1,159
Committed						
Assigned						
Total fund balances (deficits)	<u>\$119,501</u>	<u>\$ -</u>	<u>\$ 3,032</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,159</u>
Total liabilities and fund balances (deficits)	<u>\$119,501</u>	<u>\$ -</u>	<u>\$ 3,032</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,159</u>

See Accompanying Notes to the Financial Statements

2009B G.O. BAB Cap Taxable Warrants	2009C G.O. ARRA Cap Taxable Warrants	2010 Small Issue G.O. Warrants	2011 G.O. Priv Place Warrants	2012 G.O. Priv Place Warrants	2016 G.O. Refunding Warrants	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	Total
\$ 823	\$ 635	\$ 625	\$ -	\$ -	\$ -	\$ 30	\$ 165	\$ 1	\$ 125,972
-	-	-	137	16	-	-	-	-	153
<u>\$ 823</u>	<u>\$ 635</u>	<u>\$ 625</u>	<u>\$ 137</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 165</u>	<u>\$ 1</u>	<u>\$ 126,125</u>
-	-	-	-	-	-	-	-	-	-
823	635	625	137	16	-	30	165	1	126,125
<u>\$ 823</u>	<u>\$ 635</u>	<u>\$ 625</u>	<u>\$ 137</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 165</u>	<u>\$ 1</u>	<u>\$ 126,125</u>
<u>\$ 823</u>	<u>\$ 635</u>	<u>\$ 625</u>	<u>\$ 137</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 165</u>	<u>\$ 1</u>	<u>\$ 126,125</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**For the Year Ended September 30, 2017**

	Bank Serv Chgs-Var Issues	2002 L.O. Tax Increment Warrants	2006 Priv Place Warrants	2008 G.O. Cap Imprv Warrants	2008B & C G.O. Ref & Cap Warrants	2009A G.O. Refunding Warrants
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	122	-	3	-	-	-
Total revenues	<u>122</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current:						
Debt service:						
Administrative charges	3,548	-	-	-	-	1,774
Interest	-	146,163	-	1,246,450	1,624,765	2,740,767
Principal retirement	-	645,000	-	-	11,135,000	-
Capital outlay:						
Total expenditures	<u>3,548</u>	<u>791,163</u>	<u>-</u>	<u>1,246,450</u>	<u>12,759,765</u>	<u>2,742,541</u>
Excess (deficiency) of revenues over expenditures	<u>(3,426)</u>	<u>(791,163)</u>	<u>3</u>	<u>(1,246,450)</u>	<u>(12,759,765)</u>	<u>(2,742,541)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	27	791,163	-	1,246,450	13,262,793	2,740,800
Transfers out	(52)	-	-	-	(503,027)	-
Total other financing sources (uses)	<u>(25)</u>	<u>791,163</u>	<u>-</u>	<u>1,246,450</u>	<u>12,759,766</u>	<u>2,740,800</u>
Net change in fund balances	(3,451)	-	3	-	1	(1,741)
Fund balances - beginning	122,952	-	3,029	-	-	2,900
Fund balances - ending	<u>\$119,501</u>	<u>\$ -</u>	<u>\$ 3,032</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,159</u>

See Accompanying Notes to the Financial Statements



2009B G.O. BAB Cap Taxable Warrants	2009C G.O. ARRA Cap Taxable Warrants	2010 Small Issue G.O. Warrants	2011 G.O. Priv Place Warrants	2012 G.O. Priv Place Warrants	2016 G.O. Refunding Warrants	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2	-	149	-	30	165	-	471
-	-	2	-	149	-	30	165	-	471
-	-	-	15	7	-	-	-	51	5,395
1,020,138	391,261	-	263,453	12,642	1,002,537	351,462	1,567,700	78,075	10,445,413
-	-	-	1,685,000	1,046,854	1,388,000	-	-	-	15,899,854
<u>1,020,138</u>	<u>391,261</u>	<u>-</u>	<u>1,948,468</u>	<u>1,059,503</u>	<u>2,390,537</u>	<u>351,462</u>	<u>1,567,700</u>	<u>78,126</u>	<u>26,350,662</u>
<u>(1,020,138)</u>	<u>(391,261)</u>	<u>2</u>	<u>(1,948,468)</u>	<u>(1,059,354)</u>	<u>(2,390,537)</u>	<u>(351,432)</u>	<u>(1,567,535)</u>	<u>(78,126)</u>	<u>(26,350,191)</u>
1,020,150	391,266	-	1,948,453	1,059,261	2,390,537	351,462	1,567,700	78,127	26,848,189
-	-	(263)	-	-	-	-	-	-	(503,342)
<u>1,020,150</u>	<u>391,266</u>	<u>(263)</u>	<u>1,948,453</u>	<u>1,059,261</u>	<u>2,390,537</u>	<u>351,462</u>	<u>1,567,700</u>	<u>78,127</u>	<u>26,344,847</u>
12	5	(261)	(15)	(93)	-	30	165	1	(5,344)
811	630	886	152	109	-	-	-	-	131,469
<u>\$ 823</u>	<u>\$ 635</u>	<u>\$ 625</u>	<u>\$ 137</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 30</u>	<u>\$ 165</u>	<u>\$ 1</u>	<u>\$ 126,125</u>



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Four-cent Gasoline Tax  
Five-cent Gasoline Tax  
Seven-cent Gasoline Tax  
Fuel Inspection Fees  
Economic Development  
Tax Increment  
General Activities Grants  
Housing and Urban Development Grants  
Public Safety Grants  
Drug Enforcement Fund  
Court Referral Officers Program Fund  
Municipal Court Judicial Administration Fund



Mobile River



**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**September 30, 2017**

	Tax Increment Fund	4-Cent Maintenance	5-Cent Roadway Maintenance	7-Cent Roadway Maintenance	Fuel Inspection Fees
<b>ASSETS</b>					
Cash, equity in pooled cash and investments	\$ 11,645,923	\$ 1,973,605	\$ 205,838	\$ -	\$ -
Receivables (net)	-	126,823	62,548	218,918	7,448
Total assets	<u>\$ 11,645,923</u>	<u>\$ 2,100,428</u>	<u>\$ 268,386</u>	<u>\$ 218,918</u>	<u>\$ 7,448</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 24,978	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Escrowed funds liability	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,978</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable					
Restricted					
Grants	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Road and Bridge Construction	-	-	268,386	-	-
Road and Bridge Repair	-	2,100,428	-	193,940	7,448
Committed					
Tax Increment Program	11,645,923	-	-	-	-
Assigned					
Economic Development	-	-	-	-	-
Municipal Court	-	-	-	-	-
Total fund balances (deficits)	<u>\$ 11,645,923</u>	<u>\$ 2,100,428</u>	<u>\$ 268,386</u>	<u>\$ 193,940</u>	<u>\$ 7,448</u>
Total liabilities and fund balances (deficits)	<u>\$ 11,645,923</u>	<u>\$ 2,100,428</u>	<u>\$ 268,386</u>	<u>\$ 218,918</u>	<u>\$ 7,448</u>

See Accompanying Notes to the Financial Statements

Economic Development Escrow	Drug Enforcement Fund	Court Referral Officers	Municipal Court Judicial Admin	General Activities Grants	Public Safety Grants	Housing & Urban Development Grants	Total
\$ 29,654	\$ 750,303	\$ -	\$ 1,496,203	\$ 4,396,215	\$ 1,083,966	\$ -	\$ 21,581,707
-	3,325	45,879	-	203,444	882,985	1,074,932	2,626,302
<u>\$ 29,654</u>	<u>\$ 753,628</u>	<u>\$ 45,879</u>	<u>\$ 1,496,203</u>	<u>\$ 4,599,659</u>	<u>\$ 1,966,951</u>	<u>\$ 1,074,932</u>	<u>\$ 24,208,009</u>
\$ -	\$ -	\$ 49,569	\$ 56,745	\$ 45,648	\$ 138,419	\$ 76,115	\$ 391,474
-	3,325	70	-	546,709	135,813	-	685,917
-	-	-	-	-	-	802,323	802,323
-	-	-	-	-	-	1,744	1,744
<u>-</u>	<u>3,325</u>	<u>49,639</u>	<u>56,745</u>	<u>592,357</u>	<u>274,232</u>	<u>880,182</u>	<u>1,881,458</u>
-	-	-	-	4,007,302	1,692,719	194,750	5,894,771
-	750,303	-	-	-	-	-	750,303
-	-	-	-	-	-	-	268,386
-	-	-	-	-	-	-	2,301,816
-	-	-	-	-	-	-	11,645,923
29,654	-	-	-	-	-	-	29,654
-	-	(3,760)	1,439,458	-	-	-	1,435,698
<u>\$ 29,654</u>	<u>\$ 750,303</u>	<u>\$ (3,760)</u>	<u>\$ 1,439,458</u>	<u>\$ 4,007,302</u>	<u>\$ 1,692,719</u>	<u>\$ 194,750</u>	<u>\$ 22,326,551</u>
<u>\$ 29,654</u>	<u>\$ 753,628</u>	<u>\$ 45,879</u>	<u>\$ 1,496,203</u>	<u>\$ 4,599,659</u>	<u>\$ 1,966,951</u>	<u>\$ 1,074,932</u>	<u>\$ 24,208,009</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended September 30, 2017**

	Tax Increment Fund	4-Cent Maintenance	5-Cent Roadway Maintenance	7-Cent Roadway Maintenance	Fuel Inspection Fees
<b>REVENUES</b>					
Taxes	\$ 4,185,523	\$ 1,384,033	\$ 682,013	\$ 2,387,047	\$ 83,822
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
State and federal assistance	-	-	-	-	-
Investment income	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>4,185,523</u>	<u>1,384,033</u>	<u>682,013</u>	<u>2,387,047</u>	<u>83,822</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Engineering, development & build	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	2,698,448	-
Debt service:					
Interest	-	-	-	-	-
Principal retirement	-	-	-	-	-
Capital outlay:					
Capital outlay	1,005,488	-	-	-	-
Total expenditures	<u>1,005,488</u>	<u>-</u>	<u>-</u>	<u>2,698,448</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3,180,035</u>	<u>1,384,033</u>	<u>682,013</u>	<u>(311,401)</u>	<u>83,822</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from disposal of assets	-	-	-	-	-
Transfers in	-	-	-	993,762	-
Transfers out	(1,243,522)	(1,435,442)	(600,000)	(687,013)	(82,628)
Total other financing sources (uses)	<u>(1,243,522)</u>	<u>(1,435,442)</u>	<u>(600,000)</u>	<u>306,749</u>	<u>(82,628)</u>
Net change in fund balances	1,936,513	(51,409)	82,013	(4,652)	1,194
Fund balances - beginning	9,709,410	2,151,837	186,373	198,592	6,254
Fund balances - ending	<u>\$ 11,645,923</u>	<u>\$ 2,100,428</u>	<u>\$ 268,386</u>	<u>\$ 193,940</u>	<u>\$ 7,448</u>

See Accompanying Notes to the Financial Statements

Economic Development Escrow	Drug Enforcement Fund	Court Referral Officers	Municipal Court Judicial Admin	General Activities Grants	Public Safety Grants	Housing & Urban Development Grants	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,722,438
-	-	-	-	-	10,000	-	10,000
-	817,178	297,005	180,040	-	77,118	-	1,371,341
-	-	268,030	-	2,269,641	2,022,529	3,128,954	7,689,154
14	108	-	-	-	289	-	411
1,180	-	-	-	-	3,796	4,173	9,149
<u>1,194</u>	<u>817,286</u>	<u>565,035</u>	<u>180,040</u>	<u>2,269,641</u>	<u>2,113,732</u>	<u>3,133,127</u>	<u>17,802,493</u>
-	-	-	-	496,119	-	2,617,716	3,113,835
-	-	-	-	2,399,600	-	-	2,399,600
-	235,438	663,000	111,757	-	2,098,435	-	3,108,630
-	-	-	-	110,845	-	-	2,809,293
-	-	-	-	-	-	90,291	90,291
-	-	-	-	-	-	405,000	405,000
-	-	-	-	-	-	-	1,005,488
-	<u>235,438</u>	<u>663,000</u>	<u>111,757</u>	<u>3,006,564</u>	<u>2,098,435</u>	<u>3,113,007</u>	<u>12,932,137</u>
<u>1,194</u>	<u>581,848</u>	<u>(97,965)</u>	<u>68,283</u>	<u>(736,923)</u>	<u>15,297</u>	<u>20,120</u>	<u>4,870,356</u>
-	-	-	-	-	28,759	-	28,759
-	-	-	-	536,124	341,720	466,222	2,337,828
-	-	-	-	(65,135)	(3,408)	(340,018)	(4,457,166)
-	-	-	-	470,989	367,071	126,204	(2,090,579)
1,194	581,848	(97,965)	68,283	(265,934)	382,368	146,324	2,779,777
28,460	168,455	94,205	1,371,175	4,273,236	1,310,351	48,426	19,546,774
<u>\$ 29,654</u>	<u>\$ 750,303</u>	<u>\$ (3,760)</u>	<u>\$ 1,439,458</u>	<u>\$ 4,007,302</u>	<u>\$ 1,692,719</u>	<u>\$ 194,750</u>	<u>\$ 22,326,551</u>



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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.

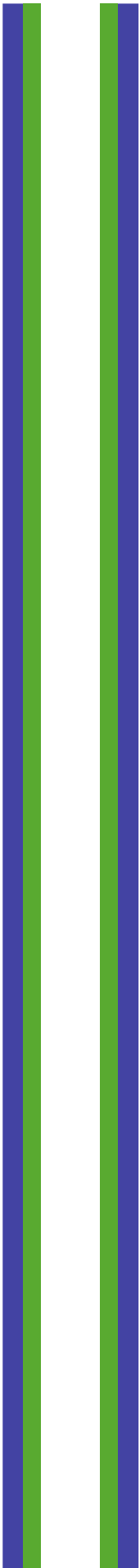
Azalea City Golf Course  
Tennis Center  
Saenger Theater  
Neighborhood Renewal Program



Azalea City Golf Course



Mobile Tennis Center  
*Senior Days*



**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2017**

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total
<b>ASSETS</b>					
Current assets:					
Cash, equity in pooled cash and investments	\$ 814,840	\$ 600	\$ 1,100	\$ 720,769	\$ 1,537,309
Receivables (net)	17,011	-	-	-	17,011
Inventory	14,385	-	73,319	132,018	219,722
Prepaid expenses	7,828	-	-	-	7,828
Total current assets	<u>854,064</u>	<u>600</u>	<u>74,419</u>	<u>852,787</u>	<u>1,781,870</u>
Noncurrent assets:					
Non-depreciable capital assets	-	-	1,457,640	-	1,457,640
Depreciable capital assets, net	2,464,045	57,029	1,741,614	-	4,262,688
Total noncurrent assets	<u>2,464,045</u>	<u>57,029</u>	<u>3,199,254</u>	<u>-</u>	<u>5,720,328</u>
Total assets	<u>3,318,109</u>	<u>57,629</u>	<u>3,273,673</u>	<u>852,787</u>	<u>7,502,198</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 3,318,109</u>	<u>\$ 57,629</u>	<u>\$ 3,273,673</u>	<u>\$ 852,787</u>	<u>\$ 7,502,198</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	231,898	23,375	58,148	437	313,858
Unearned revenue	586,742	-	-	-	586,742
Total current liabilities	<u>818,640</u>	<u>23,375</u>	<u>58,148</u>	<u>437</u>	<u>900,600</u>
Noncurrent liabilities:					
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	<u>818,640</u>	<u>23,375</u>	<u>58,148</u>	<u>437</u>	<u>900,600</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>818,640</u>	<u>23,375</u>	<u>58,148</u>	<u>437</u>	<u>900,600</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,464,045	57,029	3,199,254	-	5,720,328
Unrestricted	35,424	(22,775)	16,271	852,350	881,270
Total net position	<u>\$ 2,499,469</u>	<u>\$ 34,254</u>	<u>\$ 3,215,525</u>	<u>\$ 852,350</u>	<u>\$ 6,601,598</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2017**

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 323,948	\$ 222,350	\$ 1,127,766	\$ -	\$ 1,674,064
Facility rent	247,010	-	-	-	247,010
Sales revenue	-	3,000	133,534	11,181	147,715
Concessions	62,494	19,049	-	-	81,543
Other revenue	82,478	1,634	1,935	-	86,047
Total operating revenues	<u>715,930</u>	<u>246,033</u>	<u>1,263,235</u>	<u>11,181</u>	<u>2,236,379</u>
<b>OPERATING EXPENSES</b>					
Personnel services	460,063	452,056	893,116	-	1,805,235
Commodities	33,289	28,624	197,242	1,995	261,150
Utilities	160,135	88,497	79,792	-	328,424
Professional and technical	105,999	146,645	16,372	3,575	272,591
Maintenance and repairs	6,167	-	10,502	-	16,669
Printing and reproduction	23	250	2,105	-	2,378
Insurance payments	18,060	-	59,175	-	77,235
Cost of goods sold	-	-	91,337	3,431	94,768
Other charges	36,116	75,777	97,277	1,559	210,729
Depreciation	189,159	1,946	144,243	-	335,348
Total operating expenses	<u>1,009,011</u>	<u>793,795</u>	<u>1,591,161</u>	<u>10,560</u>	<u>3,404,527</u>
Operating income (loss)	<u>(293,081)</u>	<u>(547,762)</u>	<u>(327,926)</u>	<u>621</u>	<u>(1,168,148)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (loss) from disposal of assets	-	-	28,403	-	28,403
Total nonoperating revenues (expenses)	-	-	28,403	-	28,403
Income (loss) before contributions and transfers	(293,081)	(547,762)	(299,523)	621	(1,139,745)
Transfers in	84,198	552,556	305,826	-	942,580
Change in net position	(208,883)	4,794	6,303	621	(197,165)
Total net position - beginning	2,708,352	29,460	3,209,222	851,729	6,798,763
Total net position - ending	<u>\$ 2,499,469</u>	<u>\$ 34,254</u>	<u>\$ 3,215,525</u>	<u>\$ 852,350</u>	<u>\$ 6,601,598</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2017**

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 323,948	\$ 222,350	\$ 1,127,766	\$ 11,181	\$ 1,685,245
Cash received from sales revenue	-	-	133,534	-	133,534
Cash received from facility rent	241,643	3,000	-	-	244,643
Cash received from concessions	62,494	19,049	-	-	81,543
Cash received from miscellaneous	144,013	4,659	1,935	-	150,607
Cash payments for operating expenses	(296,307)	(341,804)	(553,181)	(44,011)	(1,235,303)
Cash payments for internal services	-	(50,685)	(124,244)	-	(174,929)
Cash payments to employees for services	(460,063)	(409,125)	(773,775)	-	(1,642,963)
Net cash provided (used) by operating activities	<u>15,728</u>	<u>(552,556)</u>	<u>(187,965)</u>	<u>(32,830)</u>	<u>(757,623)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in from other funds	84,198	552,556	305,826	-	942,580
Net cash provided (used) by noncapital financing activities	<u>84,198</u>	<u>552,556</u>	<u>305,826</u>	<u>-</u>	<u>942,580</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	-	(150,802)	-	(150,802)
Proceeds from sale of capital assets	-	-	32,941	-	32,941
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(117,861)</u>	<u>-</u>	<u>(117,861)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	99,926	-	-	(32,830)	67,096
Balances - beginning of year	714,914	600	1,100	753,599	1,470,213
Balances - end of the year	<u>\$ 814,840</u>	<u>\$ 600</u>	<u>\$ 1,100</u>	<u>\$ 720,769</u>	<u>\$ 1,537,309</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating Income	\$ (293,081)	\$ (547,762)	\$ (327,926)	\$ 621	\$ (1,168,148)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	189,159	1,946	144,243	-	335,348
Changes in assets and liabilities:					
Accounts Payable - Supplier	74,233	(3,066)	6,030	137	77,334
Accounts Receivable	(5,367)	-	-	-	(5,367)
Inventory and prepaid expenses	(10,751)	-	(10,464)	(33,588)	(54,803)
Salaries & Benefits Payable	-	(3,674)	152	-	(3,522)
Advance collections	61,535	-	-	-	61,535
Net cash provided (used) by operating activities	<u>\$ 15,728</u>	<u>\$ (552,556)</u>	<u>\$ (187,965)</u>	<u>\$ (32,830)</u>	<u>\$ (757,623)</u>

See Accompanying Notes to the Financial Statements

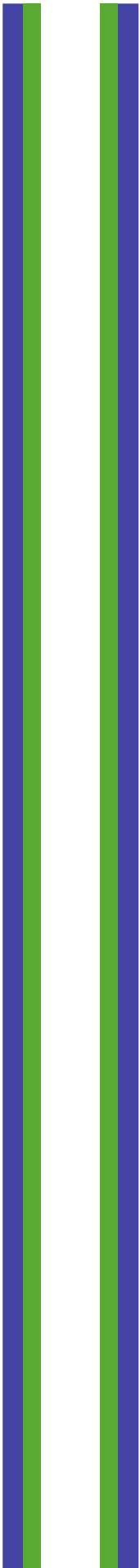


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Internal Service funds are used to account for the financing of goods or services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

- Motor Pool Fund
- Liability Insurance Fund
- Employee Health Fund







**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2017**

	<u>Motor Pool</u>	<u>Employee Health Plan</u>	<u>Liability Insurance</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 3,853,564	\$ 4,446,468	\$ 1,077,334	\$ 9,377,366
Receivables (net)	8,130	292,973	-	301,103
Total current assets	<u>3,861,694</u>	<u>4,739,441</u>	<u>1,077,334</u>	<u>9,678,469</u>
Noncurrent assets:				
Depreciable capital assets, net	<u>29,237,352</u>	-	-	<u>29,237,352</u>
Total noncurrent assets	<u>29,237,352</u>	-	-	<u>29,237,352</u>
Total assets	<u>33,099,046</u>	<u>4,739,441</u>	<u>1,077,334</u>	<u>38,915,821</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 33,099,046</u>	<u>\$ 4,739,441</u>	<u>\$ 1,077,334</u>	<u>\$ 38,915,821</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	379,743	446,378	700	826,821
Insurance claims payable	-	2,021,600	-	2,021,600
Total current liabilities	<u>379,743</u>	<u>2,467,978</u>	<u>700</u>	<u>2,848,421</u>
Noncurrent liabilities:				
Self-insured legal liability	-	-	1,641,500	1,641,500
Total noncurrent liabilities	-	-	1,641,500	1,641,500
Total liabilities	<u>379,743</u>	<u>2,467,978</u>	<u>1,642,200</u>	<u>4,489,921</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	<u>379,743</u>	<u>2,467,978</u>	<u>1,642,200</u>	<u>4,489,921</u>
<b>NET POSITION</b>				
Net investment in capital assets	29,237,352	-	-	29,237,352
Unrestricted	3,481,951	2,271,463	(564,866)	5,188,548
Total net position	<u>\$ 32,719,303</u>	<u>\$ 2,271,463</u>	<u>\$ (564,866)</u>	<u>\$ 34,425,900</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2017**

	Motor Pool	Employee Health Plan	Liability Insurance	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 12,890	\$ 1,231,581	\$ -	\$ 1,244,471
Internal charges	6,500,589	21,735,400	-	28,235,989
Employee contributions	-	6,223,558	-	6,223,558
Total operating revenues	<u>6,513,479</u>	<u>29,190,539</u>	<u>-</u>	<u>35,704,018</u>
<b>OPERATING EXPENSES</b>				
Personnel services	151,950	-	-	151,950
Commodities	2,402,702	-	-	2,402,702
Utilities	40,312	-	-	40,312
Professional and technical	-	85,095	1,870,099	1,955,194
Printing and reproduction	-	3,151	-	3,151
Insurance payments	-	25,235,832	-	25,235,832
Increase (decrease) in provision for self-insurance loss	-	(207,846)	(206,000)	(413,846)
Other charges	168,910	10,543	979,271	1,158,724
Depreciation	5,273,633	-	-	5,273,633
Total operating expenses	<u>8,037,507</u>	<u>25,126,775</u>	<u>2,643,370</u>	<u>35,807,652</u>
Operating income (loss)	<u>(1,524,028)</u>	<u>4,063,764</u>	<u>(2,643,370)</u>	<u>(103,634)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest and fee payments	(3,340)	-	-	(3,340)
Damaged vehicles reimbursement	145,750	-	-	145,750
Gain (loss) from disposal of assets	220,668	-	-	220,668
Total nonoperating revenues (expenses)	<u>363,078</u>	<u>-</u>	<u>-</u>	<u>363,078</u>
Income (loss) before contributions and transfers	<u>(1,160,950)</u>	<u>4,063,764</u>	<u>(2,643,370)</u>	<u>259,444</u>
Transfers in	-	588,552	2,800,000	3,388,552
Capital grants and contributions	6,348,593	-	-	6,348,593
Change in net position	<u>5,187,643</u>	<u>4,652,316</u>	<u>156,630</u>	<u>9,996,589</u>
Total net position - beginning	<u>27,531,660</u>	<u>(2,380,853)</u>	<u>(721,496)</u>	<u>24,429,311</u>
Total net position - ending	<u>\$ 32,719,303</u>	<u>\$ 2,271,463</u>	<u>\$ (564,866)</u>	<u>\$ 34,425,900</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2017**

	Motor Pool	Employee Health Plan	Liability Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 13,213	\$ 1,254,422	\$ -	\$ 1,267,635
Cash received from internal billings	6,500,589	21,735,400	-	28,235,989
Cash received from employee contributions	-	6,223,558	-	6,223,558
Cash payments for operating expenses	(2,911,908)	(98,790)	(2,974,833)	(5,985,531)
Cash payments for insurance claims	-	(25,256,674)	-	(25,256,674)
Cash payments to employees for services	(150,970)	-	-	(150,970)
Net cash provided (used) by operating activities	<u>3,450,924</u>	<u>3,857,916</u>	<u>(2,974,833)</u>	<u>4,334,007</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in from other funds	-	588,552	2,800,000	3,388,552
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>588,552</u>	<u>2,800,000</u>	<u>3,388,552</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Interest payments	(3,340)	-	-	(3,340)
Acquisition of capital assets	(3,276,939)	-	-	(3,276,939)
Proceeds from sale of capital assets	873,365	-	-	873,365
Reimbursement for damaged vehicles	145,750	-	-	145,750
Payments on capital leases	(247,908)	-	-	(247,908)
Net cash provided (used) by capital and related financing activities	<u>(2,509,072)</u>	<u>-</u>	<u>-</u>	<u>(2,509,072)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	941,852	4,446,468	(174,833)	5,213,487
Balances - beginning of year	2,911,712	-	1,252,167	4,163,879
Balances - end of the year	<u>\$ 3,853,564</u>	<u>\$ 4,446,468</u>	<u>\$ 1,077,334</u>	<u>\$ 9,377,366</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income	\$ (1,524,028)	\$ 4,063,764	\$ (2,643,370)	\$ (103,634)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	5,273,633	-	-	5,273,633
Changes in assets and liabilities:				
Accounts Payable - Supplier	(299,984)	15,512	-	(284,472)
Accounts Receivable	323	22,840	-	23,163
Self-insurance liability	-	(244,200)	(206,000)	(450,200)
Insurance claims payable	-	-	(125,463)	(125,463)
Salaries & Benefits Payable	980	-	-	980
Net cash provided (used) by operating activities	<u>\$ 3,450,924</u>	<u>\$ 3,857,916</u>	<u>\$ (2,974,833)</u>	<u>\$ 4,334,007</u>

See Accompanying Notes to the Financial Statements



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Supplementary Information

General Fund Revenues and Other Financing Sources (Uses)  
Long-Term Debt



Five historic blighted homes rehabilitated with federal HOME funds  
by the Neighborhood Development Department





**CITY OF MOBILE, ALABAMA**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources (Uses)**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended September 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
Property				
Real estate	\$ 13,697,826	\$ 13,697,826	\$ 15,508,214	\$ 1,810,388
Motor vehicle	1,803,689	1,803,689	1,360,797	(442,892)
Sales and use				
Sales tax - City	143,285,160	143,285,160	131,177,478	(12,107,682)
Sales tax - Police Jurisdiction	8,208,314	8,208,314	8,600,838	392,524
Sellers use tax	-	-	946,386	946,386
Lease/rental - City	5,500,000	5,500,000	5,436,567	(63,433)
Lease/rental - Police Jurisdiction	300,000	300,000	237,116	(62,884)
Room tax - City	3,872,000	3,872,000	4,570,760	698,760
Room tax - Police Jurisdiction	11,000	11,000	13,886	2,886
Motor vehicle rental - City	1,202,000	1,202,000	1,321,953	119,953
Motor vehicle rental - Police Jurisdiction	20,000	20,000	6,100	(13,900)
Selective sales and use				
Motor fuel				
Regular - City	2,300,000	2,300,000	2,657,794	357,794
Regular - Police Jurisdiction	650,000	650,000	815,090	165,090
County equalization	432,000	432,000	299,454	(132,546)
Alcoholic beverages				
Liquor - City	545,000	545,000	631,460	86,460
Liquor - Police Jurisdiction	24,500	24,500	20,982	(3,518)
Liquor - ABC Board	220,000	220,000	227,929	7,929
Table Wine	185,000	185,000	179,724	(5,276)
Beer	1,120,000	1,120,000	1,051,091	(68,909)
Other				
Cigarette stamp tax	1,750,000	1,750,000	1,727,163	(22,837)
Other tobacco tax - City	450,000	450,000	427,046	(22,954)
Other tobacco tax - Police Jurisdiction	30,000	30,000	26,655	(3,345)
Business privilege tax	280,778	280,778	285,006	4,228
Other tax revenue	453,200	453,200	833,884	380,684
Total taxes	186,340,467	186,340,467	178,363,373	(7,977,094)
Licenses and permits				
Business licenses - City	33,801,339	33,801,339	33,282,344	(518,995)
Business licenses - Police Jurisdiction	2,150,000	2,150,000	2,092,482	(57,518)
Motor vehicle licenses	675,000	675,000	655,474	(19,526)
Dog licenses	15,000	15,000	13,623	(1,377)
Alarm ordinance permits	-	-	192,360	192,360
Total licenses and permits	36,641,339	36,641,339	36,236,283	(405,056)
Intergovernmental				
Alcoholic Beverage Control Board	85,000	85,000	46,613	(38,387)
Mobile County Racing Commission	12,451	12,451	3,027	(9,424)
Total intergovernmental	97,451	97,451	49,639	(47,812)
Charges for services				
Health				
Lot cleaning	15,000	15,000	26,403	11,403
Building demolition fee	24,000	24,000	33,740	9,740
Animal shelter	24,000	24,000	24,179	179
Recycling Fees	-	-	33,027	33,027

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Public safety				
Inspection	1,500,000	1,500,000	1,534,925	34,925
Fire plan review fee	34,000	34,000	71,678	37,678
Police and fire	546,000	546,000	551,943	5,943
Engineering	450,000	450,000	387,639	(62,361)
Parking meter and management fees	250,000	250,000	250,000	(0)
County sales tax collection fee	-	-	120,542	120,542
Property rental	100,000	100,000	89,260	(10,740)
Franchise fees - miscellaneous	3,050,000	3,050,000	3,043,863	(6,137)
Parks and recreation fees	420,000	420,000	192,707	(227,293)
Vacation of ROW fee	-	-	-	-
Other	-	-	5,033	5,033
Total charges for services	6,413,000	6,413,000	6,364,939	(48,061)
Fines and forfeitures				
Municipal offense fines	20,000	20,000	17,106	(2,894)
Police fines	977,500	977,500	457,657	(519,843)
Driver's education	275,000	275,000	175,951	(99,049)
Bond forfeitures	6,000	6,000	14,165	8,165
Court costs	290,000	290,000	269,113	(20,887)
DA Restitution Unit collection fees	100,000	100,000	40,843	(59,157)
Corrections fund	850,000	850,000	530,663	(319,338)
Alarm ordinance fines	500,000	500,000	33,205	(466,795)
Municipal court administrative fee	56,000	56,000	103,721	47,721
Total fines and forfeitures	3,074,500	3,074,500	1,642,424	(1,432,076)
State and federal assistance	85,000	85,000	78,006	(6,994)
Investment income				
Investment of idle funds	350,000	350,000	187,346	(162,654)
Dividend income	-	-	11,915	11,915
Total investment income	350,000	350,000	199,261	(150,739)
Other revenue				
Athletic fund	-	-	49,566	49,566
Miscellaneous	75,000	75,000	309,020	234,020
Total other revenue	75,000	75,000	358,586	283,586
Total revenues	\$ 233,076,757	\$ 233,076,757	\$ 223,292,511	\$ (9,784,246)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	\$ 13,000	\$ 13,000	\$ 1,476	(11,524)
Operating transfers in				
From 5-cent Gasoline Tax Special Revenue Fund	600,000	600,000	600,000	-
From 7-cent Gasoline Tax Special Revenue Fund	140,000	140,000	687,013	547,013
From Fuel Inspection Fees Special Revenue Fund	81,000	81,000	82,628	1,628
From Capital Improvements Fund	-	225,000	225,000	-
From Municipal Parking Garage Fund	1,200,000	1,200,000	1,200,000	-
From WAVE Transit	-	-	1,279,929	1,279,929
Total operating transfers in	2,021,000	2,246,000	4,074,570	1,828,570
Operating transfers out				
To Capital Improvement Fund	(5,160,000)	(5,706,133)	(5,480,828)	225,305
To 7-Cent Roadway Maintenance Fund	(650,000)	(650,000)	(993,762)	(343,762)
To Grant Administration Funds	(575,000)	(647,451)	(647,451)	-
To Civic Center Enterprise Fund	(1,025,300)	(1,025,300)	(1,386,086)	(360,786)
To WAVE Transit Enterprise Fund	(5,618,477)	(5,618,477)	(6,898,406)	(1,279,929)
To Cruise Terminal Enterprise Fund	-	-	(115,819)	(115,819)
To Emergency Medical Services Enterprise Fund	(3,882,709)	(3,882,709)	(2,037,478)	1,845,231
To Tennis Center Enterprise Fund	(646,780)	(646,780)	(552,556)	94,224
To Saenger Theater Enterprise Fund	(124,000)	(124,000)	(84,198)	39,802
To Azalea City Golf Course Enterprise Fund	(282,558)	(282,558)	(305,826)	(23,268)
To Employee Health Plan Internal Service Fund	(2,000,000)	(2,000,000)	(588,552)	1,411,448
To Liability Insurance Internal Service Fund	(2,800,000)	(2,800,000)	(2,800,000)	0
Total operating transfers out	(22,764,824)	(23,383,408)	(21,890,961)	1,492,447
Total other financing sources (uses)	\$ (20,730,824)	\$ (21,124,408)	\$ (17,814,915)	\$ 3,309,493

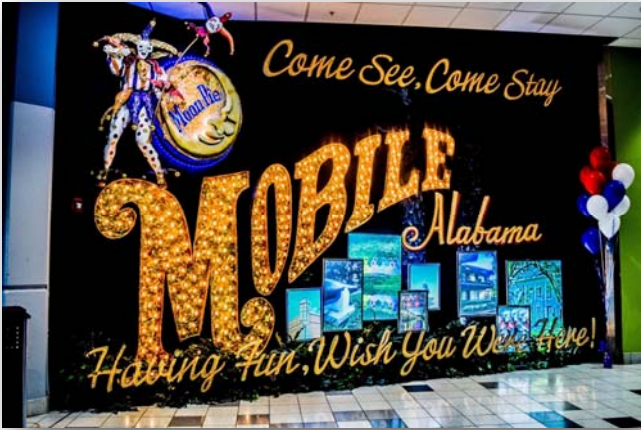


**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE**  
**For the year ended September 30, 2017**

	Interest Rates Percent	Interest Payment Dates	Issue Dates	Final Maturity Date	Serial Payments
2002 Limited Obligation Tax Increment Warrants	3.7-5.5%	2/15-8/15	5/15/02	2/15/23	Semi-annual interest payments with annual principal payments ranging from \$390,000 to \$885,000
2008 General Obligation Warrants	4.0-5.0%	2/15-8/15	1/22/08	2/15/30	Semi-annual interest payments with annual principal payments ranging from \$1,905,000 to \$8,950,000
2008B General Obligation Refunding and Improvement Warrants	4.0-4.66%	2/15-8/15	7/24/08	2/15/20	Semi-annual interest payments with annual principal payments ranging from \$3,160,000 to \$11,285,000
2008C (AMT) General Obligation Improvement Warrants	4.0-4.83%	2/15-8/15	7/24/08	2/15/30	Semi-annual interest payments with annual principal payments ranging from \$715,000 to \$845,000
2009A General Obligation Refunding Warrants	3.0-4.5%	2/15-8/15	12/9/09	2/15/28	Semi-annual interest payments with annual principal payments ranging from \$60,000 to \$7,730,000
2009B General Obligation Build America Warrants (Taxable)	6.085%	2/15-8/15	12/9/09	2/15/30	Semi-annual interest payments with annual principal payments ranging from \$3,320,000 to \$9,380,000
2009C General Obligation Recovery Zone Economic Development Warrants	6.085%	2/15-8/15	12/9/09	2/15/30	Semi-annual interest payments with a lump sum principal payment in the amount of \$6,430,000
2011 General Obligation Private Placement Warrants	2.84%	2/15-8/15	7/20/11	2/15/26	Semi-annual interest payments with annual principal payments ranging from \$640,000 to \$2,040,000
2012 General Obligation Private Placement Warrant	1.53%	2/15-8/15	12/4/12	8/15/17	Semi-annual interest payments with semi- annual principal payments ranging from \$494,261 to \$525,499
2016 General Obligation Refunding Warrant	4.5-5.0%	2/15-8/15	2/11/16	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$29,979 to \$521,595
2016C General Obligation Warrants, Taxable	5.4-5.5%	2/15-8/15	12/29/16	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$715,000 to \$1,825,000
2017A General Obligation Warrants, Tax-Exempt	3.0-5.0%	2/15-8/15	2/15/17	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$6,095,000 to \$8,250,000
2017B General Obligation Warrants, Tax-Exempt	3.0-4.0%	2/15-8/15	2/15/17	2/15/23	Semi-annual interest payments with semi- annual principal payments ranging from \$685,000 to \$805,000
Note payable to Bank of New York Mellon (Fort Conde)	5.36%	2/1-8/1	6/30/04	8/1/22	Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$115,000
Note payable to Bank of New York Mellon (Harmon Park)	3.22%	2/1-8/1	4/28/99	8/1/17	Semi-annual interest payments with annual principal payments ranging from \$30,000 To \$135,000
Note payable to Bank of New York Mellon (E.D. Center)	3.56%	2/1-8/1	4/28/99	8/1/18	Semi-annual interest payments with annual principal payments ranging from \$30,000 To \$140,000
Note payable to Bank of New York Mellon (Library)	2.70%	2/1-8/1	9/14/06	8/1/25	Semi-annual interest payments with annual principal payments ranging from \$105,000 To \$200,000
Total					

Original Amount of Issue	Balance September 30, 2016	Year Ended September 30, 2017 Issued	Year Ended September 30, 2017 Retirements	Balance September 30, 2017	Interest for Year Ended September 2017
10,655,000	5,315,000	-	5,315,000	-	146,163
57,000,000	57,000,000	-	57,000,000	-	1,246,450
69,295,000	44,120,000	-	24,180,000	19,940,000	1,549,975
22,095,000	18,205,000	-	17,265,000	940,000	74,790
56,380,000	55,850,000	-	-	55,850,000	2,740,767
16,765,000	16,765,000	-	-	16,765,000	1,020,138
6,430,000	6,430,000	-	-	6,430,000	391,261
13,715,000	9,985,000	-	1,685,000	8,300,000	263,453
5,100,000	1,046,964	-	1,046,964	-	12,642
39,402,000	39,402,000	-	1,388,000	38,014,000	1,002,537
17,735,000	-	17,735,000	-	17,735,000	351,462
64,610,000	-	64,610,000	-	64,610,000	1,567,700
4,430,000	-	4,430,000	-	4,430,000	78,075
1,275,000	585,000	-	80,000	505,000	10,992
1,410,000	135,000	-	135,000	-	2,079
1,440,000	270,000	-	130,000	140,000	4,480
2,695,000	1,505,000	-	140,000	1,365,000	83,732
<u>\$ 456,942,000</u>	<u>\$ 256,613,964</u>	<u>\$ 86,775,000</u>	<u>\$ 108,364,964</u>	<u>\$ 235,024,000</u>	<u>\$ 10,546,698</u>

# Mobile at Play





# 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.

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and wellbeing have changed over time.</i>	136
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's local resources.</i>	148
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	157
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	164
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	167

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 10 Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year			
	2017	2016	2015	2014
<b>Governmental activities</b>				
Net investment in capital assets	\$ 466,796,768	\$ 417,251,471	\$ 401,397,005	\$ 372,032,993
Restricted	25,668,707	24,152,958	21,295,974	95,217,446
Unrestricted	(298,582,916)	(278,066,055)	(282,832,642)	(161,252,000)
Total governmental net position	<u>\$ 193,882,559</u>	<u>\$ 163,338,374</u>	<u>\$ 139,860,337</u>	<u>\$ 305,998,439</u>
 <b>Business-type activities</b>				
Net investment in capital assets	\$ 86,872,399	\$ 90,229,705	\$ 92,885,644	\$ 97,964,060
Unrestricted	1,545,787	458,089	(1,914,572)	6,820,494
Total business-type net position	<u>\$ 88,418,186</u>	<u>\$ 90,687,794</u>	<u>\$ 90,971,072</u>	<u>\$ 104,784,554</u>
 <b>Primary governmental</b>				
Net investment in capital assets	\$ 553,669,167	\$ 507,481,176	\$ 494,282,649	\$ 469,997,053
Restricted	25,668,707	24,152,958	21,295,974	95,217,446
Unrestricted	(297,037,129)	(277,607,966)	(284,747,214)	(154,431,506)
Total primary governmental net position	<u>\$ 282,300,745</u>	<u>\$ 254,026,168</u>	<u>\$ 230,831,409</u>	<u>\$ 410,782,993</u>

Fiscal Year

2013	2012	2011	2010	2009	2008
\$ 366,741,756	\$ 360,178,198	\$ 350,323,247	\$ 352,295,866	\$ 360,784,525	\$ 165,220,265
93,283,087	97,600,533	95,803,612	92,363,209	82,012,164	163,913,530
(157,937,778)	(126,055,943)	(90,121,806)	(81,290,372)	(62,583,863)	2,166,159
<u>\$ 302,087,065</u>	<u>\$ 331,722,788</u>	<u>\$ 356,005,053</u>	<u>\$ 363,368,703</u>	<u>\$ 380,212,826</u>	<u>\$ 331,299,954</u>
\$ 101,563,121	\$ 101,478,517	\$ 102,867,788	\$ 105,870,417	\$ 104,970,172	\$ 108,695,419
10,284,211	4,634,952	6,145,132	5,217,216	(1,392,389)	(1,354,221)
<u>\$ 111,847,332</u>	<u>\$ 106,113,469</u>	<u>\$ 109,012,920</u>	<u>\$ 111,087,633</u>	<u>\$ 103,577,783</u>	<u>\$ 107,341,198</u>
\$ 468,304,877	\$ 461,656,715	\$ 453,191,035	\$ 458,166,283	\$ 465,754,697	\$ 273,915,684
93,283,087	97,600,533	95,803,612	92,363,209	82,012,164	163,913,530
(147,653,567)	(121,420,991)	(83,976,674)	(76,073,156)	(63,976,252)	811,938
<u>\$ 413,934,397</u>	<u>\$ 437,836,257</u>	<u>\$ 465,017,973</u>	<u>\$ 474,456,336</u>	<u>\$ 483,790,609</u>	<u>\$ 438,641,152</u>

**CITY OF MOBILE, ALABAMA**  
**Changes in Net Position**  
**Last 10 Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2017	2016	2015	2014	2013
<b>Expenses</b>					
Governmental activities:					
General government	\$ 57,338,003	\$ 71,077,484	\$ 71,599,115	\$ 78,626,293	\$ 89,601,242
Culture and recreation	25,120,318	24,346,459	25,423,325	24,192,649	24,345,756
Economic development	1,128,267	1,058,324	1,339,289	1,175,960	1,271,271
Engineering, development & build	15,477,038	15,562,782	-	-	-
Finance	6,184,239	5,792,949	5,905,306	5,886,971	5,313,958
Public safety	118,270,320	108,777,473	102,625,577	115,054,082	116,799,647
Public works	36,948,205	32,182,584	39,454,462	41,782,266	41,980,768
Nondepartmental	-	-	-	-	-
Interest on long-term debt	10,956,824	12,523,734	13,222,630	14,123,164	14,531,680
Total governmental activities expenses	<u>271,423,214</u>	<u>271,321,789</u>	<u>259,569,704</u>	<u>280,841,385</u>	<u>293,844,322</u>
Business-type activities:					
Azalea City Golf Course	1,595,699	1,602,676	1,573,881	1,533,543	1,545,563
Civic Center	3,539,260	3,794,184	3,675,513	3,581,709	3,562,838
Convention Center	8,433,850	9,078,055	8,543,558	9,674,772	8,525,656
Cruise Terminal	2,610,198	1,092,752	1,028,171	1,143,905	1,303,494
Emergency Medical Services	5,163,686	5,796,418	5,392,697	7,477,075	6,795,760
Mobile Tennis Center	793,795	761,823	781,819	707,450	639,725
Neighborhood Renewal Program	10,560	11,467	14,334	18,987	1,408
Parking Garage	234,118	237,596	239,667	285,324	228,298
Saenger Theater	1,009,011	881,566	843,474	889,736	259,127
Wave Transit System	11,645,426	12,169,978	11,857,903	12,134,216	11,551,094
Total business-type activities expenses	<u>35,035,603</u>	<u>35,426,515</u>	<u>33,951,017</u>	<u>37,446,717</u>	<u>34,412,963</u>
Total primary government expenses:	<u>\$ 306,458,817</u>	<u>\$ 306,748,304</u>	<u>\$ 293,520,721</u>	<u>\$ 318,288,102</u>	<u>\$ 328,257,285</u>
<b>Program revenues</b>					
Governmental activities:					
Charges for services					
General government	49,688,127	50,160,158	50,060,635	51,222,299	48,203,217
Culture and recreation	281,967	302,707	525,844	437,059	525,468
Engineering, development & build	1,922,408	1,601,395	-	-	-
Public safety	4,547,998	4,505,318	5,141,753	5,841,687	6,282,468
Public works	33,027	-	562,397	430,550	654,746
Operating grants and contributions	6,659,324	9,029,824	6,158,691	6,937,239	9,032,116
Capital grants and contributions	2,928,157	3,518,998	19,279,163	2,525,315	5,105,011
Total governmental activities program revenues	<u>66,061,008</u>	<u>69,118,400</u>	<u>81,728,483</u>	<u>67,394,149</u>	<u>69,803,026</u>
Business-type activities:					
Charges for services					
Azalea City Golf Course	1,263,235	1,275,404	1,304,713	1,344,965	1,339,025
Civic Center	1,891,198	2,367,738	2,028,805	2,031,222	1,960,052
Convention Center	2,318,069	2,588,337	2,122,764	2,204,743	1,969,680
Cruise Terminal	5,312,115	141,063	346,635	206,892	771,780
Emergency Medical Services	3,696,227	3,882,158	4,227,342	2,189,244	2,149,941
Mobile Tennis Center	246,033	260,707	270,386	261,450	214,030
Affordable Homes Program	-	-	-	-	-
Neighborhood Renewal Program	11,181	100,278	28,287	53,884	-
Parking Garage	390,964	402,268	405,092	400,957	410,482
Saenger Theater	715,930	566,731	530,969	542,724	200,270
Wave Transit System	1,015,020	1,048,474	1,164,788	1,136,104	1,115,896
Operating grants and contributions	1,937,095	3,308,904	3,502,088	3,412,216	2,910,578
Capital grants and contributions	270,091	1,157,458	488,423	848,317	1,275,691
Total business-type activities program revenues	<u>19,067,158</u>	<u>17,099,520</u>	<u>16,420,292</u>	<u>14,632,718</u>	<u>14,317,425</u>
Total primary government program revenue:	<u>\$ 85,128,166</u>	<u>\$ 86,217,920</u>	<u>\$ 98,148,775</u>	<u>\$ 82,026,867</u>	<u>\$ 84,120,451</u>
<b>Net (Expense) Revenue</b>					
Government activities	\$ (205,362,206)	\$ (202,203,389)	\$ (177,841,221)	\$ (213,447,236)	\$ (224,041,296)
Business-type activities	(15,968,445)	(18,326,995)	(17,530,725)	(22,813,999)	(20,095,538)
Total primary government net expense	<u>\$ (221,330,651)</u>	<u>\$ (220,530,384)</u>	<u>\$ (195,371,946)</u>	<u>\$ (236,261,235)</u>	<u>\$ (244,136,834)</u>



Fiscal Year				
2012	2011	2010	2009	2008
\$ 74,952,084	\$ 82,670,334	\$ 84,138,439	\$ 98,695,339	\$ 49,310,958
23,928,393	25,262,720	19,665,980	20,373,562	22,191,802
975,841	1,299,046	2,802,701	1,429,622	984,354
-	-	-	-	-
5,325,800	5,509,037	5,791,514	6,823,212	5,273,774
109,210,514	108,344,311	101,844,933	107,158,818	84,761,044
42,860,205	43,316,969	44,867,891	45,892,056	40,955,090
-	-	-	-	-
14,880,418	15,119,170	14,120,058	15,717,193	36,120,233
<u>272,133,255</u>	<u>281,521,587</u>	<u>273,231,516</u>	<u>296,089,802</u>	<u>239,597,255</u>
1,428,306	1,619,823	1,452,509	1,518,478	1,302,813
3,523,551	3,758,785	4,506,235	3,685,566	4,134,371
8,415,212	9,800,672	8,977,037	10,981,125	9,921,621
1,045,826	3,689,985	527,408	415,494	-
6,385,225	6,113,101	5,430,599	5,478,439	5,632,700
602,193	612,999	560,212	509,708	542,698
25,141	16,710	5,143	7,875	16,295
280,776	251,674	275,939	270,307	264,875
-	-	-	-	-
12,369,217	11,579,865	10,620,087	10,812,366	10,244,202
<u>34,075,447</u>	<u>37,443,614</u>	<u>32,355,169</u>	<u>33,679,358</u>	<u>32,059,575</u>
<u>\$ 306,208,702</u>	<u>\$ 318,965,201</u>	<u>\$ 305,586,685</u>	<u>\$ 329,769,160</u>	<u>\$ 271,656,830</u>
48,142,712	49,664,462	49,218,621	13,394,552	9,056,023
458,196	412,487	453,870	537,176	516,332
-	-	-	-	-
5,652,106	5,769,616	5,931,428	41,261,597	41,289,992
296,647	306,793	325,592	267,731	277,672
5,984,128	5,595,180	12,691,226	1,938,788	5,189,084
14,496,855	6,957,112	4,520,212	4,647,220	3,180,406
<u>75,030,644</u>	<u>68,705,650</u>	<u>73,140,949</u>	<u>62,047,064</u>	<u>59,509,509</u>
1,348,748	1,341,283	1,340,499	1,509,422	1,423,508
1,938,375	2,188,484	2,094,485	1,754,181	2,200,886
1,902,004	3,231,603	4,766,976	3,576,172	3,169,704
291,867	5,709,263	2,579,507	1,058,523	202,671
2,927,822	2,794,810	2,487,710	2,425,990	2,299,286
211,361	214,112	161,321	78,687	76,195
-	71,967	-	-	-
-	-	-	-	-
414,799	417,518	408,137	411,804	475,082
-	-	-	-	-
984,645	1,021,023	1,086,131	1,027,542	1,099,053
2,429,300	354,918	7,789,433	3,330,363	3,667,452
4,142,259	4,233,881	-	-	82,935
<u>16,591,180</u>	<u>21,578,862</u>	<u>22,714,199</u>	<u>15,172,684</u>	<u>14,696,772</u>
<u>\$ 91,621,824</u>	<u>\$ 90,284,512</u>	<u>\$ 95,855,148</u>	<u>\$ 77,219,748</u>	<u>\$ 74,206,281</u>
\$ (197,102,611)	\$ (212,815,937)	\$ (200,090,567)	\$ (234,042,738)	\$ (180,087,746)
(17,484,267)	(15,864,752)	(9,640,970)	(18,506,674)	(17,362,803)
<u>\$ (214,586,878)</u>	<u>\$ (228,680,689)</u>	<u>\$ (209,731,537)</u>	<u>\$ (252,549,412)</u>	<u>\$ (197,450,549)</u>

**CITY OF MOBILE, ALABAMA**  
**Changes in Net Position**  
**Last 10 Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year				
	2017	2016	2015	2014	2013
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Real and personal property tax	21,054,534	19,241,503	18,293,200	17,130,837	16,364,039
Sales tax	179,364,687	179,817,467	178,536,073	171,549,434	163,725,091
Gasoline tax	10,535,475	10,471,152	10,113,784	9,474,098	9,499,092
Room tax	6,366,006	5,916,535	5,653,761	5,389,031	5,182,775
Beer and liquor tax	2,111,186	2,154,493	2,100,653	2,025,855	2,078,693
Rental and leasing tax	9,342,202	9,465,186	9,220,699	8,497,843	8,015,194
Cigarette stamp tax	1,727,163	1,701,496	1,743,039	1,815,029	1,993,093
Other tobacco tax	453,701	452,886	480,735	442,344	432,831
Financial excise tax	746,838	560,580	382,673	399,417	363,317
Other tax revenue	372,052	357,022	418,363	366,789	87,364
Grants and contributions not restricted to a specific program		-	-	348,437	-
Investment earnings	204,090	135,751	63,943	72,025	94,013
Other	3,723,468	9,633,119	6,901,008	7,500,929	1,766,581
Capital contributions		-	-	-	-
Transfers	(1,885,988)	(5,284,854)	(3,885,039)	(4,969,603)	(15,212,065)
Total governmental activities	<u>234,115,414</u>	<u>234,622,336</u>	<u>230,022,892</u>	<u>220,042,465</u>	<u>194,390,018</u>
Business-type activities:					
Sales tax	9,874,297	9,995,087	9,660,595	8,985,838	8,894,386
Room tax	1,903,676	1,965,763	1,879,914	1,790,951	1,722,185
Investment earnings	1,936	1,954	1,690	4,829	763
Other	32,941	340	-	-	-
Transfers	1,885,988	5,284,854	3,885,039	4,969,603	15,212,065
Total business-type activities	<u>13,698,838</u>	<u>17,247,998</u>	<u>15,427,238</u>	<u>15,751,221</u>	<u>25,829,399</u>
Total primary government	<u>\$ 247,814,252</u>	<u>\$ 251,870,334</u>	<u>\$ 245,450,130</u>	<u>\$ 235,793,686</u>	<u>\$ 220,219,417</u>
<b>Change in Net Position</b>					
Government activities	\$ 28,753,208	\$ 32,418,947	\$ 52,181,671	\$ 6,595,229	\$ (29,651,278)
Business-type activities	(2,269,607)	(1,078,997)	(2,103,487)	(7,062,778)	5,733,861
Total primary government	<u>\$ 26,483,601</u>	<u>\$ 31,339,950</u>	<u>\$ 50,078,184</u>	<u>\$ (467,549)</u>	<u>\$ (23,917,417)</u>

Fiscal Year				
2012	2011	2010	2009	2008
16,262,921	16,093,899	16,077,830	15,969,310	14,938,843
133,215,345	163,405,226	141,825,022	132,218,742	140,470,973
9,680,455	10,115,711	10,213,140	7,735,285	7,775,814
5,003,180	5,092,514	6,040,106	4,795,120	5,239,745
2,031,634	2,005,816	2,196,467	2,137,149	2,027,597
6,309,404	6,080,474	5,699,115	4,104,708	4,430,951
2,200,090	2,234,211	2,370,001	2,253,663	2,188,771
411,392	459,774	462,814	455,907	434,014
147,964	77,098	79,224	1,320,726	4,264,065
71,835	114,016	105,055	4,554,032	-
-	-	-	-	-
283,034	337,496	301,434	1,009,662	3,150,149
1,409,680	3,122,939	2,239,320	6,298,450	5,550,454
-	-	2,417,423	105,130,798	-
(4,206,588)	(3,686,887)	(6,780,507)	(5,027,942)	(26,333,227)
<u>172,820,346</u>	<u>205,452,287</u>	<u>183,246,444</u>	<u>282,955,610</u>	<u>164,138,149</u>
8,715,107	8,395,672	8,378,986	7,974,021	7,354,647
1,662,898	1,685,196	1,997,710	1,568,826	1,586,408
223	4,576	3,321	16,563	59,405
-	17,708	(9,704)	155,907	(164,194)
4,206,588	3,686,887	6,780,507	5,027,942	26,333,227
<u>14,584,816</u>	<u>13,790,039</u>	<u>17,150,820</u>	<u>14,743,259</u>	<u>35,169,493</u>
<u>\$ 187,405,162</u>	<u>\$ 219,242,326</u>	<u>\$ 200,397,264</u>	<u>\$ 297,698,869</u>	<u>\$ 199,307,642</u>
\$ (24,282,265)	\$ (7,363,650)	\$ (16,844,123)	\$ 48,912,872	\$ (15,949,597)
(2,899,451)	(2,074,713)	7,509,850	(3,763,415)	17,806,690
<u>\$ (27,181,716)</u>	<u>\$ (9,438,363)</u>	<u>\$ (9,334,273)</u>	<u>\$ 45,149,457</u>	<u>\$ 1,857,093</u>

**CITY OF MOBILE, ALABAMA**  
**Governmental Activities Tax Revenue by Source**  
**Last 10 Fiscal Years**  
**(accrual basis of accounting)**

Fiscal Year	Property Taxes	Sales Tax	Motor Fuels Tax	Room Tax	Alcoholic Beverage Tax
2017	\$ 21,054,534	\$ 179,364,687	\$ 10,535,475	\$ 6,366,006	\$ 2,111,186
2016	19,241,503	179,817,467	10,471,152	5,916,535	2,154,493
2015	18,293,200	178,536,073	10,113,784	5,653,761	2,100,653
2014	17,130,837	171,549,434	9,474,098	5,389,031	2,025,855
2013	16,364,039	163,725,091	9,499,092	5,182,775	2,078,693
2012	16,262,921	133,215,345	9,680,455	5,003,180	2,031,634
2011	16,093,899	163,405,226	10,115,711	5,092,514	2,005,816
2010	16,077,830	141,825,022	10,213,140	6,040,106	2,196,467
2009	15,969,310	132,218,742	7,735,285	4,795,120	2,137,149
2008	14,938,843	140,470,973	7,775,814	5,239,745	2,027,597

<u>Rental and Leasing Tax</u>	<u>Tobacco Tax</u>	<u>Financial Excise Tax</u>	<u>Other Taxes</u>	<u>Total</u>
\$ 9,342,202	\$ 2,180,864	\$ 746,838	\$ 372,052	\$ 232,073,844
9,465,186	2,154,382	560,580	357,022	230,138,320
9,220,699	2,223,774	382,673	418,363	226,942,980
8,497,843	2,257,373	399,417	366,789	217,090,677
8,015,194	2,425,924	363,317	87,364	207,741,489
6,309,404	2,611,482	147,964	71,835	175,334,220
6,080,474	2,693,985	77,098	114,016	205,678,739
5,699,115	2,832,815	79,224	105,055	185,068,774
4,104,708	2,709,570	1,320,726	4,554,032	175,544,642
4,430,951	2,622,785	4,264,065	-	181,770,773

**CITY OF MOBILE, ALABAMA**  
**Fund Balances of Governmental Funds**  
**Last 10 Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year			
	2017	2016	2015	2014
<b>General Fund</b>				
<b>Reserved</b>				
Economic Development	\$ -	\$ -	\$ -	\$ -
General Fund Encumbrances	-	-	-	-
Grants	-	-	-	-
Law Enforcement	-	-	-	-
Long-term receivables	-	-	-	-
<b>Unreserved, reported in</b>				
General Fund	-	-	-	-
<b>Nonspendable</b>				
Inventory	2,232,695	2,781,282	2,602,208	2,301,354
Long-term receivables	-	-	-	-
Prepaid items	19,164	10,000	10,000	10,000
<b>Restricted</b>				
Grants	-	-	-	-
Law Enforcement	-	-	-	-
<b>Assigned</b>				
Athletic Fund	60,817	64,832	67,643	51,475
Designated and Donated Funds	1,159,818	1,117,574	1,018,844	931,962
General Fund Encumbrances	1,276,727	964,058	1,238,624	1,008,876
Municipal Court	-	-	-	-
<b>Unassigned</b>	<b>23,909,739</b>	<b>29,753,581</b>	<b>37,421,124</b>	<b>14,926,335</b>
Total general fund	<u>28,658,960</u>	<u>34,691,327</u>	<u>42,358,443</u>	<u>19,230,002</u>
<b>All other governmental funds</b>				
<b>Reserved</b>				
Economic Development	-	-	-	-
Encumbrances	-	-	-	-
Road and Bridge Construction	-	-	-	-
Road and Bridge Repair	-	-	-	-
<b>Unreserved, reported in</b>				
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
<b>Restricted</b>				
Capital Projects	5,847,704	6,762,073	11,237,290	13,874,911
Debt Service	126,125	131,469	382,829	719,022
Grants	5,894,771	5,632,013	1,897,365	1,930,590
Law Enforcement	750,303	168,455	336,459	384,466
Road and Bridge Construction	268,386	186,373	110,735	56,852
Road and Bridge Repair	2,301,816	2,356,683	1,460,134	1,058,928
<b>Committed</b>				
Capital Improvements Fund	-	-	-	-
Flood Management	84,012	83,970	83,928	83,886
Strategic Plan Fund	-	-	-	-
Tax Increment Program	11,645,923	9,709,410	10,365,142	8,497,657
<b>Assigned</b>				
Capital Improvements Fund	58,617,483	59,340,935	33,049,858	34,231,012
Economic Development	29,654	28,460	27,043	31,777
Municipal Court	1,435,698	1,465,380	1,348,629	1,250,286
Strategic Plan Fund	-	-	10,154,041	9,026,591
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,221)</b>
Total other governmental funds	<u>87,001,875</u>	<u>85,865,221</u>	<u>70,453,453</u>	<u>71,134,757</u>
Total governmental funds	<u>\$ 115,660,835</u>	<u>\$ 120,556,548</u>	<u>\$ 112,811,896</u>	<u>\$ 90,364,759</u>

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

Fiscal Year						
2013	2012	2011	2010	2009	2008	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	85,726
-	-	-	823,219	1,034,392	1,220,923	
-	-	-	2,472,910	2,467,570	2,735,850	
-	-	-	779,310	670,839		
-	-	-	1,360,000	1,580,000	1,790,000	
-	-	-	8,444,256	(1,266,959)	11,035,656	
2,241,159	2,389,694	2,244,640	-	-	-	
-	865,000	1,125,000	-	-	-	
10,000	10,000	10,000	-	-	-	
1,993,528	2,169,963	3,826,585	-	-	-	
475,460	678,883	720,801	-	-	-	
67,165	55,037	78,452	-	-	-	
871,274	918,911	1,038,806	-	-	-	
924,907	875,537	898,836	-	-	-	
970,725	505,817	788,521	-	-	-	
(4,296,200)	11,371,036	24,722,193	-	-	-	
<u>3,258,018</u>	<u>19,839,878</u>	<u>35,453,834</u>	<u>13,879,695</u>	<u>4,485,842</u>	<u>16,868,155</u>	
-	-	-	4,379,895	3,164,397	2,397,080	
-	-	-	8,215,670	7,006,389	7,228,440	
-	-	-	166,524	103,166	531,902	
-	-	-	1,933,945	608,929	352,619	
-	-	-	64,892,359	59,856,507	92,514,133	
-	-	-	3,494,130	3,367,695	3,338,317	
17,425,661	21,696,088	32,088,514	-	-	-	
221,605	4,516,268	3,986,450	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
291,265	264,644	230,890	-	-	-	
582,849	2,860,505	2,240,173	-	-	-	
-	3,672,116	-	-	-	-	
83,844	83,802	83,760	-	-	-	
-	81,402	-	-	-	-	
7,078,953	7,269,987	5,662,283	-	-	-	
35,653,503	22,312,616	23,539,946	-	-	-	
37,390	36,028	34,268	-	-	-	
-	-	-	-	-	-	
8,577,907	6,422,154	6,893,258	-	-	-	
(6,593)	-	(6,599)	-	-	-	
<u>69,946,384</u>	<u>69,215,610</u>	<u>74,752,943</u>	<u>83,082,523</u>	<u>74,107,083</u>	<u>106,362,491</u>	
<u>\$ 73,204,402</u>	<u>\$ 89,055,488</u>	<u>\$ 110,206,777</u>	<u>\$ 96,962,218</u>	<u>\$ 78,592,925</u>	<u>\$ 123,230,646</u>	

**CITY OF MOBILE, ALABAMA**  
**Changes in Fund Balances of Governmental Funds**  
**Last 10 Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year			
	2017	2016	2015	2014
<b>REVENUES</b>				
Taxes	\$ 232,073,844	\$ 230,138,319	\$ 226,942,982	\$ 217,090,677
Licenses and permits	39,508,966	39,959,958	39,165,570	39,525,926
Intergovernmental	49,639	79,906	102,817	65,645
Charges for services	6,471,076	6,875,124	7,398,861	8,466,724
Fines and forfeitures	3,013,765	3,102,723	3,777,807	4,386,729
State and federal assistance	9,419,670	12,439,232	8,475,079	9,149,146
Investment income	204,091	138,428	63,943	72,025
Other revenue	2,994,613	9,718,968	8,541,969	7,559,519
Assessments	-	-	-	3,944
Total revenues	<u>293,735,664</u>	<u>302,452,658</u>	<u>294,469,028</u>	<u>286,320,335</u>
<b>EXPENDITURES</b>				
Current:				
General government	16,961,736	18,941,344	21,472,111	21,625,859
Culture and recreation	13,650,736	13,499,894	14,495,544	13,321,383
Economic development	961,702	939,655	1,175,456	854,155
Engineering, development & build	15,182,785	13,456,972	-	-
Finance	5,315,082	5,052,016	5,149,172	5,028,125
Public safety	94,207,836	87,812,807	84,996,189	82,499,697
Public works	29,796,292	25,173,163	33,094,011	34,013,827
Non-departmental	46,774,160	43,683,515	40,008,437	46,861,160
Debt service:				
Administrative charges	32,785	71,203	90,122	-
Bond issuance costs	623,165	141,408	-	-
Interest	10,553,333	12,204,125	13,309,190	13,533,770
Principal retirement	16,629,465	14,935,138	14,479,688	12,132,976
Interest Reimbursement	(248,168)	(248,425)	(746,147)	-
Capital outlay:				
Capital outlay	43,972,849	44,608,499	29,059,563	23,893,432
Total expenditures	<u>294,413,758</u>	<u>280,271,314</u>	<u>256,583,336</u>	<u>253,764,384</u>
Excess (deficiency) of revenues over expenditures	<u>(678,094)</u>	<u>22,181,344</u>	<u>37,885,692</u>	<u>32,555,951</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	433,754	29,921	50,384	7,124
Capital-related debt issued	86,775,000	39,402,000	-	-
Payment to refunding bond escrow agent	(95,724,264)	(39,260,592)	-	-
Premiums (discounts) on bonds issued	9,572,429	-	-	-
Transfers in	46,987,427	85,940,776	39,374,477	54,390,241
Transfers out	(52,261,965)	(100,548,803)	(54,863,410)	(69,792,959)
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	<u>(4,217,619)</u>	<u>(14,436,698)</u>	<u>(15,438,549)</u>	<u>(15,395,594)</u>
Net change in fund balances	(4,895,713)	7,744,646	22,447,143	17,160,357
Fund balances - beginning	120,556,548	112,811,902	90,364,759	73,204,402
Adjustments to beginning net position	-	-	-	-
Fund balances - ending	<u>\$ 115,660,835</u>	<u>\$ 120,556,548</u>	<u>\$ 112,811,902</u>	<u>\$ 90,364,759</u>
Debt service as a percentage of noncapital expenditures	10.35%	11.06%	11.58%	10.99%



Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 207,741,489	\$ 175,115,820	\$ 207,431,270	\$ 186,728,761	\$ 174,810,707	\$ 181,770,773
36,532,107	36,427,112	35,853,964	35,887,762	37,000,838	36,321,711
137,740	443,642	245,581	199,992	1,548,996	539,578
8,723,683	8,260,051	8,559,708	8,184,608	8,167,239	9,850,027
4,548,189	4,365,667	4,468,316	4,724,902	4,691,317	4,968,281
13,594,457	20,151,236	12,530,527	17,168,956	6,502,302	8,306,569
94,013	283,035	324,573	301,811	1,056,562	3,150,147
1,987,282	1,418,460	7,297,106	2,244,211	5,608,303	4,575,337
-	-	526	-	-	-
273,358,960	246,465,023	276,711,571	255,441,003	239,386,264	249,482,423
16,795,637	16,672,894	17,319,848	17,244,146	18,919,217	16,774,235
13,475,345	13,396,491	14,293,565	14,696,416	15,154,032	13,191,508
832,668	801,029	943,489	946,081	1,008,755	903,138
-	-	-	-	-	-
4,542,960	4,672,001	4,703,808	4,829,821	5,010,643	4,597,974
83,692,248	79,899,320	78,453,950	79,674,151	86,342,817	84,463,292
32,913,792	34,990,667	36,523,540	36,745,281	37,334,095	36,655,722
57,085,851	59,413,866	51,280,489	58,242,547	40,363,981	46,884,800
-	-	-	-	-	-
10,529	-	57,750	643,350	-	-
13,934,349	14,268,697	14,692,483	13,478,392	14,440,851	36,120,233
11,952,149	8,749,175	7,301,694	7,104,607	12,020,851	46,944,636
-	-	-	-	-	-
33,359,798	21,907,267	32,327,433	22,269,823	45,338,810	46,840,177
268,595,326	254,771,407	257,898,049	255,874,615	275,934,052	333,375,715
4,763,634	(8,306,384)	18,813,522	(433,612)	(36,547,788)	(83,893,292)
18,121	13,123	16,822	3,331	75,602	2,233
5,100,000	-	15,334,069	84,775,000	569,000	148,390,000
-	-	(10,657,242)	(58,207,259)	-	-
-	-	-	2,287,511	-	-
39,264,957	30,456,574	28,985,202	32,058,663	32,984,026	56,126,848
(61,044,043)	(43,314,602)	(39,249,373)	(42,116,454)	(41,718,561)	(86,780,999)
-	-	1,559	2,113	-	448,534
(16,660,965)	(12,844,905)	(5,568,963)	18,802,905	(8,089,933)	118,186,616
(11,897,331)	(21,151,289)	13,244,559	18,369,293	(44,637,721)	34,293,324
89,055,488	110,206,777	96,962,218	78,592,925	123,230,646	88,937,322
(3,953,755)	-	-	-	-	-
\$ 73,204,402	\$ 89,055,488	\$ 110,206,777	\$ 96,962,218	\$ 78,592,925	\$ 123,230,646
10.68%	10.31%	9.80%	8.82%	11.48%	28.99%



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**CITY OF MOBILE, ALABAMA**  
**Value of Taxable Sales**  
**Last 10 Fiscal Years**

<u>Fiscal Year</u>	<u>Value of Taxable Sales - General Sales Tax (in millions)</u>	<u>Direct Tax Rate - General Sales Tax</u>
2017	\$ 3,569	5.0%
2016	3,582	5.0%
2015	3,540	5.0%
2014	3,386	5.0%
2013	3,302	5.0%
2012	3,309	4.0%
2011	3,190	5.0%
2010	3,519	4.0%
2009	3,220	4.0%
2008	3,219	4.0%

**CITY OF MOBILE, ALABAMA**  
**Sales Tax Rates**  
**Direct and Overlapping<sup>1</sup> Governments**  
**Last 10 Fiscal Years**

Fiscal Year	City of Mobile					City of Mobile Police Jurisdiction <sup>2</sup>				
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
2017	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2016	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2015	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2014	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2013	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2012	4.00%	2.00%	2.00%	2.00%	4.00%	2.00%	1.00%	1.00%	1.00%	2.00%
2011	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2010	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2009	4.00%	2.00%	2.00%	2.00%	4.00%	2.00%	1.00%	1.00%	1.00%	2.00%
2008	4.00%	2.00%	2.00%	2.00%	4.00%	2.00%	1.00%	1.00%	1.00%	2.00%

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> 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
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	5.00%	2.50%	3.00%	3.00%	5.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	5.00%	2.50%	3.00%	3.00%	5.00%
1.00%	0.50%	1.00%	1.00%	1.00%	5.00%	2.50%	3.00%	3.00%	5.00%



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**CITY OF MOBILE, ALABAMA**  
**Principal Sales Taxpayers**  
**Current and Nine Years Ago**

Taxpayer	2017		2008	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Wal-Mart #866	1	2.30%	4	2.20%
Wal-Mart #853	2	2.00%	1	3.40%
Wal-Mart #991	3	1.70%	2	3.10%
Sams Wholesale Club	4	1.50%	3	2.50%
Costco Wholesale #1192	5	1.40%		
Lowe's of West Mobile # 549	6	1.00%	6	1.50%
Target Stores #1376	7	1.00%	5	1.70%
Lowe's Home Centers LLC	8	1.00%		
Lowe's of Mobile #212	9	0.90%	8	1.30%
Best Buy #340	10	0.70%	7	1.30%
Walmart Supercenter #5174			9	1.30%
Dillard's			10	1.20%
Totals		13.50%		19.50%

Source: City of Mobile Revenue Department

**CITY OF MOBILE, ALABAMA**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last 10 Fiscal Years**

Fiscal Year Ended September 30	Real Property		Personal Property	
	Residential Property	Commercial Property	Motor Vehicles	Other
	2017	\$ 580,403,320	\$ 1,492,664,200	\$ 278,917,000
2016	585,088,500	1,521,698,920	294,187,320	415,461,340
2015	549,530,640	1,325,990,140	273,833,900	415,303,220
2014	560,883,060	1,296,432,480	264,068,220	403,555,900
2013	573,073,000	1,186,268,840	246,207,860	377,729,020
2012	595,089,140	1,162,088,560	246,543,060	337,826,540
2011	617,121,080	1,161,670,420	242,401,100	325,864,220
2010	633,841,820	1,165,905,120	206,483,760	335,177,320
2009	643,869,600	1,180,581,160	231,378,520	325,416,280
2008	628,768,700	1,131,989,640	243,601,600	308,008,300

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.



Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value <sup>1</sup> as a Percentage of Actual Value
\$ 68,186,400	\$ 2,708,819,600	7 mills	\$ 15,843,326,033	17.53%
68,384,340	2,748,051,740	7 mills	13,296,813,733	21.18%
63,448,440	2,501,209,460	7 mills	12,386,604,367	20.71%
64,934,380	2,460,005,280	7 mills	12,248,615,700	20.61%
65,237,120	2,318,041,600	7 mills	11,558,176,033	20.62%
65,707,640	2,275,839,660	7 mills	11,745,392,267	19.94%
69,067,800	2,277,989,020	7 mills	11,852,034,147	19.80%
68,216,780	2,273,191,240	7 mills	12,058,815,266	19.42%
67,818,840	2,313,426,720	7 mills	12,420,469,867	19.17%
66,816,900	2,245,551,340	7 mills	12,191,259,500	18.97%



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**CITY OF MOBILE, ALABAMA**  
**Property Tax Rates**  
**Direct and Overlapping<sup>1</sup> Governments**  
**Last 10 Fiscal Years**

Fiscal Year	Overlapping Rates			Total Direct & Overlapping Rates
	City of Mobile	County of Mobile	Mobile County School District	
	Total City Millage	Total County Millage	Total School Millage	
2017	7	16	29.5	52.5
2016	7	16	29.5	52.5
2015	7	16	29.5	52.5
2014	7	16	29.5	52.5
2013	7	16	29.5	52.5
2012	7	16	29.5	52.5
2011	7	16	29.5	52.5
2010	7	16	29.5	52.5
2009	7	16	29.5	52.5
2008	7	16	29.5	52.5

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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Alabama Power Company	\$ 71,006,260	1	2.62%	\$ 247,682,180	1	5.21%
Mobile Gas Service Corporation	41,337,580	2	1.53%	32,832,000	6	5.74%
RPI Bel Air Mall LLC	41,112,740	3	1.52%	25,739,500	7	6.35%
Kimberly-Clark Corporation	32,651,620	4	1.21%	35,294,720	4	5.78%
UOP LLC	22,189,400	5	0.82%			
Bell South Communications	20,949,400	6	0.77%	43,797,700	3	5.82%
Shell Chemical Company	17,077,700	7	0.63%			
McGowin Park LLC	11,239,120	8	0.41%			
Comcast of Alabama	10,777,060	9	0.40%			
Cooper Marine & Timberlands	10,309,740	10	0.38%			
Gulfstream Natural Gas				62,595,000	2	4.85%
Florida Gas Transmission Co				40,929,600	5	4.85%
IPSCO Steel (AL) Inc				45,600,520	8	3.35%
Degussa Corporation				26,900,420	9	4.42%
Exxon Corporation				17,189,240	10	4.85%
Totals	<u>\$ 278,650,620</u>		<u>10.29%</u>	<u>\$ 578,560,880</u>		<u>5.07%</u>

Source: Mobile County Revenue Commissioner

Note: Principal property taxpayers presented for 2017 are those property taxpayers in the City of Mobile. Principal property taxpayers presented for 2008 are those for the County as a whole as the information for the City-only taxpayers was not available for that year.

**CITY OF MOBILE, ALABAMA**  
**Property Tax Levies and Collections**  
**Last 10 Fiscal Years**

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Collection in Subsequent Years	Total Collection to Date Amount	Percentage of Levy
2017	\$ 14,897,506	\$ 11,705,000	78.57	\$ 1,409,687	\$ 13,114,687	88.03
2016	14,964,480	10,218,795	68.29	2,677,700	12,896,495	86.18
2015	13,956,359	12,438,912	89.13	1,501,950	13,940,862	99.89
2014	13,686,098	11,036,067	80.64	2,060,535	13,096,602	95.69
2013	12,891,691	8,770,478	68.03	2,745,152	11,515,630	89.33
2012	12,999,487	8,826,780	67.90	3,486,486	12,313,266	94.72
2011	13,024,255	12,302,822	94.46	-	12,302,822	94.46
2010	13,177,824	12,504,204	94.89	-	12,504,204	94.89
2009	13,614,847	12,854,087	94.41	-	12,854,087	94.41
2008	13,136,355	12,810,663	97.52	-	12,810,663	97.52

Source: Mobile County Revenue Commissioner

**CITY OF MOBILE, ALABAMA**  
**Ratios of Outstanding Debt by Type**  
**Last 10 Fiscal Years**

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Limited Obligation Bonds	Notes Payable	Capital Leases
2017	\$ 243,512,416	\$ -	\$ 2,010,000	\$ -
2016	251,195,546	4,670,000	2,495,000	492,519
2015	270,283,046	5,925,000	2,950,000	1,473,283
2014	272,617,145	6,505,000	3,380,000	2,424,244
2013	282,547,567	7,050,000	3,785,000	3,346,323
2012	298,261,879	7,570,000	4,170,000	4,240,411
2011	298,290,945	8,070,000	4,730,000	5,287,794
2010	300,138,191	8,545,000	1,360,000	3,641,054
2009	275,867,172	9,000,000	1,580,000	2,462,037
2008	283,890,000	9,440,000	1,790,000	5,660,073

\* Data not available

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

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

Business Type Activities	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
Capital Leases			
\$ -	\$ 245,522,416	*	593
-	258,853,065	1.76%	624
-	280,631,329	1.87%	676
-	284,926,389	2.09%	686
184,751	296,913,641	2.18%	717
362,090	314,604,380	2.32%	760
532,314	316,911,053	2.35%	766
695,707	314,379,952	2.38%	761
852,545	289,761,754	2.52%	712
1,003,091	301,783,164	2.45%	743

**CITY OF MOBILE, ALABAMA**  
**Ratios of General Bonded Debt Outstanding**  
**Last 10 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>
2017	\$ 243,512,416	\$ 126,125	\$ 243,386,291	1.54%	588
2016	251,195,546	131,469	251,064,077	1.89%	605
2015	270,283,046	382,829	269,900,217	2.18%	650
2014	272,617,145	719,022	271,898,123	2.22%	655
2013	282,547,567	221,605	282,325,962	2.44%	682
2012	298,261,879	4,516,268	293,745,611	2.50%	710
2011	298,290,945	3,986,450	294,304,495	2.48%	712
2010	300,138,191	3,494,130	296,644,061	2.46%	718
2009	275,867,172	3,367,694	272,499,478	2.19%	670
2008	283,890,000	3,338,316	280,551,684	2.30%	690

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

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

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

\* Data not available



**CITY OF MOBILE, ALABAMA**  
**Direct and Overlapping Government Debt**  
**as of September 30, 2017**

<u>Governmental Unit</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 Subtotal, overlapping debt	\$ 458,857,889	45%	<u>\$ 206,486,050</u> 206,486,050
City of Mobile direct debt	245,396,291	100%	<u>245,396,291</u>
Total direct and overlapping debt			<u><u>\$ 451,882,341</u></u>

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

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

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

**CITY OF MOBILE, ALABAMA**  
**Legal Debt Margin Information**  
**Last 10 Fiscal Years**

	Fiscal Year		
	2017	2016	2015
Debt Limit	\$ 555,401,200	\$ 563,287,216	\$ 512,931,580
Less: Total net debt applicable to limit	<u>201,023,028</u>	<u>217,182,815</u>	<u>222,506,693</u>
Legal debt margin	<u>\$ 354,378,172</u>	<u>\$ 346,104,401</u>	<u>\$ 290,424,887</u>
Total net debt applicable to the limit as a percentage of debt limit	36.2%	38.6%	43.4%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value of real property, September 30, 2017	\$ 2,073,067,520
Assessed value of personal property, September 30, 2017	<u>703,938,480</u>
Total assessed value	2,777,006,000
Debt Limit (20% of total assessed value)	555,401,200
Less: Total net debt applicable to limit	<u>201,023,028</u>
Legal debt margin	<u>\$ 354,378,172</u>

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

Excludes general obligation warrants applicable to drainage improvements.

Fiscal Year						
2014	2013	2012	2011	2010	2009	2008
\$ 504,987,932	\$ 476,702,224	\$ 468,309,460	\$ 469,411,364	\$ 468,281,604	\$ 476,249,112	\$ 462,473,648
235,615,896	243,221,226	249,936,851	260,122,205	255,534,378	229,861,239	239,875,431
<u>\$ 269,372,036</u>	<u>\$ 233,480,998</u>	<u>\$ 218,372,609</u>	<u>\$ 209,289,159</u>	<u>\$ 212,747,226</u>	<u>\$ 246,387,873</u>	<u>\$ 222,598,217</u>
46.7%	51.0%	53.4%	55.4%	54.6%	48.3%	51.9%

**CITY OF MOBILE, ALABAMA**  
**Pledged-Revenue Coverage**  
**Last 10 Fiscal Years**

Limited Obligation Tax Increment Financing Plan				
Year	Tax		Debt Service	
	Increment		Principal	Interest
2017	\$	4,185,523	\$	146,163
2016		3,255,947		309,100
2015		3,206,435		341,825
2014		3,391,681		372,763
2013		2,487,111		400,230
2012		2,532,414		424,460
2011		2,548,928		447,135
2010		2,172,723		468,184
2009		2,133,818		487,878
2008		1,778,031		506,163
2007		1,416,398		522,876

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

**CITY OF MOBILE, ALABAMA**  
**Demographic and Economic Statistics**  
**Last 10 Fiscal Years**

Fiscal Year	Population	Personal Income	Per Capita	Median Age	Education	Public	Unemployment Rate
		(amounts expressed in millions)	Personal Income		Level in Years of Formal Schooling	School Enrollment	
2017	413,955	*	*	37.5	High School Graduate	58,537	4.3%
2016	414,836	14,684	35,348	37.0	High School Graduate	59,550	6.9%
2015	415,395	14,983	35,348	37.1	High School Graduate	59,031	7.2%
2014	415,123	13,601	32,631	37.0	High School Graduate	59,216	7.5%
2013	414,079	13,599	32,843	37.0	High School Graduate	59,582	7.4%
2012	413,936	13,565	32,771	37.2	High School Graduate	59,821	8.7%
2011	413,462	13,500	32,651	37.1	High School Graduate	60,946	10.4%
2010	412,992	13,200	31,962	36.0	2 years of college	67,230	10.8%
2009	406,928	11,512	28,290	36.1	High School Graduate	63,914	9.9%
2008	406,309	12,330	30,346	35.9	High School Graduate	63,657	4.7%

\* 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

**CITY OF MOBILE, ALABAMA**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Taxpayer	2017			2008		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,500	1	4.30%	8,000	1	4.24%
USA School and Medical Facilities	6,000	2	3.44%	5,000	3	2.65%
Infirmary Health Systems	5,000	3	2.86%	6,400	2	3.39%
Austal USA	4,000	4	2.29%	2,000	7	1.06%
City of Mobile	2,300	5	1.32%	2,400	5	1.27%
CPSI	1,950	6	1.11%			
County of Mobile	1,670	7	0.96%	1,600	8	0.84%
AM/NS Calvert	1,650	8	0.94%			
Providence	1,540	9	0.88%	2,200	6	1.16%
Spring Hill Medical Center	1,300	10	0.74%	1,300	9	0.74%
Wal Mart				3,000	4	1.59%
ST Aerospace Mobile				1,000	10	0.53%
Totals	<u>32,910</u>		<u>18.84%</u>	<u>32,900</u>		<u>17.47%</u>

Source: Mobile Chamber of Commerce

**CITY OF MOBILE, ALABAMA**  
**Full-Time Equivalent City Government Employees by Function**  
**Last 10 Fiscal Years**

Function	Full-time Equivalent Employees as of September 30									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General government	96	100	185	203	223	195	197	190	197	189
Culture and recreation	253	336	378	485	414	383	306	303	317	294
Economic development	27	14	12	13	12	12	13	14	13	12
Engineering, development, and build	112	210	-	-	-	-	-	-	-	-
Finance	82	85	93	96	91	91	96	93	91	88
Public safety	1,206	1,242	1,333	1,399	1,288	1,546	1,374	1,327	1,312	1,307
Public works	520	423	540	541	569	564	581	576	575	553
Cruise Terminal	2	4	-	-	-	-	-	-	-	-
Firemedics	89	73	71	93	73	74	71	71	66	61
Golf course	13	19	20	26	22	26	21	20	28	28
Motor Pool	3	3	3	3	3	2	3	3	3	3
Tennis center	7	12	12	17	10	13	8	10	10	10
<b>Total</b>	<b>2,410</b>	<b>2,521</b>	<b>2,647</b>	<b>2,876</b>	<b>2,705</b>	<b>2,906</b>	<b>2,670</b>	<b>2,607</b>	<b>2,612</b>	<b>2,545</b>

Source: City Payroll Department



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**CITY OF MOBILE, ALABAMA**  
**Capital Asset Statistics by Function**  
**Last 10 Fiscal Years**

Function	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Streets and Highways</b>										
Paved	1,271.7	1,268.1	1,267.7	1,267.7	1,267.7	1,267.2	1,264.4	1,263.3	1,262.5	1,261.5
Unimproved	15.5	18.9	18.9	18.9	19.6	19.8	21.8	21.8	21.8	20.9
Traffic Signals	310	316	317	316	316	315	453	431	452	452
Street Lights	5,528	5,200	5,200	5,200	5,200	5,200	5,200	4,922	4,922	4,922
<b>Public Safety</b>										
Police Precincts and Mini-Precincts	5	6	6	7	8	8	9	8	9	10
Fire Stations	20	20	20	21	21	21	20	20	20	20
<b>Culture and Recreation</b>										
Parks	69	69	68	68**	92	93	95	91	91	89
Parks Acreage	1,294	1,294	1,294	1,294	1,754	1,754	1,754	1,740	1,740	1,740
Swimming Pools	6	6	6	6	6	6	5	7	7	7
Wading Pools	9	9	9	9	6	5	*	*	*	*
Spray Grounds	5	5	4	3	3	3	*	*	*	*
Tennis Courts	93	93	93	93	93	97	92	97	97	97
Community Centers	18	18	14	14	14	15	15	17	17	17
Senior Centers	3	3	3	3	4	*	*	*	*	*
<b>Motor Pool</b>										
Sanitation Collection Trucks	27	30	35	36	37	38	37	36	48	34

\* Information not available

\*\* Method for reporting has changed.

Source: Various City Departments

**CITY OF MOBILE, ALABAMA**  
**Operating Indicators by Function**  
**Last 10 Fiscal Years**

Function	2017	2016	2015	2014	2013
<b>General Government</b>					
<b>Urban Development</b>					
Service request orders	13,677	18,808	13,534	18,806	17,043
Municipal offense tickets	1,215	1,369	1,516	1,634	2,221
Inspections/investigations	60,003	51,374	62,057	65,763	63,407
Plan reviews	2,833	2,729	5,196	7,453	8,043
Plan reviews - Right of Way	2,451	2,444	2,489	2,587	2,574
Notice of violations	7,829	9,898	5,911	6,445	6,913
Permits	11,129	12,722	12,388	13,433	13,018
Certificate of occupancy	351	314	378	330	267
PC/BOA applications	414	340	411	516	454
Tree commission applications	28	15	31	21	15
Complete nuisance abatement cases	118	84	125	77	44
Complete weed abatement cases	840	622	340	320	340
Removal of trees	456	524	369	395	395
Trimming removal	1,526	4,114	4,560	4,307	5,691
Stump removal	60	204	181	102	125
<b>Human Resources</b>					
Medical claims	205	207	234	221	262
Indemnity claims	25	31	35	31	42
Total claims	230	238	269	252	304
<b>Mobile 311</b>					
Calls	97,485	96,805	96,450	110,776	115,594
SROs created	54,594	57,886	54,313	56,559	60,512
<b>Information Technology</b>					
Buildings with computer equipment	194	194	190	185	184
Miles of fiber	185	185	850	825	825
Wireless sites	29	29	25	22	18
Computer user accounts	3,436	3,436	3,250	3,222	3,000
Email accounts	1,932	1,932	2,400	2,369	2,458
Voicemail accounts	1,482	1,482	1,466	1,461	1,541
Computers/printers supported	3,375	3,375	3,098	3,098	3,163
Servers supported	95	95	99	99	95
800Mhz subscribers	N/A	N/A	N/A	N/A	N/A
City phone extensions	2,802	2,802	2,724	2,756	2,730
Broadband Data Cards	70	70	72	63	88
Software Applications Supported	430	430	426	426	420
MIT Help Desk Cases	9,552	9,552	9,195	10,126	10,016
Number of Employees Trained	-	-	-	-	-
Cell Phones	485	485	393	372	385
Telecom Help Desk Requests	1,284	1,284	1,759	1,473	1,809
<b>Economic Development</b>					
<b>Mobile Historic Development Commission</b>					
Applications reviewed	372	382	400	412	430
Certificates issued	316	349	393	410	344
Applications heard by review board	52	27	58	64	86
Applications denied	2	3	7	2	12

2012	2011	2010	2009	2008
16,819	14,546	14,901	12,374	10,525
2,557	1,875	2,023	1,722	1,883
63,213	82,961	76,510	72,530**	48,626
5,363	4,303	3,315	5,191	6,094
2,401	2,628	2,293	2,850	3,238
6,112	7,152	7,974	6,292	6,735
12,782	13,640	16,384	11,787	13,808
367	643	458	560	507
587	451	483	700	1,282
18	17	25	27	16
49	151	63	39	26
320	680	540	660	410
458	467	415	371	499
5,611	4,556	7,612	4,557	1,813
222	196	238	221	366
251	274	211	254	243**
37	49	54	28	31**
288	323	265	282	274**
115,398	109,681	116,030	110,655	110,168
60,916	59,725	64,147	60,345	55,644
181	180	180	175	170
825	825	920	820	810
30	27	22	20	25
2,934	2,850	2,750	2,680	2,850
2,320	2,050	2,200	2,203	2,050
1,547	1,738	1,735	1,584	1,545
2,537	2,450	2,600	2,496	2,450
115	75	90	90	75
N/A	1,906	1,906	1,906	1,906
2,724	2,426	2,267	2,544	2,442
89	110	103	102	97
409	409	408	391	375
10,270	9,450	3,917	5,331	5,209
-	75	599	889	510
365	333	331	340	307
2,028	2,132	1,995	2,302	2,952
449	471	469	433	584
374	448	440	391	543
75	93	111	158	226
6	5	11	16	7

**CITY OF MOBILE, ALABAMA**  
**Operating Indicators by Function**  
**Last 10 Fiscal Years**

Function	2017	2016	2015	2014	2013
Public Safety					
Mobile Police Department					
Crime Incidents:					
Murder (or Non-Neg Manslaughter)	45	44	23	26	29
Murder Domestic	6	*	1	4	0
Negligent Manslaughter	0	*	0	2	0
Forcible Rape	119	78	136	146**	29
Carjacking	33	*	10	12	17
Robbery	439	459	427	431	452
Aggravated Assault	1,335	1,165	1,225	1,136	1,272
Burglary	3,142	2,621	2,275	2,878	2,828
Larceny	9,583	8,834	8,367	8,824	9,384
Vehicle Theft	1,380	850	623	727	742
Arson	71	*	47	56	42
Simple Assault	3,163	*	2,067	2,134	2,140
Sex Offenses	103	*	131	120	123
Narcotic Laws	1,024	*	1,429	2,148	3,897
Weapons Offence	434	*	230	274	440
Forgery-Counterfeiting	260	*	315	226	325
D.U.I.	298	*	422	448	405
All Other Offenses	30,160	*	26,888	26,606	29,750
Total Tickets					
Following too close	41	65	51	79	66
Run red light	763	820	904	1,654	1,585
Run stop sign	537	473	802	1,156	1,248
Speeding	5,816	7,320	8,589	12,551	11,854
Speeding in school zone	14	24	319	557	512
Mobile Fire Rescue Department					
Total calls answered	37,658	38,832	35,619	33,486	31,906
Inspections	795	812	1,064	1,339	5,731
Plans reviewed	428	771	317	698	792
Permits issued	517	846	414	415	1,037
Mobile Municipal Court					
Total cases processed	33,225	38,079	43,216	106,076	65,659
Domestic violence cases	1,232	1,130	1,305	2,704	1,520
Environmental cases	1,472	1,765	2,246	4,092	2,720
Traffic cases	24,874	29,365	33,644	67,096	52,622
Criminal cases	5,318	5,495	5,632	12,714	8,797
Public works					
Flood control					
Debris removed (cubic yards)	1,076	9,620	10,153	6,582	5,642
Work on ditches (miles)	16	19	16	13	17
Administration					
Disciplinary actions processed	88	209	208	171	191
Claims/reports processed	153	171	153	122	189

2012	2011	2010	2009	2008
27	25	20	27	35
3	7	2	2	3
1	0	0	0	0
52	43	52	30	22
23	24	60	73	68
526	622	686	775	833
879	999	1,035	301	311
3,119	3,844	3,882	3,493	3,182
9,213	9,030	9,889	9,555	9,707
611	783	1,267	972	1,192
61	53	58	56	78
2,349	3,818	1,171	5,639	5,822
174	138	234	233	275
3,077	2,333	3,388	3,096	3,059
458	382	398	400	383
337	401	395	382	652
388	459	570	478	589
31,953	31,748	35,262	31,223	33,085
105	66	101	129	118
1,623	1,766	2,221	2,105	2,765
1,592	1,336	2,143	1,971	2,251
11,774	9,807	11,472	12,774	15,500
415	320	325	255	218
31,529	32,858	35,713	34,248	31,712
4,010	9,762	7,177	695	641
432	889	806	1,619	3,854
372	963	555	1,331	1,265
70,406	71,996	72,230	67,571	76,578
1,670	1,590	1,642	1,485	1,567
4,061	3,709	3,977	3,285	4,311
55,030	56,149	56,823	52,590	61,096
9,645	10,548	9,788	10,211	9,604
6,000	6,645	240	1,720	180
18	13	28	30	36
225	379	385	320	102
118	111	103	147	117

**CITY OF MOBILE, ALABAMA**  
**Operating Indicators by Function**  
**Last 10 Fiscal Years**

Function	2017	2016	2015	2014	2013
Concrete and sidewalk repair					
Concrete poured	1,003	1,330	1,341	1,743	3,198
Repairs	253	480	378	595	500
Replacements	2	1	2	3	5
Right-of-way maintenance					
Material hauled (cubic yards)	20,474	19,952	16,765	27,609	28,985
Material used (cubic yards)	8,105	5,503	4,304	14,265	17,700
Repairs	200	179	54	156	157
Asphalt street repair					
Asphalt used (tons)	540	860	727	1,112	1,071
Repairs	10,018	13,325	14,382	18,096	16,725
Street Sweeping					
Miles sweeper swept	11,634	10,372	11,324	19,252	31,003
Debris removed (cubic yards)	12,091	13,715	14,460	17,944	19,142
Water used (gallons)	208,749	208,620	144,123	211,500	242,500
Dredge					
Material dredged/removed (cubic yards)	15,000	32,456	17,272	23,147	29,508
Storm drain and heavy equipment					
Drains cleaned	2,553	3,885	1,686	3,884	2,797
Material hauled (cubic yards)	1,520	615	1,275	2,730	7,824
Solid waste					
Waste removal (tons)	54,536	57,976	55,413	53,125	52,615
Other waste removal (tons)	141	436	414	318	305
Special events (tons)	314	400	350	345	330
Carcass removal	1,126	1,158	1,200	3,650	3,617
Trash division					
Trash picked up	200,816	199,331	192,281	164,200	171,260
Pay pile loads	1,034	1,104	778	680	542
Environmental Response Crew					
Collections (gallons)	1,709	1,447	1,772	1,499	1,215
Cleaned (feet)	5,190	5,251	6,478	25,928	29,666
Culture and Recreation					
Mobile Public Library					
Items circulated	1,603,430	1,659,247	1,670,662	1,702,092	1,798,526
Customer visits	1,251,244	1,375,573	1,410,099	1,447,113	1,439,398

\* Data not available

\*\* Method for reporting has changed.

Source: Various City Departments

2012	2011	2010	2009	2008
1,575	2,452	2,919	4,114	5,305
451	650	520	1,193	886
10	8	39	507	526
33,200	23,568	37,880	55,341	40,572
13,165	5,590	9,220	9,450	8,845
277	214	207	244	320
1,233	1,088	1,466	2,402	2,376
21,711	14,451	19,087	18,925	17,801
26,336	15,902	17,400	16,400	17,623
16,947	15,716	14,807	14,304	17,460
269,640	220,750	276,397	299,604	369,640
7,920	13,745	24,344	15,035	25,130
3,423	4,186	4,224	5,387	4,455
3,481	4,176	15,744	16,188	5,472
54,269	54,513	56,306	55,972	56,647
291	110	93	68	57
315	240	199	245	242
3,610	3,947	4,986	5,525	6,925
173,820	189,960	191,300	201,900	231,900
349	570	600	526	896
2,954	734	1,240	805	1,442
27,852	28,080	35,665	34,805	19,555
1,899,180	1,871,251	1,979,929	2,121,584	1,975,446
1,369,945	1,417,588	1,441,980	1,469,049	1,369,611



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