

# City of Mobile, Alabama



CAFER

## Comprehensive Annual Financial Report

Fiscal Year Ended September 30, 2019



William S. Stimpson, Mayor  
Paul C. Wesch, Executive Director of Finance  
Rebecca B. Christian, Comptroller



## TABLE OF CONTENTS

	<b>PAGES</b>
<b>I. INTRODUCTORY SECTION</b>	
Transmittal Letter	i – x
GFOA Certificate of Achievement	xi
Organization Chart	xii
List of Principal Officials	xiii
Map of City	xiv
<b>II. FINANCIAL SECTION</b>	
Independent Auditor's Report	1 – 2
<b>A. MANAGEMENT'S DISCUSSION AND ANALYSIS</b>	3 – 20
<b>B. BASIC FINANCIAL STATEMENTS</b>	
<b>Government-wide Financial Statements</b>	
Statement of Net Position	21
Statement of Activities	22 – 23
<b>Fund Financial Statements</b>	
<b>Governmental Fund Financial Statements</b>	
Balance Sheet	24
Reconciliation of the Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	27
<b>Proprietary Fund Financial Statements</b>	
Statement of Net Position	28 – 29
Statement of Revenues, Expenses, and Changes in Net Position	30 – 31
Statement of Cash Flows	32 – 33
<b>Component Units Financial Statements</b>	
Statement of Net Position	34
Statement of Activities	35 – 36
<b>Notes to the Financial Statements</b>	37 – 98



**C. REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A**

General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	99 – 101
General Fund - Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	102
Schedule of Changes in the Net Pension Liability and Related Ratios – Employees’ Retirement System of Alabama	103
Schedule of Employer Contributions – Employees’ Retirement System of Alabama	104
Schedule of Changes in the Net Pension Liability and Related Ratios – Police and Firefighters Retirement Plan	105
Schedule of Employer Contributions – Police and Firefighters Retirement Plan	106
Schedule of Changes in the Net Pension Liability and Related Ratios – Transit Workers Pension Plan	107
Schedule of Employer Contributions – Transit Workers Pension Plan	108 – 109
Schedule of Changes in Total OPEB Liability and Related Ratios	110

**D. COMBINING FINANCIAL STATEMENTS**

Combining Balance Sheet - Nonmajor Governmental Funds Summary by Fund Type	111
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds Summary by Fund Type	112
<b>Nonmajor Capital Projects Funds</b>	
Combining Balance Sheet	113 – 114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	115 – 116
<b>Nonmajor Debt Service Funds</b>	
Combining Balance Sheet	117 – 118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	119 – 120
<b>Nonmajor Special Revenue Funds</b>	
Combining Balance Sheet	121 – 122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	123 – 124
<b>Nonmajor Enterprise Funds</b>	
Combining Statement of Net Position	125
Combining Statement of Revenues, Expenses, and Changes in Net Position	126
Combining Statement of Cash Flows	127



**Internal Service Funds**

Combining Statement of Net Position	128
Combining Statement of Revenues, Expenses and Changes in Net Position	129
Combining Statement of Cash Flows	130

**E. OTHER SUPPLEMENTARY INFORMATION****General Fund**

Schedule of Revenues and Other Financing Sources (Uses)	
Budget and Actual (Budgetary Basis)	131 – 132

**Long-Term Debt**

Schedule of Bonds, Warrants, and Notes Payable	133 – 134
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**III. STATISTICAL SECTION**

Net Position by Component	135 – 136
Changes in Net Position	137 – 140
Fund Balances of Governmental Funds	141 – 142
Changes in Fund Balances of Governmental Funds	143 – 144
Governmental Activities Tax Revenue by Source	145 – 146
Value of Taxable Sales	147
Sales Tax Rates Direct and Overlapping Governments	148 – 149
Principal General Sales Taxpayers	150
Assessed Value and Estimated Actual Value of Taxable Property	151
Property Tax Rates Direct and Overlapping Governments	152
Principal Property Taxpayers	153
Property Tax Levies and Collections	154
Ratios of Outstanding Debt by Type	155
Ratios of General Bonded Debt Outstanding	156
Direct and Overlapping Government Debt	157
Legal Debt Margin Information	158 – 159
Demographic and Economic Statistics	160
Principal Employers	161
Full-Time Equivalent City Government Employees by Function	162
Capital Asset Statistics by Function	163
Operating Indicators by Function	164 – 169



# PART I: INTRODUCTORY SECTION



# PART I: INTRODUCTORY SECTION

Picture on the prior page shows Memorial Day 2019 decorations in downtown Mobile thanks to the Business Improvement District and Downtown Mobile Alliance





February 28, 2020

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, 2019. 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 Wilkins Miller, LLC 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

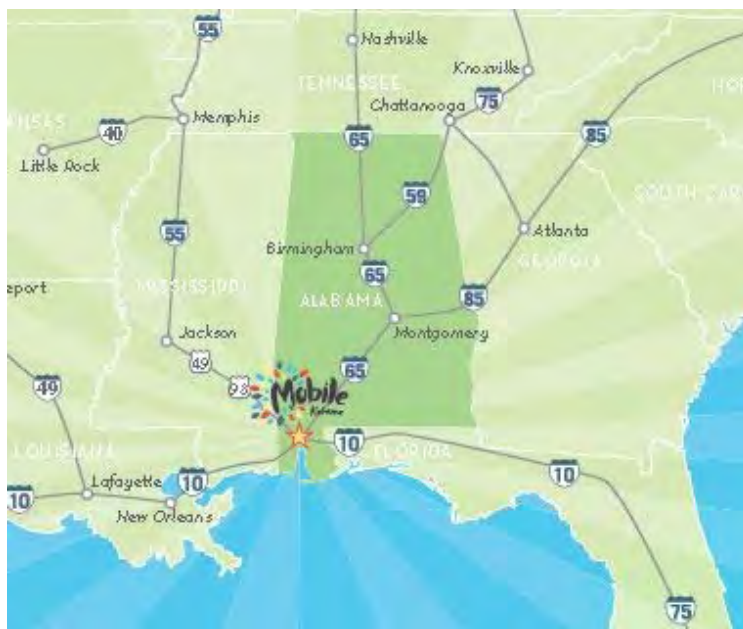


*Photo by Tad Denson*

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 188.5 square miles including 148.2 and 40.3 square miles of land and water respectively. In 2018, the United States Census Bureau estimated that there were 189,572 people residing within the city limits of Mobile and that there were 413,757 people in Mobile County. Mobile is 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).

Policymaking 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. All executive powers of the City are vested in the Mayor. The Mayor is the head of the executive and administrative branches of City government. 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 September 20, prior to the beginning of the fiscal year on October 1.



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

During the last six years, the City has concentrated on improving its financial profile, with an emphasis on building and maintaining a healthy cash reserve and reducing its long-term debt and unfunded liabilities.

Fiscal Year 2014 began with a negative \$4.3 million unassigned fund balance in the General Fund. Successive operating surpluses have repaid the General Fund and resulted in an unassigned fund balance of \$62,151,219 as of September 30, 2019 while allowing for funding of a robust capital improvements program.

Mobile has approximately \$217.7 million in long-term debt outstanding from bonds, warrants, and notes payable. This is more than a 28% reduction in indebtedness in 7 years. Over the last four years, most of the City's bond issues have been refinanced to take advantage of lower interest rates while taking care not to lengthen payment terms or borrow any "new money."

## ECONOMIC CONDITION

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

Airbus Group SE, the European aerospace company, recently established a major presence in the Mobile area. Airbus' A320 family jetliner assembly facility in Mobile is the company's first production site in America. This facility commenced aircraft assembly in July 2015 and delivered its first completed aircraft – an A321 – in April 2016 to U.S. customer JetBlue. The facility has recently achieved the Airbus goal of delivering five aircraft per month to its customers and has recently begun an acceleration to seven aircraft deliveries per month. The \$600-million, 53-acre facility, located in Mobile Aeroplex at Brookley, manufactures and assembles the A319, A320 and A321 aircraft, all part of the Airbus A320 family. The facility is expected to employ up to 1,000 full-time workers when at full capacity.

On July 1, 2018, Airbus acquired a majority interest in a partnership with Bombardier, Inc. to build medium range 100 to 150-seat airplanes in its newly named A220 series. Airbus broke ground on an assembly line for the A220 in January 2019 and plans to begin delivering aircraft in mid-2020.

The Mobile A320 family and the A220 assembly lines build on an already strong presence of Airbus in Mobile. This presence also includes an engineering center at the Mobile Aeroplex at Brookley that employs more than 200 engineers and support staff, as well as Airbus' North America military customer services operation near the Mobile Regional Airport.



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

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Downtown Mobile has seen significant development in recent years, including the opening of the Battle House Renaissance Hotel (238 rooms) and the RSA Battle House office tower (433,000 rentable square-foot) and the relocation by Canfor Southern Pine, a Canadian forestry products company, of its U.S. headquarters to downtown Mobile. Additionally, the ongoing and planned multifamily housing investments in downtown Mobile are expected to increase the residential population of downtown by 33%, helping the City create a more vibrant, 24/7 economy in the area.

Other recent economic development successes include (1) Amazon, which opened a 350,000 square-foot sortation center in the Mobile area that is expected to employ more than 360 part-time employees and an additional 1,000 seasonal employees; and (2) Wal-Mart, which opened a \$135,000,000, 2.5 million-square-foot direct import distribution center in Mobile. The Wal-Mart distribution facility stocks the company's other distribution centers along the central Gulf coast and is expected to create 550 new jobs. In 2019, Continental Motors completed construction of a 275,000 square-foot manufacturing facility for the production of piston and turbine engines for light aircraft. This \$75 million retention and expansion project continues the more than 50-year presence of Continental Motors in Mobile.

Austal USA in Mobile has been commissioned by the US Navy to build fourteen ships under a Spearhead-class Expeditionary Fast Transport (EPF) vessel contract. Ten EPF vessels have been delivered. Austal has also constructed and delivered thirteen 127-meter littoral combat ships (LCS) to the Navy, with contracts in place to build six 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 approximately 7,800.

## EDUCATION AND CULTURE

Mobile is home to the University of South Alabama which is currently educating more than 14,000 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 through the employment of approximately 4,000 people. USA Health is also a training ground for future physicians and healthcare professionals.



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*University of South Alabama  
Moulton Tower and Alumni Plaza  
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 over 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 rating 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.

The City has maintained its Aa2 and AA- ratings for FY 2019.



## 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 16.66% of budgeted general fund revenues for the immediately preceding fiscal year. The current balance indicated by this policy is approximately \$40.4 million, a level that was exceeded in fiscal year 2019.

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 a 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 \$460,000, reduced by \$150,000 pre-funded with the third-party claims administrator, at September 30, 2019. This liability was 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 \$23.0 million at September 30, 2019 and are accounted for in the Government-wide financial statements.

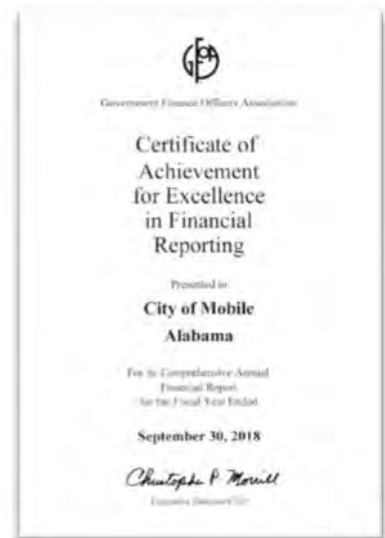
The liability for employee health insurance claims of approximately \$1.9 million is reported in the Employee Health Plan Fund (Internal Service Fund).

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 modifications to its employee health plan and to its separate retiree health plans to lessen the impact to the City of rising costs.

**AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its September 30, 2018 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 Rebecca Christian, 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, Wilkins Miller, LLC, 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, 2018**

*Christopher P. Morill*

Executive Director/CEO



# City of Mobile Organizational Chart

**City of Mobile Citizens**

**Mayor**  
Sandy Stimpson

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

**City Clerk**  
Lisa Lambert

**Archives**

**Mail Room**

**City Attorney**  
Ricardo Woods

**Legal Dept**  
Florence Kessler

**Civil**

**Criminal**

**Municipal Court**  
Debbie McGowin

**External Affairs  
Executive Director**  
George Talbot

**Community Engagement**  
Anitra Henderson

**Film Office**  
Eva Golson

**Communications**  
Jennifer Zoghby

**311**  
Terrance Smith

**Finance  
Executive Director**  
Paul Wesch \*

**Comptroller** Rebecca Christian  
**Procurement** Don Rose  
**Neighborhood Development** James Roberts  
**Information Technology** Scott Kearney  
**Transportation and Maritime** Joe Snowden  
**Build Mobile** Shayla Beaco  
**Human Resources** Leslie Rey  
**Revenue** Gwen Hall

**Accounting**  
**Purchasing**  
**Municipal Enforcement**  
**Municipal Information Technology**  
**Cruise Terminal**  
**Planning and Zoning**  
**Treasury**  
**Supplier Diversity**  
**Community & Housing Development**  
**GIS**  
**Gulf Quest**  
**Historic**  
**Grant Management**

**\*\* Contract Management**

**Build Mobile Services**

**Permitting**

**Inspections**

**ROW & Land Disturbance**

**Boards and Commissions Appointed by Mayor:**

- Mobile Housing Authority: 5 of 5 appointments
- Industrial Development Board: 8 of 8 appointments
- Mobile Airport Authority: 5 of 5 appointments
- Mobile Planning Commission: 12 of 13 appointments
- Metropolitan Planning Organization: 2 of 16 appointments

**Boards and Commissions Appointed by Council:**

- Advisory Commission on Disabled
- 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
- History Museum
- Human Relations Commission
- Keep Mobile Beautiful
- Ladd-Peebles Stadium Board
- Mobile Conventions and Visitors Board
- Mobile Museum of Art
- Old Dauphin Way Review Board
- Police Citizens Advisory Council
- Public Library Board
- Solid Waste Authority
- South Alabama Regional Planning Commission
- Tree Commission
- Water and Sewer Commissioners
- Youth Council

**\* Finance Direct Reports**

- Capital Projects Administration – Relya Mallory
- Deputy Finance – Celia Sapp
- Police/Fire Pension – Mary Berg
- Risk Management – Daniel Davis
- Mobile Museum of Art – Deborah Velders

**Public Safety  
Executive Director**  
James Barber

**Police**  
Chief Lawrence Battiste

**Chief of Staff**

**Chief of Operations**

**Investigative Services**

**Support Services**

**East Field Operations**

**West Field Operations**

**Cyber Intelligence**

**Fire Rescue**  
Chief Mark Sealy

**Chief of Staff**

**Chief of Operations**

**Emergency Medical Services**

**Support**

**Training**

**Public Works  
Executive Director**  
James DeLapp

**Program & Project Management**

**Program Management**

**Project Management**

**CIP Management**

**Parks and Recreation**  
Shonnda Smith

**Parks**

**Recreation**

**Azalea City Golf Course**

**Mobile Tennis Centers**

**Special Events**

**Real Estate Asset Management**  
Brad Christensen

**Architectural Engineering**

**Facility Maintenance**

**Real Estate**

**Building Services**

**City Engineer**  
Nick Amberger

**Engineering**

**Traffic Engineering**

**Electrical**

**Environmental**

**Public Services**  
John Peavy

**Trash / Garbage & Litter**

**Public Services Maintenance**

**Urban Forestry**

**Fleet / Motor Pool**

**\*\* Contract Management**

- Civic Center
- Convention Center
- Downtown Parking
- Mobile Sports Authority
- Saenger
- Visit Mobile
- WAVE Transit



William S. Stimpson  
Mayor

## City Council



District 2  
Levon C. Manzie  
President



District 3  
C.J. Small  
Vice-President



District 1  
Fredrick D. Richardson, Jr.



District 4  
John C. Williams



District 5  
Joel Daves



District 6  
Bess Rich



District 7  
Gina Gregory



# PART II: FINANCIAL SECTION



# PART II: FINANCIAL SECTION

Picture on the prior page features downtown Mobile





wilkinsmiller.com

## INDEPENDENT AUDITOR'S 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, Alabama (the City), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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 System, the Mobile Public Library, and the Public Park and Recreation Board which represent 1.75 percent, 0.40 percent, and 0.12 percent, respectively, of the assets, 2.66 percent, (0.31) percent, and 0.23 percent, respectively, of the net position, and 1.84 percent, 2.58 percent, and 0.34 percent, respectively, of the revenues of the City. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for WAVE Transit System, the Mobile Public Library, and the Public Park and Recreation Board, 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 other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mobile, Alabama as of September 30, 2019, 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.

Wilkins Miller LLC

Certified Public Accountants + Advisors

41 West Interstate 65 Service Rd. North, Suite 400 Mobile, Alabama 36608 | P.O. Box 70047 Mobile, Alabama 36670 | 251.410.6700 fax: 251.410.6799  
56 South Section Street Fairhope, Alabama 36532 | 5 Dauphin Street, Suite 100 Mobile, Alabama 36602



## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) 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, Alabama'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, based on our audit, the procedures performed as described above, and the report of the other auditors, 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 February 28, 2020 on our consideration of the City of Mobile, Alabama'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 the effectiveness of the City of Mobile, Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performance with *Government Auditing Standards* in considering the City of Mobile, Alabama's internal control over financial reporting and compliance.

*Wilkins Miller, LLC*

Mobile, Alabama  
February 28, 2020

# MANAGEMENT'S DISCUSSION AND ANALYSIS



# MANAGEMENT'S DISCUSSION AND ANALYSIS

Picture on the prior page features downtown Mobile



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, 2019 and a comparison to the prior year. 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.

Table of Contents

Financial Highlights .....3
Understanding the Financial Statements .....4
Major Revenues and Expenses .....8
Condensed Financial Information .....10
Individual Fund Analysis .....16
General Fund Budgetary Highlights .....18
Capital Asset and Long-term Debt Activity .....18
Economic Factors .....19
Contacting the City .....20

FINANCIAL HIGHLIGHTS

NET POSITION

The assets and deferred outflows of the City of Mobile exceeded its liabilities and deferred inflows at the close of the fiscal year by \$417.2 million (net position). Of this amount the City had a deficit in unrestricted net position of \$174.7 million offset by \$30.4 million in restricted net position and \$561.5 million in net investment in capital assets.

CHANGE IN NET POSITION

The City’s total net position increased \$65.1 million, or 18.5% because of this year’s operations. Net position of governmental activities increased \$61.4 million, or 22.8%, and net position of business-type activities increased \$3.8 million, or 4.5%.

GOVERNMENTAL FUNDS

At the close of the current fiscal year, the City’s governmental funds reported a combined fund balance of \$171.0 million. This was an increase of \$29.2 million or 20.6% from the prior year.

At the end of the current fiscal year, total fund balance for the General Fund was \$68.4 million, an increase of \$24.4 million (55.4%) from the prior year. This is due

to unbudgeted growth in tax revenues along with cost savings across departments.

MAJOR REVENUE SOURCES

Sales and use tax, the City’s single largest revenue source, increased \$7.9 million or 4.2% from the prior year primarily due to economic growth over the prior year.

OTHER SIGNIFICANT EVENTS

The City issued the 2018A G.O. Refunding Warrants during the fiscal year. The City also purchased a \$2 million commercial note payable for the GulfQuest National Maritime Museum. See Note 9 for additional information.

- General Obligation Refunding Warrants, Series 2018A were issued in the principal amount of \$24,350,000 to refund the City’s outstanding General Obligation Refunding Warrants, Series 2009A and General Obligation Build America Taxable Warrants, Series 2009B.
• A note payable in the principal amount of \$2 million was assumed for the GulfQuest National Maritime Museum.



## UNDERSTANDING THE FINANCIAL STATEMENTS

Three questions are the focal points of the financial data in this report:

1. **Near-term financing:** Will the government be able to pay its bills (both expected and unexpected) on time?
2. **Financial position:** Is the government's financial health improving or deteriorating?
3. **Economic condition:** Is it likely that today's financial position will improve or deteriorate?

To assist the reader in answering these questions, the City's financial statements consist of four parts: management's discussion and analysis (this section), the basic financial statements, 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: government-wide and fund statements.

### GOVERNMENT-WIDE STATEMENTS

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.

These statements are designed to provide a broad overview of the City's finances, in a manner similar to a private-sector business. All of the City's activities are reported in the government-wide statements.

### FUND STATEMENTS

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 fund statements focus on accountability of resources versus the government-wide financial statements' focus on the ability to meet financial

obligations. The fund statements include governmental and proprietary funds.

**GOVERNMENTAL FUND** statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.

Governmental funds focus primarily on the sources, uses and balances of current financial resources and often have a budgetary focus. Thus, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs.

**PROPRIETARY FUND** statements offer short and long-term financial information about the activities the government operates like businesses such as the WAVE Transit.

Proprietary funds focus on the determination of financial position, operating income, changes in net position (or cost recovery), and cash flows. The proprietary fund category includes enterprise and internal service funds. **ENTERPRISE FUNDS** are used in situations where a fund provides services primarily to external customers. **INTERNAL SERVICE FUNDS** are designed to function on a cost-reimbursement basis primarily providing benefits to other funds, departments or agencies of the City.

### NOTES

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			
INTRODUCTORY SECTION			
FINANCIAL SECTION			
FINANCIAL SECTION	Management’s Discussion and Analysis (MD&A)		
	<i>Summary</i> ←————→ <i>Detail</i>		
	Government-wide Financial Statements	Fund Financial Statements	
	Statement of net position	Governmental Funds	Proprietary Funds
		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		
	Required supplementary information other than the MD&A		
	Information on individual nonmajor funds and other supplementary information		
STATISTICAL SECTION			

**GOVERNMENT-WIDE STATEMENTS**

The Statement of Net Position and the Statement of Activities, (pages 21-23) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

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 government-wide statements 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 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 government-wide statements, we divide the City into three kinds of activities: governmental, business-type, and component units.

**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. Governmental activities include all governmental funds and internal service funds.



**BUSINESS-TYPE ACTIVITIES**

The City charges a fee to customers to help it cover all or most of the cost of certain services provided. Business-type activities include all of the City's enterprise funds.

**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.

**FUND STATEMENTS**

Fund financial statements start on page 24. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. 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. Governmental 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's respective 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.



NOTES TO THE FINANCIAL STATEMENTS

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 37.

REQUIRED SUPPLEMENTARY INFORMATION

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 99.

	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, Convention Center, and Saenger Theater
<b>REQUIRED FINANCIAL STATEMENTS</b>	1. Statement of net position 2. Statement of activities	1. Balance sheet 2. Statement of revenues, expenditures, and changes in fund balance	1. Statement of net position 2. Statement of revenues, expenses, and changes in net position 3. Statement of cash flows
<b>ACCOUNTING BASIS AND 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





## MAJOR REVENUES AND EXPENSES

The subsequent section "Condensed Financial Information" contains high-level summaries of City financial activities. This section contains explanations of the various categories of revenues and expenses reported in the condensed Statement of Activities.

### GOVERNMENT-WIDE REVENUES

#### GENERAL REVENUES

Tax revenue is the largest portion of revenue reported by the City. The majority of the tax revenue is deposited into the General Fund, the City's largest operating fund. Significant tax revenue is also reported in the Capital Improvement Fund and is utilized to fund the City's capital improvements and enhancements. Tax revenue is also reported in the Convention Center Fund.

General revenues also include investment earnings, transfers between activities, and other miscellaneous revenues not related to specific programs.

#### PROGRAM REVENUES

Program revenues include three categories of revenues: charges for services, operating grants and contributions and capital grants and contributions.

#### *CHARGES FOR SERVICES*

Charges for services in governmental activities includes licenses, permits, inspections, franchise fees, public safety fines and fees, certain parking and lease revenues, and recreation fees.

Business-type charges for services include the user fees reported in enterprise funds related to facility rentals, ticket sales, parking fees, sales revenue, and other miscellaneous revenues.

#### *OPERATING GRANTS AND CONTRIBUTIONS*

Operating grants and contributions include the revenue from the federal, state, and other grants which are not restricted for capital uses.

#### *CAPITAL GRANTS AND CONTRIBUTIONS*

Grant revenue is reported as a "capital grant" only if it is restricted solely to the acquisition, construction, or improvement of the City's capital assets. Otherwise, the grant revenue is reported as an "operating grant." This category of revenue also includes donations of capital assets including adopted streets.

### GOVERNMENT-WIDE EXPENSES

#### GOVERNMENTAL ACTIVITIES

##### GENERAL GOVERNMENT

General government expenses relate to centralized functions affecting most departments of the City. These services provide an administrative support system through which the goals and objectives of other City programs are attained. The mayor's office, city council, city clerk, information technology, and legal are some of the departments that provide these services.

##### CULTURE AND RECREATION

Culture and recreation programs focus resources on recreational and cultural amenities, ensuring that citizens and visitors can explore the cultural traditions, art and history of the City and take advantage of outdoor recreational opportunities. City museums, parks and community centers are some of the departments included.



**ECONOMIC DEVELOPMENT**

Economic development programs invest public resources to create opportunities and outreach for citizens. Civic engagement, the film office, and special events are some of the departments included.

**ENGINEERING, DEVELOPMENT AND BUILD MOBILE**

Engineering, development and Build Mobile includes programs which are responsible for the operational support for engineering, architectural engineering, real-estate management, neighborhood development, and for ensuring the fair and equitable administration of codes, ordinances and plans.

**FINANCE**

The finance function's responsibilities include the management of an adequate system of internal controls and accounting systems, accounts payable, accounts receivable, payroll, human resources, tax and license collections, budgeting, and pension management.

**PUBLIC SAFETY**

The purpose of the public safety function is to improve the safety of all citizens through community partnerships, crime prevention and the protection of life, health, and property. The municipal court and animal shelter are also included in this function.

**PUBLIC WORKS**

Public Works is responsible for street repair, landfills, the municipal garage, litter and recycling, solid waste, traffic engineering, and trash collection.

**INTEREST ON LONG-TERM DEBT**

Interest expense is the result of City incurred debt used to finance its capital programs. Most long-term financing of the City was provided by the issuance of general obligation debt.

**BUSINESS-TYPE ACTIVITIES**

**AZALEA CITY GOLF COURSE**

The Azalea City Golf Course is responsible for planning, maintaining and managing the City's municipal golf course by providing a physically

attractive and challenging golf recreational facility and related services for citizens of all ages.

**CIVIC CENTER**

This 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.

**CONVENTION CENTER**

This fund is used to account for the operations of the Mobile Convention Center which includes activities such as business conventions and social events.

**CRUISE TERMINAL**

The cruise terminal features a two-story 66,000 square foot terminal, state of the art security and an attached parking deck. Carnival Cruise Line currently operates from the cruise terminal with destinations to the western Caribbean and the Panama Canal.

**EMERGENCY MEDICAL SERVICES**

The EMS Division is comprised of board-certified paramedics that are assigned to advanced life support transport units. These units are stocked with the most advanced prehospital medical equipment and pharmaceuticals available. These personnel are also certified as Firefighters and are used in a dual role capacity greatly improving the efficiency of our emergency service system.

**MOBILE TENNIS CENTER**

The tennis center is responsible for the management of one of the largest public tennis facilities including tournaments, clinics and lessons.

**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.

**PARKING GARAGE**

This fund is used to account for the operations of the Municipal Parking Garage which is rented to the general public on a daily basis.



**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.

**WAVE TRANSIT SYSTEM**

The WAVE Transit System is responsible for providing a safe, reliable, public transportation system to the Mobile area.

**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 \$417.2 million. This is a \$65.1 million increase over last year's adjusted net position. The following table provides a summary of the City's net position.

**CITY OF MOBILE, ALABAMA  
Net Position  
September 30, 2019 and 2018  
(amounts expressed in thousands)**

	Governmental		Business-Type		Total		Amount Change	% Change
	2019	2018	2019	2018	2019	2018		
<b>Assets</b>								
Current and other assets	\$211,833	\$175,395	\$19,182	\$16,758	\$231,015	\$192,153	\$38,862	20.22%
Capital assets(net)	692,494	687,561	83,219	83,821	775,713	771,382	4,331	0.56%
Total assets	904,327	862,956	102,401	100,579	1,006,728	963,535	43,193	4.48%
Total deferred outflows	56,350	50,841	4,164	3,796	60,514	54,637	5,877	10.76%
Total assets and deferred outflows	960,677	913,797	106,565	104,375	1,067,242	1,018,172	49,070	4.82%
<b>Liabilities</b>								
Current and other liabilities	60,969	53,113	4,165	4,627	65,134	57,740	7,394	12.81%
Long-term liabilities	503,188	576,205	9,050	11,111	512,238	587,316	(75,078)	(12.78%)
Total liabilities	564,157	629,318	13,215	15,738	577,372	645,056	(67,684)	(10.49%)
Total deferred inflows	66,213	15,561	6,469	5,517	72,682	21,078	51,604	244.82%
Total liabilities and deferred inflows	630,370	644,879	19,684	21,255	650,054	666,134	(16,080)	(2.41%)
<b>Net Position</b>								
Net investment in capital assets	478,292	463,460	83,219	83,821	561,511	547,281	14,230	2.60%
Restricted	30,379	28,640	-	-	30,379	28,640	1,739	6.07%
Unrestricted	(178,364)	(223,182)	3,662	(701)	(174,702)	(223,883)	49,181	(21.97%)
Total net position	\$330,307	\$268,918	\$86,881	\$83,120	\$417,188	\$352,038	\$65,150	18.51%



NET POSITION

NET INVESTMENT IN CAPITAL ASSETS

The largest portion of the City's net position (134.6%) 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.

RESTRICTED

An additional portion of the City's net position (7.3%) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position may normally be used to meet the City's ongoing obligations to citizens and creditors.

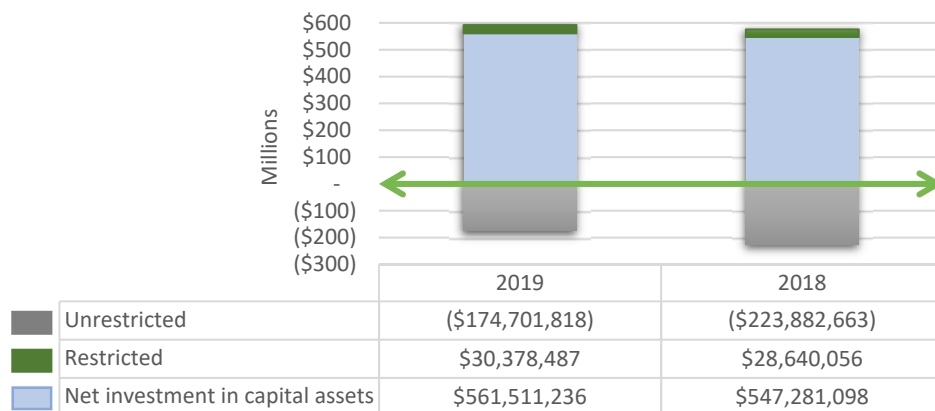
UNRESTRICTED

At the end of the current fiscal year unrestricted net position has a deficit balance of \$174.7 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. Therefore,

the City was required to record the total OPEB liability of \$140.9 million as actuarially determined. An additional \$137.3 million of the deficit can be attributed to the Net Pension Liability on the Statement of Net Position. These two substantial liabilities reduce the amount of unrestricted net position by \$278.3 million.

The unrestricted net position for business-type activities has a balance of \$3.7 million which is a \$4.4 million increase from the prior year. This increase is due primarily to the following:

- A \$2.9 million budgeted transfer from the Cruise Terminal to the General Fund. This transfer relates to prior year accumulation of excess fund balance. The effect of this transfer was offset against positive Cruise Terminal operating income in the amount of \$2.8 million.
- A \$2.6 million increase in the net position of the Convention Center was related primarily to reduced debt service expenditures and increases in tax and other revenues.
- Wave Transit and Emergency Medical Services funds experienced an increase in subsidization from the General Fund and decreases in pension-related liabilities contributing to a total increase of \$1.3 and \$1.0 million respectively.
- Other less significant changes in net position in other enterprise funds.



**CITY OF MOBILE, ALABAMA**  
**Changes in Net Position**  
**For the years ended September 30, 2019 and 2018**  
**(amounts expressed in thousands)**

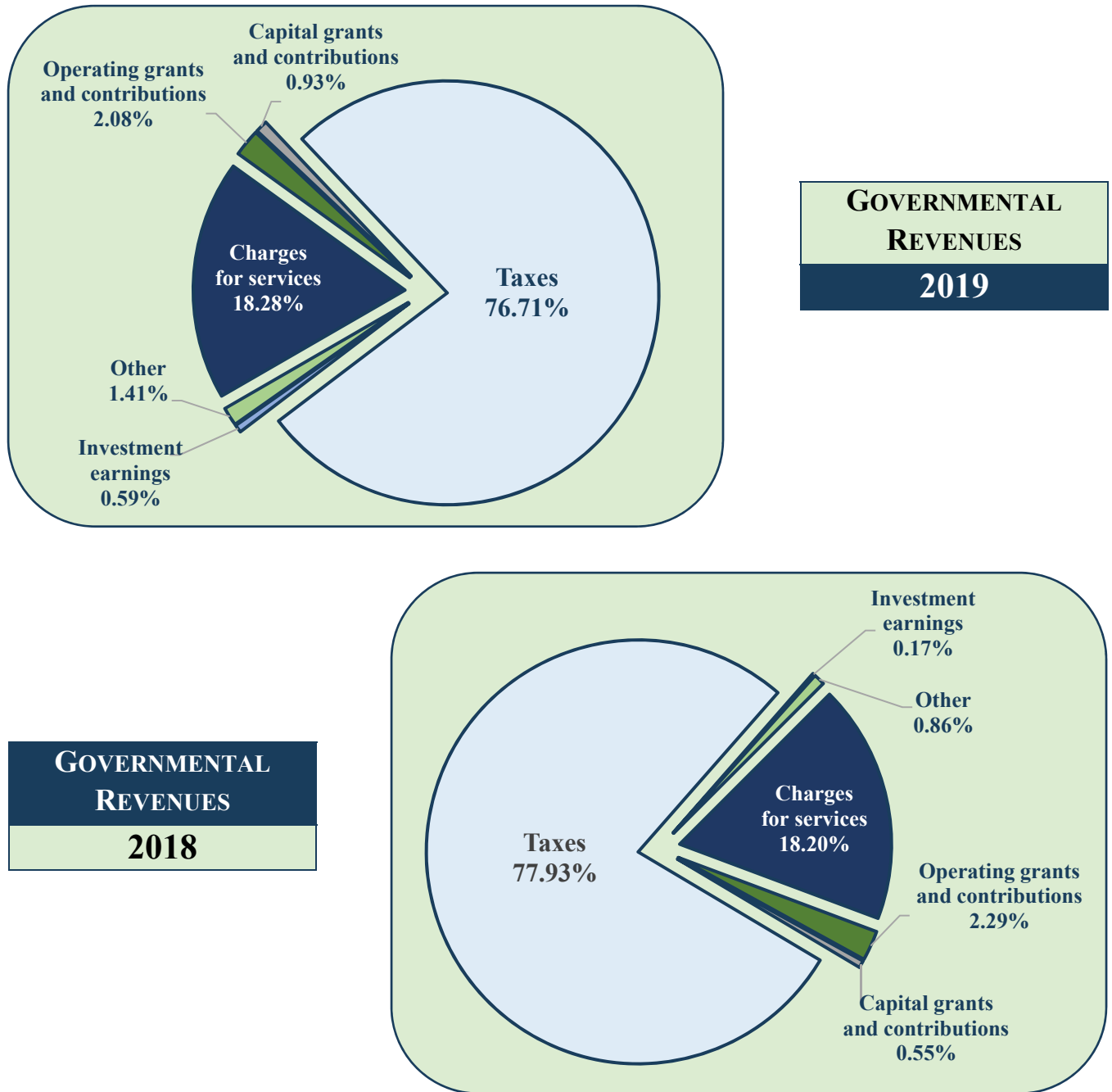
	Governmental		Business-Type		Total		Amount Change	% Change
	2019	2018	2019	2018	2019	2018		
<b>REVENUES</b>								
Program revenues								
Charges for services	\$60,444	\$56,337	\$18,913	\$25,151	\$79,357	\$81,488	\$(2,131)	(2.62%)
Operating grants and contributions	6,876	7,089	3,116	3,753	9,992	10,842	(850)	(7.84%)
Capital grants and contributions	3,064	1,714	2,541	546	5,605	2,260	3,345	148.01%
General revenues								
Taxes	253,619	241,274	11,778	11,778	265,397	253,052	12,345	4.88%
Investment earnings	1,964	514	13	1	1,977	515	1,462	283.88%
Other	4,661	2,667	-	-	4,661	2,667	1,994	74.77%
<b>Total revenues</b>	<b>330,628</b>	<b>309,595</b>	<b>36,361</b>	<b>41,229</b>	<b>366,989</b>	<b>350,824</b>	<b>16,165</b>	<b>4.61%</b>
<b>EXPENSES</b>								
Governmental activities								
General government	58,345	49,876	-	-	58,345	49,876	8,469	16.98%
Culture and recreation	26,093	24,667	-	-	26,093	24,667	1,426	5.78%
Economic development	1,084	933	-	-	1,084	933	151	16.18%
Engineering, development and Build Mobile	15,028	15,461	-	-	15,028	15,461	(433)	(2.80%)
Finance	5,741	6,325	-	-	5,741	6,325	(584)	(9.23%)
Public safety	113,057	117,811	-	-	113,057	117,811	(4,754)	(4.04%)
Public works	34,175	38,136	-	-	34,175	38,136	(3,961)	(10.39%)
Interest on long-term debt	7,547	8,015	-	-	7,547	8,015	(468)	(5.84%)
Business-Type activities								
Azalea City Golf Course	-	-	1,762	1,642	1,762	1,642	120	7.31%
Civic Center	-	-	3,762	3,644	3,762	3,644	118	3.24%
Convention Center	-	-	10,232	8,671	10,232	8,671	1,561	18.00%
Cruise Terminal	-	-	3,125	2,929	3,125	2,929	196	6.69%
Emergency Medical Services	-	-	7,187	13,452	7,187	13,452	(6,265)	(46.57%)
Mobile Tennis Center	-	-	940	865	940	865	75	8.67%
Neighborhood Renewal Program	-	-	35	82	35	82	(47)	(57.32%)
Parking Garage	-	-	266	229	266	229	37	16.16%
Saenger Theater	-	-	1,755	1,539	1,755	1,539	216	14.04%
WAVE Transit System	-	-	11,705	12,084	11,705	12,084	(379)	(3.14%)
<b>Total expenses</b>	<b>261,070</b>	<b>261,224</b>	<b>40,769</b>	<b>45,137</b>	<b>301,839</b>	<b>306,361</b>	<b>(4,522)</b>	<b>(1.48%)</b>
Change in net position before transfers	69,558	48,371	(4,408)	(3,908)	65,150	44,463	20,687	46.53%
Transfers	(8,169)	1,390	8,169	(1,390)	-	-	-	-
Change in net position	61,389	49,761	3,761	(5,298)	65,150	44,463	20,687	46.53%
Net position - beginning	268,918	193,883	83,120	88,418	352,038	282,301	69,737	24.70%
Prior period adjustment	-	25,274	-	-	-	25,274	(25,274)	-
Net position - beginning, restated	268,918	219,157	83,120	88,418	352,038	307,575	44,463	n/a
<b>Net position - ending</b>	<b>\$330,307</b>	<b>\$268,918</b>	<b>\$86,881</b>	<b>\$83,120</b>	<b>\$417,188</b>	<b>\$352,038</b>	<b>\$65,150</b>	<b>18.51%</b>

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



GOVERNMENTAL REVENUES

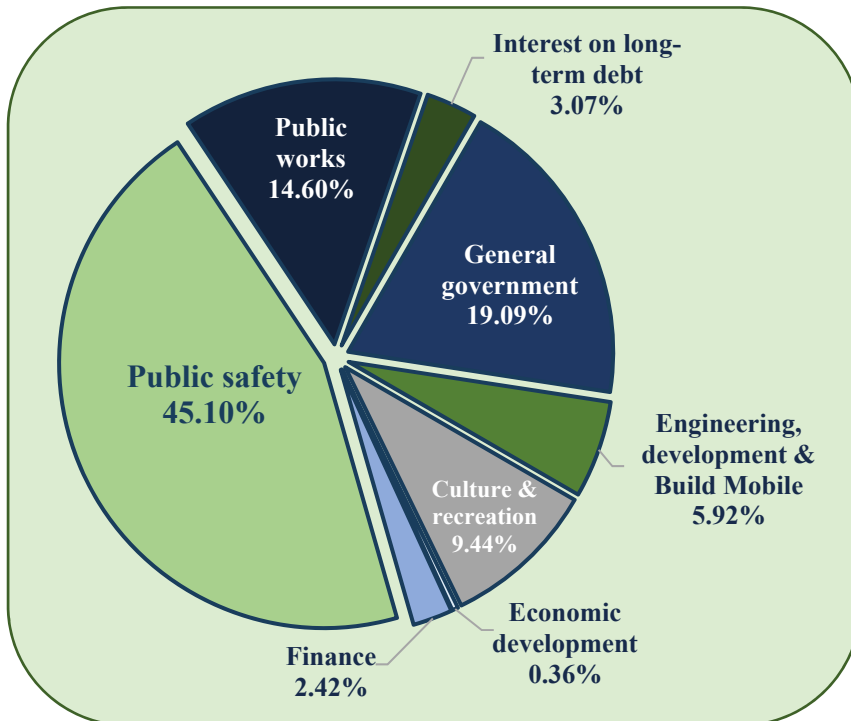
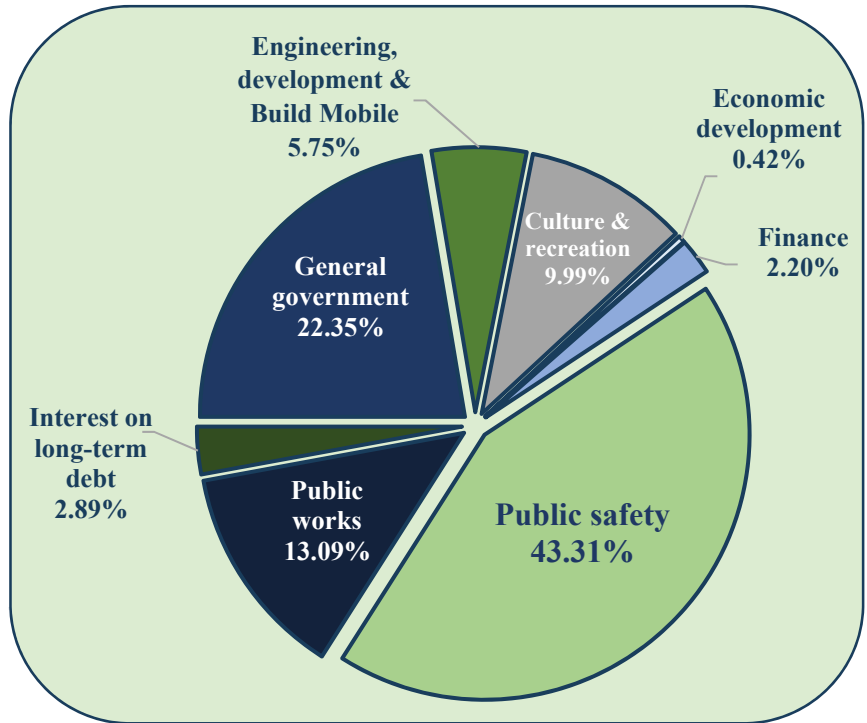
As graphically portrayed below, the City is heavily reliant on taxes to support governmental operations. Taxes provided 76.71% and 77.93% of the City's total governmental revenues in fiscal years 2019 and 2018, respectively.



GOVERNMENTAL FUNCTIONAL EXPENSES

As graphically portrayed below, the City's largest category of governmental functional expenses is public safety which includes police, fire, animal shelter, and municipal court expenses. Public safety accounted for 43.31% and 45.10% of the City's total governmental functional expenses in fiscal years 2019 and 2018, respectively.

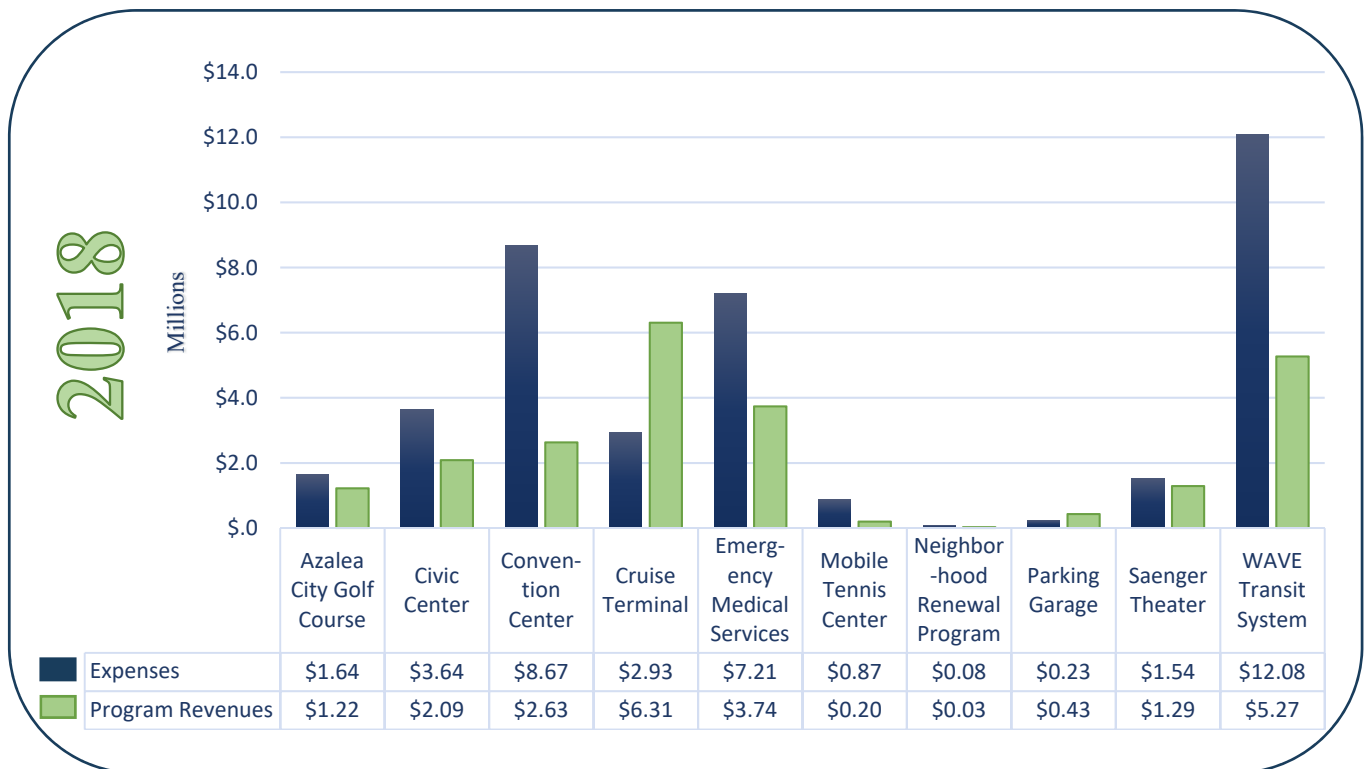
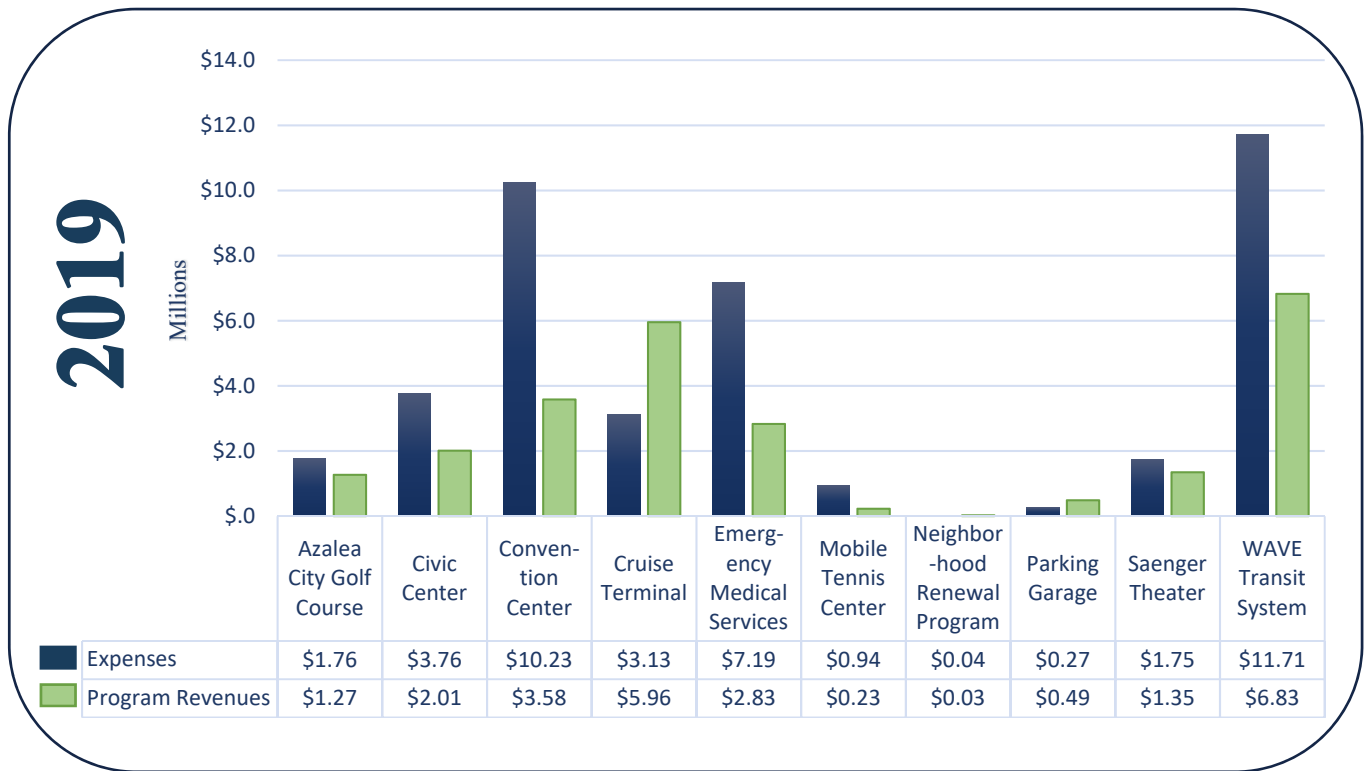
2019



2018



**BUSINESS-TYPE ACTIVITIES  
PROGRAM REVENUES VS. EXPENSES**





STATEMENT OF ACTIVITIES COMPARISON

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by \$61.4 million. The key elements of this change are as follows:

- Excess expenses over revenue for governmental activities amounted to \$190.7 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$2.0 million which was an increase of \$1.5 million from the prior year.
- Tax revenues amounted to \$253.6 million which was an increase of 12.3 million (5.1%) over the prior year and was due primarily to stable economic conditions.
- Other revenue amounted to \$4.7 million.
- Net transfers out of governmental activities totaled \$8.2 million.

Governmental activity expenses decreased by \$0.2 million (0.1%) 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.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's total net position by \$3.8 million. Business-type activities are shown comparing costs to revenues generated by related services. The cruise terminal, convention center and parking garage business-type activities are self-supporting with user charges and other revenues designed to recover costs.

The civic center, golf course, emergency medical services, tennis center, Saenger theater, neighborhood renewal program 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.

INDIVIDUAL FUND ANALYSIS

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 \$171.0 million, of which \$62.2 million is unassigned. The nonspendable fund balance is \$3.0 million and stems from inventory and prepaid

expenses. Restricted fund balance is \$17.9 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$13.2 million and comprises funds with constraints imposed by formal action of the City Council. Finally, assigned fund balance is \$74.7 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 \$29.2 million increase from the prior year. This is due to a \$24.4 million increase in the fund balance of the General Fund, an increase of \$3.3 million in the Capital Improvements Fund, and a \$1.5 million increase in nonmajor governmental funds. The increase in the General Fund is primarily due to increased tax revenues related to economic growth and cost savings in departments. The increase in the Capital Improvements Fund relates to the accumulation of resources to fund capital projects which have not yet been expended. Changes in nonmajor governmental funds relate primarily to debt service and grant activity.

## MAJOR GOVERNMENTAL FUNDS

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance in the General Fund increased by approximately \$24.4 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has an ending fund balance of \$69.9 million which includes a net increase of \$3.3 million. This change is primarily due to additional funding for capital projects which have not yet been fully expended.

## 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 increased by \$3.8 million during the current fiscal year. See the prior discussion of changes in Business-Type activities for details on this change.

### 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, Employee Health Fund, and Liability Insurance Fund. The net position of these funds increased by \$1.2 million from the prior year, primarily due to changes in the inter-departmental rates for motor pool rentals.



**GENERAL FUND BUDGETARY HIGHLIGHTS**

The excess of General Fund revenues over expenditures (excluding other financing sources and uses) on a budgetary basis during the year was \$32.8 million. See Required Supplementary Information for more detailed information on the General Fund Budget.

The following are the main components of the excess:

- Tax revenues exceeded expected budgeted amounts by \$11.7 million.
- Investment income exceeded expected budgeted amounts by \$1.4 million due to increased investment activity and higher earnings on idle cash during the year.

- Departmental expenditures were under budget by \$15.3 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 under budget by \$1.1 million.
- Total revenues were approximately \$16.4 million over budget while total expenditures were \$16.3 million under budget.

**CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY**

**CAPITAL ASSETS**

As of September 30, 2019, the City's net investment in capital assets for governmental and business-type activities was \$478.3 million and \$83.2 million, respectively, a total increase of \$14.2 million from 2018 for the City as a whole.

The City's Capital Improvements Fund had commitments for capital expenditures totaling \$28.8 million at year end. See Note 7 for additional information about changes in capital assets during the fiscal year. The following table provides a summary of the City's capital assets.

**CITY OF MOBILE, ALABAMA**  
**Comparative Statement of Capital Assets**  
**September 30, 2019 and 2018**  
 (amounts expressed in thousands)

	Governmental		Business-Type		Total		Amount Change	% Change
	2019	2018	2019	2018	2019	2018		
Non-depreciable capital assets								
Land	\$ 27,375	\$ 27,375	\$ 10,987	\$ 10,933	\$ 38,362	\$ 38,308	\$ 54	0.14%
Construction-in-progress	64,774	53,399	-	214	64,774	53,613	11,161	20.82%
Intangible assets	4,842	4,768	-	-	4,842	4,768	74	1.55%
Total non-depreciable capital assets	96,991	85,542	10,987	11,147	107,978	96,689	11,289	11.68%
Depreciable capital assets								
Buildings	143,859	143,859	125,940	126,877	269,799	270,736	(937)	(0.35%)
Improvements	132,035	131,268	18,317	18,102	150,352	149,370	982	0.66%
Vehicular	79,370	75,298	13,580	13,201	92,950	88,499	4,451	5.03%
Other equipment	48,202	46,166	5,925	7,551	54,127	53,717	410	0.76%
Infrastructure	567,382	557,628	-	-	567,382	557,628	9,754	1.75%
Total depreciable capital assets	970,848	954,219	163,762	165,731	1,134,610	1,119,950	14,660	1.31%
Less: accumulated depreciation	375,344	352,200	91,530	93,057	466,874	445,257	21,617	4.86%
Total depreciable capital assets, net	595,504	602,019	72,232	72,674	667,736	674,693	(6,957)	(1.03%)
Total capital assets, net	\$ 692,495	\$ 687,561	\$ 83,219	\$ 83,821	\$ 775,714	\$ 771,382	\$ 4,332	0.56%



**LONG-TERM DEBT**

As of September 30, 2019, the City had \$217.7 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 \$14.5 million. Interest payments on long-term debt totaled \$7.5 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 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, 2019, the City's permissible debt limit exceeded actual debt by approximately \$427.3 million.

**CITY OF MOBILE, ALABAMA  
Outstanding Long-Term Debt  
September 30, 2019 and 2018  
(amounts expressed in thousands)**

	Governmental		Business-Type		Total		Amount Change	% Change
	2019	2018	2019	2018	2019	2018		
Bonds and warrants, net	\$214,671	\$229,342	\$ -	\$ -	\$214,671	\$229,342	(\$14,671)	(6.40%)
Notes payable	2,985	1,635	-	-	2,985	1,635	1,350	82.57%
<b>Total long-term debt</b>	<b>\$217,656</b>	<b>\$230,977</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$217,656</b>	<b>\$230,977</b>	<b>(\$13,321)</b>	<b>(5.77%)</b>

**ECONOMIC FACTORS**

A temporary one-cent sales tax was implemented November 1, 2012 and remained 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 five aircraft per month to its customers and has recently begun an acceleration to seven aircraft deliveries per month.

On July 1, 2018, Airbus acquired 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 newly named A220 Series narrow body aircraft for United States customers. Construction of the facility commenced in January 2019.

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



## CONTACTING THE CITY

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives.

If you have questions about this report or need any additional financial information, please contact the Executive Director of Finance's office at 205 Government Street, Suite 530, Mobile, Alabama. This report is also available online at [www.cityofmobile.org](http://www.cityofmobile.org).



Paul C. Wesch  
Executive Director of Finance

# BASIC FINANCIAL STATEMENTS



# BASIC FINANCIAL STATEMENTS

Picture on the prior page features downtown Mobile



**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**September 30, 2019**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 175,412,609	\$ 16,656,225	\$ 192,068,834	\$ 3,944,685
Restricted cash - capital purchases and debt service	83,838	-	83,838	-
Receivables, net	32,052,744	3,290,949	35,343,693	152,034
Inventories and prepaid expenses	3,043,903	473,977	3,517,880	31,114
Internal balances	1,239,524	(1,239,524)	-	-
Total current assets	<u>211,832,618</u>	<u>19,181,627</u>	<u>231,014,245</u>	<u>4,127,833</u>
Noncurrent assets:				
Investments	-	-	-	300,000
Non-depreciable capital assets	96,990,948	10,987,273	107,978,221	248,225
Depreciable capital assets, net	595,503,243	72,231,553	667,734,796	771,638
Total noncurrent assets	<u>692,494,191</u>	<u>83,218,826</u>	<u>775,713,017</u>	<u>1,319,863</u>
Total assets	<u>904,326,809</u>	<u>102,400,453</u>	<u>1,006,727,262</u>	<u>5,447,696</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts on refundings	3,945,263	-	3,945,263	-
Deferred pension outflows	47,700,200	4,164,004	51,864,204	603,950
Deferred OPEB outflows	4,704,938	-	4,704,938	-
Total deferred outflows of resources	<u>56,350,401</u>	<u>4,164,004</u>	<u>60,514,405</u>	<u>603,950</u>
Total assets and deferred outflows of resources	<u>960,677,210</u>	<u>106,564,457</u>	<u>1,067,241,667</u>	<u>6,051,646</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	19,061,738	2,275,842	21,337,580	513,148
Pension employer contributions payable	18,429,306	971,549	19,400,855	-
Unearned revenue	1,039,977	806,657	1,846,634	178,959
Bonds and warrants payable, current portion	15,039,000	-	15,039,000	-
Notes payable, current portion	660,000	-	660,000	-
Compensated absences, current portion	1,785,212	111,071	1,896,283	52,080
Insurance claims, current portion	4,897,952	-	4,897,952	-
Landfill postclosure liability, current portion	56,101	-	56,101	-
Total current liabilities	<u>60,969,286</u>	<u>4,165,119</u>	<u>65,134,405</u>	<u>744,187</u>
Noncurrent liabilities:				
Bonds and warrants payable, long-term portion	199,631,663	-	199,631,663	-
Notes payable, long-term portion	2,325,000	-	2,325,000	-
Compensated absences, long-term portion	10,851,710	390,732	11,242,442	512,729
Self-insured liability - legal, long-term portion	310,000	-	310,000	-
Insurance claims, long-term portion	19,980,288	-	19,980,288	-
Landfill postclosure liability, long-term portion	459,889	-	459,889	-
Net pension liability	128,686,758	8,659,105	137,345,863	3,532,584
Postemployment benefits	140,942,882	-	140,942,882	-
Total noncurrent liabilities	<u>503,188,190</u>	<u>9,049,837</u>	<u>512,238,027</u>	<u>4,045,313</u>
Total liabilities	<u>564,157,476</u>	<u>13,214,956</u>	<u>577,372,432</u>	<u>4,789,500</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	-	3,456,633	3,456,633	-
Deferred pension inflows	15,777,215	3,012,264	18,789,479	1,445,527
Deferred OPEB inflows	50,435,218	-	50,435,218	-
Total deferred inflows of resources	<u>66,212,433</u>	<u>6,468,897</u>	<u>72,681,330</u>	<u>1,445,527</u>
Total liabilities and deferred inflows of resources	<u>630,369,909</u>	<u>19,683,853</u>	<u>650,053,762</u>	<u>6,235,027</u>
<b>NET POSITION</b>				
Net investment in capital assets	478,292,410	83,218,826	561,511,236	1,019,863
Restricted for:				
Capital projects	9,607,271	-	9,607,271	-
Debt service	1,016,179	-	1,016,179	-
Economic development	12,383,608	-	12,383,608	-
Grant programs	6,609,463	-	6,609,463	-
Storm water management	761,966	-	761,966	-
Unrestricted	(178,363,596)	3,661,778	(174,701,818)	(1,203,244)
Total net position	<u>\$ 330,307,301</u>	<u>\$ 86,880,604</u>	<u>\$ 417,187,905</u>	<u>\$ (183,381)</u>

See Accompanying Notes to the Financial Statements



**CITY OF MOBILE, ALABAMA**  
**Statement of Activities**  
**For the Year Ended September 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 58,344,738	\$ 52,019,172	\$ 3,409,136	\$ -
Culture and recreation	26,093,105	257,254	144,490	-
Economic development	1,084,321	-	-	1,749,125
Engineering, development and Build Mobile	15,028,296	2,410,813	185,704	454,226
Finance	5,741,105	-	-	-
Public safety	113,057,091	5,737,922	3,136,571	-
Public works	34,174,619	18,799	-	860,428
Interest on long-term debt	7,546,824	-	-	-
Total governmental activities	<u>261,070,099</u>	<u>60,443,960</u>	<u>6,875,901</u>	<u>3,063,779</u>
Business-type activities:				
Azalea City Golf Course	1,762,244	1,266,633	766	-
Civic Center	3,762,093	2,010,607	-	-
Convention Center	10,231,659	3,582,654	-	-
Cruise Terminal	3,125,480	5,957,076	-	-
Emergency Medical Services	7,187,148	2,830,979	-	-
Mobile Tennis Center	939,773	226,868	-	-
Neighborhood Renewal Program	35,171	25,921	-	-
Parking Garage	265,725	491,096	-	-
Saenger Theater	1,754,621	1,350,082	-	-
Wave Transit System	11,705,465	1,171,135	3,115,221	2,540,947
Total business-type activities	<u>40,769,379</u>	<u>18,913,051</u>	<u>3,115,987</u>	<u>2,540,947</u>
Total primary government	<u>\$ 301,839,478</u>	<u>\$ 79,357,011</u>	<u>\$ 9,991,888</u>	<u>\$ 5,604,726</u>
<b>Component units:</b>				
Mobile Public Library	\$ 8,970,567	\$ 484,175	\$ 127,079	\$ 7,738
Public Park and Recreation Board	1,210,862	1,061,814	-	-
Solid Waste Disposal Authority	2,192,291	-	2,185,683	-
Total component units	<u>\$ 12,373,720</u>	<u>\$ 1,545,989</u>	<u>\$ 2,312,762</u>	<u>\$ 7,738</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 income
Other
Payments from local governments
Transfers
Total general revenues, special items, 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			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (2,916,430)	\$ -	\$ (2,916,430)	\$ -
(25,691,361)	-	(25,691,361)	-
664,804	-	664,804	-
(11,977,553)	-	(11,977,553)	-
(5,741,105)	-	(5,741,105)	-
(104,182,598)	-	(104,182,598)	-
(33,295,392)	-	(33,295,392)	-
(7,546,824)	-	(7,546,824)	-
(190,686,459)	-	(190,686,459)	-
-	(494,845)	(494,845)	-
-	(1,751,486)	(1,751,486)	-
-	(6,649,005)	(6,649,005)	-
-	2,831,596	2,831,596	-
-	(4,356,169)	(4,356,169)	-
-	(712,905)	(712,905)	-
-	(9,250)	(9,250)	-
-	225,371	225,371	-
-	(404,539)	(404,539)	-
-	(4,878,162)	(4,878,162)	-
-	(16,199,394)	(16,199,394)	-
(190,686,459)	(16,199,394)	(206,885,853)	-
-	-	-	(8,351,575)
-	-	-	(149,048)
-	-	-	(6,608)
-	-	-	(8,507,231)
22,310,001	-	22,310,001	-
194,772,154	9,874,297	204,646,451	-
10,475,804	-	10,475,804	-
7,071,430	1,903,676	8,975,106	-
2,306,577	-	2,306,577	-
10,572,006	-	10,572,006	-
1,370,651	-	1,370,651	-
859,699	-	859,699	-
1,221,786	-	1,221,786	-
2,659,021	-	2,659,021	-
-	-	-	346,012
1,964,497	12,913	1,977,410	76,502
4,660,755	-	4,660,755	78,914
-	-	-	8,726,600
(8,168,677)	8,168,677	-	-
252,075,704	19,959,563	272,035,267	9,228,028
61,389,245	3,760,169	65,149,414	720,797
268,918,056	83,120,435	352,038,491	(904,178)
\$ 330,307,301	\$ 86,880,604	\$ 417,187,905	\$ (183,381)

# GOVERNMENTAL FUNDS



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

**General Fund**

**Capital Improvements Fund**

Pictures on the prior page feature activities organized by the Mobile Parks and Recreation Department (MPRD) including:

MPRD 2019 Soccer League

MPRD 2019 Basketball Championships

Hillsdale Senior Program Luau Celebration

Halloween 2019 Fall Festival at Dotch Community Center



**CITY OF MOBILE, ALABAMA**

**Balance Sheet**

**Governmental Funds**

**September 30, 2019**

	General Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 59,085,650	\$ 69,417,778	\$ 32,059,499	\$ 160,562,927
Restricted cash - capital purchases and debt service	-	-	83,838	83,838
Receivables, net	24,847,134	3,773,011	2,857,880	31,478,025
Due from other funds	1,668,039	-	63,891	1,731,930
Inventories and prepaids	3,043,903	-	-	3,043,903
Total assets	<u>\$ 88,644,726</u>	<u>\$ 73,190,789</u>	<u>\$ 35,065,108</u>	<u>\$ 196,900,623</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 10,835,462	\$ 3,327,184	\$ 1,419,995	\$ 15,582,641
Pension employer contributions payable	6,792,910	-	12,166	6,805,076
Unearned revenue	237,986	-	801,992	1,039,978
Due to other funds	428,515	-	63,891	492,406
Compensated absences - terminated employees	297,535	-	-	297,535
Insurance claims payable	252,496	-	-	252,496
Escrowed funds liability	1,411,687	-	406	1,412,093
Total liabilities	<u>20,256,591</u>	<u>3,327,184</u>	<u>2,298,450</u>	<u>25,882,225</u>
<b>FUND BALANCES</b>				
Nonspendable	3,043,903	-	-	3,043,903
Restricted	-	-	17,886,659	17,886,659
Committed	-	-	13,200,342	13,200,342
Assigned	3,193,013	69,863,605	1,679,657	74,736,275
Unassigned	62,151,219	-	-	62,151,219
Total fund balances	<u>68,388,135</u>	<u>69,863,605</u>	<u>32,766,658</u>	<u>171,018,398</u>
 Total liabilities and fund balances	 <u>\$ 88,644,726</u>	 <u>\$ 73,190,789</u>	 <u>\$ 35,065,108</u>	 <u>\$ 196,900,623</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Reconciliation of Balance Sheet**  
**to the Statement of Net Position**  
**September 30, 2019**

<b>Fund balances of governmental funds</b>	<b>\$ 171,018,398</b>
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets - governmental activities	988,151,095	
Less accumulated depreciation	(327,991,115)	
		660,159,980

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Bonds and warrants payable	(214,670,663)	
Notes payable	(2,985,000)	
Deferred amounts on refundings	3,945,263	
		(213,710,400)

Other long-term items not reported in governmental funds:

Accrued interest payable	(989,510)	
Pension employer contributions payable	(11,622,972)	
Compensated absences	(12,339,387)	
Insurance claims payable	(22,757,744)	
Landfill postclosure liability	(515,990)	
Net pension liability	(128,686,758)	
Deferred pension outflows	47,700,200	
Deferred pension inflows	(15,777,215)	
Total OPEB liability	(140,942,882)	
Deferred OPEB inflows	(50,435,218)	
Deferred OPEB outflows	4,704,938	
Note receivable	320,000	
		(331,342,538)

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.

44,181,861

<b>Net position of governmental activities</b>	<b>\$ 330,307,301</b>
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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, 2019**

	General Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 196,557,066	\$ 46,117,901	\$ 10,944,162	\$ 253,619,129
Licenses and permits	37,939,269	3,178,312	-	41,117,581
Charges for services	7,647,374	112,070	8,030	7,767,474
Fines and forfeitures	2,556,796	-	438,605	2,995,401
State and federal assistance	94,609	-	9,450,641	9,545,250
Investment income	1,676,626	-	287,871	1,964,497
Other revenue	371,203	4,096,064	15,555	4,482,822
Total revenues	<u>246,842,943</u>	<u>53,504,347</u>	<u>21,144,864</u>	<u>321,492,154</u>
<b>EXPENDITURES</b>				
Current:				
General government	12,081,667	-	3,511,880	15,593,547
Culture and recreation	13,201,646	-	266,320	13,467,966
Economic development	1,079,241	-	-	1,079,241
Engineering, development and Build Mobile	13,199,091	-	854,709	14,053,800
Finance	5,331,326	-	-	5,331,326
Public safety	95,092,908	-	3,678,176	98,771,084
Public works	26,354,273	-	5,193,497	31,547,770
Non-departmental	45,986,566	-	-	45,986,566
Debt service:				
Administrative charges	-	15,459	82	15,541
Bond issuance costs	-	-	240,155	240,155
Interest	9,051	-	7,747,465	7,756,516
Principal retirement	95,000	-	14,418,000	14,513,000
Interest reimbursement	-	(500,068)	-	(500,068)
Capital outlay:				
Capital outlay	-	35,081,825	2,087,965	37,169,790
Total expenditures	<u>212,430,769</u>	<u>34,597,216</u>	<u>37,998,249</u>	<u>285,026,234</u>
Excess (deficiency) of revenues over expenditures	<u>34,412,174</u>	<u>18,907,131</u>	<u>(16,853,385)</u>	<u>36,465,920</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	7,959	43,144	-	51,103
Refunding debt issued	-	-	24,350,000	24,350,000
Payment to refunding bond escrow agent	-	-	(27,337,395)	(27,337,395)
Premium on debt issued	-	-	3,223,002	3,223,002
Transfers in	9,145,815	6,049,621	25,737,868	40,933,304
Transfers out	<u>(19,184,080)</u>	<u>(21,696,125)</u>	<u>(7,583,945)</u>	<u>(48,464,150)</u>
Total other financing sources (uses)	<u>(10,030,306)</u>	<u>(15,603,360)</u>	<u>18,389,530</u>	<u>(7,244,136)</u>
Net change in fund balances	24,381,868	3,303,771	1,536,145	29,221,784
Fund balances - beginning	<u>44,006,267</u>	<u>66,559,834</u>	<u>31,230,513</u>	<u>141,796,614</u>
Fund balances - ending	<u>\$ 68,388,135</u>	<u>\$ 69,863,605</u>	<u>\$ 32,766,658</u>	<u>\$ 171,018,398</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, 2019**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 29,221,784</b>
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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	28,338,308	
Less depreciation expense	(21,304,349)	
Contributions of capital assets are not reported as income in governmental funds	378,875	
Capital assets transferred from (to) business-type activities	(44,521)	
Gain (loss) on disposal of capital assets	31,811	7,400,124

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	13,863,000	
Principal payments - notes payable	650,000	
Amortization of deferred amounts on refundings	(1,838,730)	
Amortization of current year bond premium	1,691,386	
Capital-related debt issued	(24,350,000)	
Payment to refunding bond escrow agent	27,337,627	
Premium on bonds issued	(3,223,002)	
Assumption of notes payable	(2,000,000)	12,130,281

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	1,404,972	
Change in long-term insurance claims	(1,678,829)	
Change in landfill post-closure liability	53,943	
Change in accrued interest	112,435	
Change in pension employer contributions payable	(1,619,077)	
Change in net pension liability	6,146,784	
Change in deferred pension inflows	(216,261)	
Change in deferred pension outflows	6,363,586	
Change in total OPEB liability	51,081,452	
Change in deferred OPEB inflows	(50,435,218)	
Change in deferred OPEB outflows	337,079	
Change in long-term notes receivable	(95,000)	11,455,866

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.

1,181,190

<b>Change in net position of governmental activities</b>	<b>\$ 61,389,245</b>
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See Accompanying Notes to the Financial Statements



*Mobile Tennis Center*



*Azalea City Golf Course*



*Before*



*After*

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

**Mobile Civic Center  
Alabama Cruise Terminal  
WAVE Transit System  
Mobile Convention Center  
Municipal Parking Garage  
Emergency Medical Services**

Pictures on the prior page feature the Mobile Tennis Center and Azalea City Golf Course.

Top Left: In 2019, the Mobile Tennis Center went to 16 local elementary schools and taught tennis to over 3,500 students at no charge.

Top Right: USTA National Tournament. The Mobile Tennis Center ran 28 Tennis Tournaments in 2019.

Bottom Left (Before) and Bottom Right (After): Golf course maintenance staff took the initiative to repair erosion damage between holes 12 and 14. Their in-house initiative saved the City approximately \$90,000.



**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2019**

	Business-type Activities		
	Mobile Civic Center	Alabama Cruise Terminal	WAVE Transit System
<b>ASSETS</b>			
Current assets:			
Cash, equity in pooled cash and investments	\$ 622,880	\$ 1,803,560	\$ 134,368
Receivables, net	88,738	-	47,984
Due from other funds	-	-	428,515
Inventories and prepaids	50,179	-	194,013
Total current assets	<u>761,797</u>	<u>1,803,560</u>	<u>804,880</u>
Noncurrent assets:			
Non-depreciable capital assets	224,350	-	2,409,918
Depreciable capital assets, net	5,045,039	14,928,038	14,545,934
Total noncurrent assets	<u>5,269,389</u>	<u>14,928,038</u>	<u>16,955,852</u>
Total assets	<u>6,031,186</u>	<u>16,731,598</u>	<u>17,760,732</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	-	-	769,998
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>769,998</u>
Total assets and deferred outflows of resources	<u>6,031,186</u>	<u>16,731,598</u>	<u>18,530,730</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	405,592	272,407	472,221
Pension employer contributions payable	-	4,640	259,074
Unearned revenue	313,008	-	-
Due to other funds	-	-	1,668,039
Compensated absences - terminated employees	-	-	111,071
Insurance claims payable	-	-	-
Total current liabilities	<u>718,600</u>	<u>277,047</u>	<u>2,510,405</u>
Noncurrent liabilities:			
Compensated absences - terminated employees	-	-	390,732
Self-insured legal liability	-	-	-
Net pension liability	-	-	2,197,802
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,588,534</u>
Total liabilities	<u>718,600</u>	<u>277,047</u>	<u>5,098,939</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement receipts	-	-	-
Deferred pension inflows	-	-	2,349,384
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,349,384</u>
Total liabilities and deferred inflows of resources	<u>718,600</u>	<u>277,047</u>	<u>7,448,323</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,269,389	14,928,038	16,955,852
Unrestricted	43,197	1,526,513	(5,873,445)
Total net position	<u>\$ 5,312,586</u>	<u>\$ 16,454,551</u>	<u>\$ 11,082,407</u>

See Accompanying Notes to the Financial Statements

Business-type Activities					Governmental
Mobile	Municipal	Emergency	Total Nonmajor	Total	Internal
Convention Center	Parking Garage	Medical Services	Enterprises Funds	Enterprise Funds	Service Funds
\$ 12,253,337	\$ 575,603	\$ -	\$ 1,266,477	\$ 16,656,225	\$ 14,849,680
1,114,575	321,413	1,716,974	1,265	3,290,949	254,719
-	-	-	-	428,515	-
85,068	-	-	144,717	473,977	-
<u>13,452,980</u>	<u>897,016</u>	<u>1,716,974</u>	<u>1,412,459</u>	<u>20,849,666</u>	<u>15,104,399</u>
4,999,575	1,895,790	-	1,457,640	10,987,273	-
31,016,029	2,604,565	282,866	3,809,082	72,231,553	32,334,211
36,015,604	4,500,355	282,866	5,266,722	83,218,826	32,334,211
49,468,584	5,397,371	1,999,840	6,679,181	104,068,492	47,438,610
-	-	3,394,006	-	4,164,004	-
-	-	3,394,006	-	4,164,004	-
49,468,584	5,397,371	5,393,846	6,679,181	108,232,496	47,438,610
535,917	35,256	255,573	298,876	2,275,842	1,077,491
-	-	695,815	12,020	971,549	1,258
72,036	-	65	421,548	806,657	-
-	-	-	-	1,668,039	-
-	-	-	-	111,071	-
-	-	-	-	-	1,868,000
<u>607,953</u>	<u>35,256</u>	<u>951,453</u>	<u>732,444</u>	<u>5,833,158</u>	<u>2,946,749</u>
-	-	-	-	390,732	-
-	-	-	-	-	310,000
-	-	6,461,303	-	8,659,105	-
-	-	6,461,303	-	9,049,837	310,000
607,953	35,256	7,412,756	732,444	14,882,995	3,256,749
-	3,456,633	-	-	3,456,633	-
-	-	662,880	-	3,012,264	-
-	3,456,633	662,880	-	6,468,897	-
607,953	3,491,889	8,075,636	732,444	21,351,892	3,256,749
36,015,604	4,500,355	282,866	5,266,722	83,218,826	32,334,211
12,845,027	(2,594,873)	(2,964,656)	680,015	3,661,778	11,847,650
<u>\$ 48,860,631</u>	<u>\$ 1,905,482</u>	<u>\$ (2,681,790)</u>	<u>\$ 5,946,737</u>	<u>\$ 86,880,604</u>	<u>\$ 44,181,861</u>

**CITY OF MOBILE, ALABAMA**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	Business-type Activities		
	Mobile Civic Center	Alabama Cruise Terminal	WAVE Transit System
<b>OPERATING REVENUES</b>			
Charges for services	\$ 885,793	\$ 2,789,968	\$ 830,348
Internal charges	-	-	-
Employee contributions	-	-	-
Facility rent	365,268	9,750	-
Sales revenue	-	-	-
Parking fees	264,047	3,144,849	-
Concessions	296,017	-	-
Other revenue	199,482	12,509	340,787
Total operating revenues	<u>2,010,607</u>	<u>5,957,076</u>	<u>1,171,135</u>
<b>OPERATING EXPENSES</b>			
Personnel services	2,205,089	609,492	6,989,536
Commodities	85,938	20,195	1,795,714
Utilities	604,352	245,416	143,386
Professional and technical	319,647	654,357	441,011
Maintenance and repairs	10,733	84,132	-
Printing and reproduction	2,914	2,447	-
Insurance and claim payments	90,442	103,531	728,430
Event expenses	37,848	-	-
Cost of goods sold	-	-	-
Decrease in provision for self-insurance loss	-	-	-
Other charges	85,763	999,573	195,236
Depreciation	319,367	406,337	1,429,840
Total operating expenses	<u>3,762,093</u>	<u>3,125,480</u>	<u>11,723,153</u>
Operating income (loss)	<u>(1,751,486)</u>	<u>2,831,596</u>	<u>(10,552,018)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes	-	-	-
State and federal assistance	-	-	3,115,221
Investment income	-	-	2,107
Damaged vehicles reimbursement	-	-	-
Gain (loss) from disposal of assets	-	-	17,688
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>3,135,016</u>
Income (loss) before contributions and transfers	<u>(1,751,486)</u>	<u>2,831,596</u>	<u>(7,417,002)</u>
Capital grants and contributions	-	-	2,540,947
Transfers in	1,405,409	-	7,771,516
Transfers out	-	(2,900,000)	(1,603,039)
Change in net position	<u>(346,077)</u>	<u>(68,404)</u>	<u>1,292,422</u>
Total net position - beginning	<u>5,658,663</u>	<u>16,522,955</u>	<u>9,789,985</u>
Total net position - ending	<u>\$ 5,312,586</u>	<u>\$ 16,454,551</u>	<u>\$ 11,082,407</u>

See Accompanying Notes to the Financial Statements

Business-type Activities					Governmental
Mobile	Municipal	Emergency	Total Nonmajor	Total	Internal
Convention Center	Parking Garage	Medical Services	Enterprises Funds	Enterprise Funds	Service Funds
\$ 1,252,967	\$ -	\$ 2,830,979	\$ 1,963,258	\$ 10,553,313	\$ 1,447,415
-	-	-	-	-	30,408,400
-	-	-	-	-	7,087,790
567,901	491,096	-	291,192	1,725,207	-
-	-	-	172,105	172,105	-
133,798	-	-	-	3,542,694	-
1,528,370	-	-	226,637	2,051,024	-
99,618	-	-	216,312	868,708	-
<u>3,582,654</u>	<u>491,096</u>	<u>2,830,979</u>	<u>2,869,504</u>	<u>18,913,051</u>	<u>38,943,605</u>
3,385,268	-	5,589,208	2,578,391	21,356,984	153,022
171,465	-	655,096	395,093	3,123,501	3,293,602
572,731	-	50,630	302,162	1,918,677	38,092
3,058,001	-	249,963	260,555	4,983,534	2,293,775
69,330	-	82,980	12,708	259,883	-
3,338	-	39	5,829	14,567	3,305
417,266	-	-	80,287	1,419,956	25,307,466
136,889	-	-	-	174,737	-
-	-	-	172,837	172,837	-
-	-	-	-	-	(316,928)
1,077,067	64,081	534,418	278,465	3,234,603	843,531
1,340,304	201,644	24,814	412,587	4,134,893	5,754,011
<u>10,231,659</u>	<u>265,725</u>	<u>7,187,148</u>	<u>4,498,914</u>	<u>40,794,172</u>	<u>37,369,876</u>
<u>(6,649,005)</u>	<u>225,371</u>	<u>(4,356,169)</u>	<u>(1,629,410)</u>	<u>(21,881,121)</u>	<u>1,573,729</u>
11,777,973	-	-	-	11,777,973	-
-	-	-	766	3,115,987	-
-	10,806	-	-	12,913	-
-	-	-	-	-	118,108
-	-	-	7,105	24,793	82,663
<u>11,777,973</u>	<u>10,806</u>	<u>-</u>	<u>7,871</u>	<u>14,931,666</u>	<u>200,771</u>
5,128,968	236,177	(4,356,169)	(1,621,539)	(6,949,455)	1,774,500
-	-	-	-	2,540,947	44,521
187,000	-	5,384,301	1,286,592	16,034,818	2,362,169
(2,763,102)	(600,000)	-	-	(7,866,141)	(3,000,000)
<u>2,552,866</u>	<u>(363,823)</u>	<u>1,028,132</u>	<u>(334,947)</u>	<u>3,760,169</u>	<u>1,181,190</u>
<u>46,307,765</u>	<u>2,269,305</u>	<u>(3,709,922)</u>	<u>6,281,684</u>	<u>83,120,435</u>	<u>43,000,671</u>
<u>\$ 48,860,631</u>	<u>\$ 1,905,482</u>	<u>\$ (2,681,790)</u>	<u>\$ 5,946,737</u>	<u>\$ 86,880,604</u>	<u>\$ 44,181,861</u>

**CITY OF MOBILE, ALABAMA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2019**

	Business-type Activities - Enterprise Funds		
	Mobile Civic Center	Alabama Cruise Terminal	WAVE Transit System
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers and users	\$ 885,793	\$ 2,789,968	\$ 1,166,783
Cash received from sales revenue	-	-	-
Cash received from internal billings	-	-	-
Cash received from employee contributions	-	-	-
Cash received from facility and other rent	383,287	9,750	-
Cash received from parking fees	264,047	3,144,849	-
Cash received from concessions	296,017	-	-
Cash received from miscellaneous	323,695	12,509	-
Cash payments for operating expenses	(1,215,320)	(2,101,006)	(3,298,116)
Cash payments for insurance claims	-	-	-
Cash payments for internal services	(28,312)	(29,130)	-
Cash payments to employees for services	(2,205,089)	(578,061)	(7,383,325)
Net cash provided (used) by operating activities	<u>(1,295,882)</u>	<u>3,248,879</u>	<u>(9,514,658)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Taxes	-	-	-
Non-capital grants and contributions	-	-	3,115,221
Transfers in from other funds	1,405,409	-	7,308,427
Transfers out to other funds	-	(2,900,000)	(898,849)
Net cash provided (used) by noncapital financing activities	<u>1,405,409</u>	<u>(2,900,000)</u>	<u>9,524,799</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	-	(3,176,184)
Proceeds from sale of capital assets	-	-	18,256
Reimbursement for damaged vehicles	-	-	-
Capital grants and contributions	-	-	2,676,184
Transfers in from other funds	-	-	500,000
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>18,256</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	-	-	2,107
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>2,107</u>
Net increase (decrease) in cash and cash equivalents	109,527	348,879	30,504
Balances - beginning of year	513,353	1,454,681	103,864
Balances - end of the year	<u>\$ 622,880</u>	<u>\$ 1,803,560</u>	<u>\$ 134,368</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (1,751,486)	\$ 2,831,596	\$ (10,552,018)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	319,367	406,337	1,429,840
Non-cash items included in operating income	-	-	(305,476)
Changes in assets and liabilities:			
Accounts payable and accrued liabilities	8,593	8,645	(172,401)
Receivables, net	18,019	-	167,683
Self-insured legal liability	-	-	-
Insurance claims payable	-	-	-
Compensated absences	-	-	(34,924)
Inventories and prepaids	(14,588)	-	6,027
Salary and benefits payable	-	2,301	5,282
Pension contribution payable	-	-	(58,671)
Advance collections	124,213	-	-
Net cash provided (used) by operating activities	<u>\$ (1,295,882)</u>	<u>\$ 3,248,879</u>	<u>\$ (9,514,658)</u>

See Accompanying Notes to the Financial Statements

Business-type Activities - Enterprise Funds					Governmental
Mobile	Municipal	Emergency	Total Nonmajor	Total	Internal
Convention Center	Parking Garage	Medical Services	Enterprises Funds	Enterprise Funds	Service Funds
\$ 1,252,967	\$ -	\$ 2,939,359	\$ 1,988,699	\$ 11,023,569	\$ 1,350,267
-	-	-	143,184	143,184	-
-	-	-	-	-	30,408,400
-	-	-	-	-	7,087,790
611,129	340,115	-	301,266	1,645,547	-
133,798	-	-	-	3,542,694	-
1,528,370	-	-	226,637	2,051,024	-
99,618	-	-	(211,429)	224,393	-
(5,376,286)	(28,824)	(1,238,265)	(1,588,573)	(14,846,390)	(6,559,045)
-	-	-	-	-	(24,944,201)
(21,982)	-	(1,041,041)	(190,778)	(1,311,243)	-
(3,385,268)	-	(5,864,833)	(2,397,843)	(21,814,419)	(154,938)
<u>(5,157,654)</u>	<u>311,291</u>	<u>(5,204,780)</u>	<u>(1,728,837)</u>	<u>(19,341,641)</u>	<u>7,188,273</u>
11,652,368	-	-	-	11,652,368	-
-	-	-	766	3,115,987	-
187,000	-	5,384,301	1,286,593	15,571,730	2,362,169
(2,763,102)	(600,000)	-	-	(7,161,951)	(3,000,000)
<u>9,076,266</u>	<u>(600,000)</u>	<u>5,384,301</u>	<u>1,287,359</u>	<u>23,178,134</u>	<u>(637,831)</u>
-	-	(179,521)	(194,028)	(3,549,733)	(3,925,745)
-	-	-	23,548	41,804	766,140
-	-	-	-	-	130,164
-	-	-	-	2,676,184	-
-	-	-	-	500,000	-
<u>-</u>	<u>-</u>	<u>(179,521)</u>	<u>(170,480)</u>	<u>(331,745)</u>	<u>(3,029,441)</u>
-	10,806	-	-	12,913	-
-	10,806	-	-	12,913	-
3,918,612	(277,903)	-	(611,958)	3,517,661	3,521,001
8,334,725	853,506	-	1,878,435	13,138,564	11,328,679
<u>\$ 12,253,337</u>	<u>\$ 575,603</u>	<u>\$ -</u>	<u>\$ 1,266,477</u>	<u>\$ 16,656,225</u>	<u>\$ 14,849,680</u>
\$ (6,649,005)	\$ 225,371	\$ (4,356,169)	\$ (1,629,410)	\$ (21,881,121)	\$ 1,573,729
1,340,304	201,644	24,814	412,587	4,134,893	5,754,011
-	-	(1,034,408)	-	(1,339,884)	-
120,558	35,257	24,321	(153,884)	(128,911)	415,349
32,566	(48,940)	108,380	7,074	284,782	(97,148)
-	-	-	-	-	(328,228)
-	-	-	-	-	(127,524)
-	-	-	-	(34,924)	-
(12,739)	-	-	67,401	46,101	-
-	-	28,282	(1,095)	34,770	(1,916)
-	-	-	-	(58,671)	-
10,662	(102,041)	-	(431,510)	(398,676)	-
<u>\$ (5,157,654)</u>	<u>\$ 311,291</u>	<u>\$ (5,204,780)</u>	<u>\$ (1,728,837)</u>	<u>\$ (19,341,641)</u>	<u>\$ 7,188,273</u>



# COMPONENT UNITS



# COMPONENT UNITS

**Component Units 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. See Note 2 for further details.**

**Mobile Public Library  
The Public Park and Recreation Board  
(Ladd-Peebles Stadium)  
Solid Waste Disposal Authority**

Pictures on the prior page are from the Summer 2019 opening of the splash pad at Medal of Honor Park including community hand tiles



**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**Combining Component Units**  
**September 30, 2019**

	Mobile Public Library	Public Park and Recreation Board	Solid Waste Disposal Authority	Total
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 3,627,391	\$ 317,294	\$ -	\$ 3,944,685
Receivables, net	57,620	94,414	-	152,034
Inventories and prepaid expenses	-	31,114	-	31,114
Total current assets	<u>3,685,011</u>	<u>442,822</u>	<u>-</u>	<u>4,127,833</u>
Noncurrent assets:				
Investments	-	300,000	-	300,000
Land	-	-	248,225	248,225
Buildings	-	1,175,919	-	1,175,919
Vehicular equipment	209,099	-	-	209,099
Other equipment	3,918,862	726,489	-	4,645,351
Accumulated depreciation	(3,786,160)	(1,472,571)	-	(5,258,731)
Total noncurrent assets	<u>341,801</u>	<u>729,837</u>	<u>248,225</u>	<u>1,319,863</u>
Total assets	<u>4,026,812</u>	<u>1,172,659</u>	<u>248,225</u>	<u>5,447,696</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	591,024	12,926	-	603,950
Total deferred outflows of resources	<u>591,024</u>	<u>12,926</u>	<u>-</u>	<u>603,950</u>
Total assets and deferred outflows of resources	<u>4,617,836</u>	<u>1,185,585</u>	<u>248,225</u>	<u>6,051,646</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	333,995	16,236	162,917	513,148
Unearned revenue	-	178,959	-	178,959
Compensated absences, current portion	52,080	-	-	52,080
Total current liabilities	<u>386,075</u>	<u>195,195</u>	<u>162,917</u>	<u>744,187</u>
Noncurrent liabilities:				
Compensated absences, long-term portion	512,729	-	-	512,729
Net pension liability	3,519,356	13,228	-	3,532,584
Total noncurrent liabilities	<u>4,032,085</u>	<u>13,228</u>	<u>-</u>	<u>4,045,313</u>
Total liabilities	<u>4,418,160</u>	<u>208,423</u>	<u>162,917</u>	<u>4,789,500</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflows	1,418,232	27,295	-	1,445,527
Total deferred inflows of resources	<u>1,418,232</u>	<u>27,295</u>	<u>-</u>	<u>1,445,527</u>
Total liabilities and deferred inflows of resources	<u>5,836,392</u>	<u>235,718</u>	<u>162,917</u>	<u>6,235,027</u>
<b>NET POSITION</b>				
Net investment in capital assets	341,801	429,837	248,225	1,019,863
Unrestricted	(1,560,357)	520,030	(162,917)	(1,203,244)
Total net position	<u>\$ (1,218,556)</u>	<u>\$ 949,867</u>	<u>\$ 85,308</u>	<u>\$ (183,381)</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Statement of Activities**  
**Combining Component Units**  
**For the Year Ended September 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Mobile Public Library				
Culture and recreation	\$ 8,970,567	\$ 484,175	\$ 127,079	\$ 7,738
Total Mobile Public Library	8,970,567	484,175	127,079	7,738
Public Park and Recreation Board				
Culture and recreation	1,210,862	1,061,814	-	-
Total Public Park and Recreation Board	1,210,862	1,061,814	-	-
Solid Waste Disposal Authority				
Public works	2,192,291	-	2,185,683	-
Total Solid Waste Disposal Authority	2,192,291	-	2,185,683	-
Total component units:	<u>\$ 12,373,720</u>	<u>\$ 1,545,989</u>	<u>\$ 2,312,762</u>	<u>\$ 7,738</u>

General revenues:

- Grants and contributions not restricted to specific programs
- Investment earnings
- Other
- Payments from local governments
- 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				
Mobile Public Library	Public Park and Recreation Board	Solid Waste Disposal Authority	Total	
\$ (8,351,575)	\$ -	\$ -	\$ (8,351,575)	
(8,351,575)	-	-	(8,351,575)	
-	(149,048)	-	(149,048)	
-	(149,048)	-	(149,048)	
-	-	(6,608)	(6,608)	
-	-	(6,608)	(6,608)	
(8,351,575)	(149,048)	(6,608)	(8,507,231)	
346,012	-	-	346,012	
72,919	3,583	-	76,502	
78,914	-	-	78,914	
8,526,600	200,000	-	8,726,600	
9,024,445	203,583	-	9,228,028	
672,870	54,535	(6,608)	720,797	
(1,891,426)	895,332	91,916	(904,178)	
\$ (1,218,556)	\$ 949,867	\$ 85,308	\$ (183,381)	

# NOTES TO THE FINANCIAL STATEMENTS



# NOTES TO THE FINANCIAL STATEMENTS

Pictures on the prior page are from the January 2019 groundbreaking event for Airbus's expanded A220 assembly line



**NOTES TO THE FINANCIAL STATEMENTS****INDEX**

<b>Note 1</b>	<b>Summary of Significant Accounting Policies</b>	<b>38</b>
<b>Note 2</b>	<b>Organization and Reporting Entity</b>	<b>51</b>
<b>Note 3</b>	<b>Cash, Equity in Pooled Cash and Investments</b>	<b>54</b>
<b>Note 4</b>	<b>Receivables</b>	<b>56</b>
<b>Note 5</b>	<b>Interfund Transfers</b>	<b>57</b>
<b>Note 6</b>	<b>Interfund Receivables and Payables</b>	<b>58</b>
<b>Note 7</b>	<b>Capital Assets</b>	<b>59</b>
<b>Note 8</b>	<b>Long-Term Debt</b>	<b>65</b>
<b>Note 9</b>	<b>Debt Issuance, Refunding &amp; Defeasance</b>	<b>68</b>
<b>Note 10</b>	<b>Retirement Plans and Other Employee Benefits</b>	<b>69</b>
<b>Note 11</b>	<b>Restricted Net Position</b>	<b>93</b>
<b>Note 12</b>	<b>Service Concession Arrangement</b>	<b>93</b>
<b>Note 13</b>	<b>Commitments and Contingencies</b>	<b>94</b>
<b>Note 14</b>	<b>Risk Management</b>	<b>94</b>
<b>Note 15</b>	<b>Fund Deficits of Nonmajor Funds</b>	<b>95</b>
<b>Note 16</b>	<b>Municipal Solid Waste Landfills</b>	<b>96</b>
<b>Note 17</b>	<b>Tax Abatements</b>	<b>96</b>
<b>Note 18</b>	<b>Fund Balance – Governmental Funds</b>	<b>98</b>





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

The financial statements of the City of Mobile, Alabama (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to municipal governments as promulgated by the Government Accounting Standards Board (GASB) and other authoritative literature.

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 outflows and deferred inflows 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 financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the governmental fund financial statements to the government-wide financial 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.



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 Escrow – 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.
- 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.
- 2012 General Obligation Private Placement Capital Equipment – 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 to refund the 2002 Limited Obligation Warrants, 2008 General Obligation Warrants, and a portion of the 2008B General Obligation Warrants.
- 2018A General Obligation Refunding Warrants – This fund is used in coordination with 2018A General Obligation Refunding Warrants to refund the remaining 2009A General Obligation Warrants along with the 2009B General Obligation Build America Taxable 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.
- 2009A General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the General Obligation Refunding Warrants, Series 2009A.
- 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).
- 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.
- 2017C General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017C.
- 2017D General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017D.
- 2018A General Obligation Refunding Warrants – This fund is used to service the debt outstanding on the General Obligation Refunding Warrants, Series 2018A.
- 2019 GulfQuest Note Payable – This fund is used to service the debt outstanding on the GulfQuest note payable.



**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. None of the Special Revenue Funds are considered major governmental funds. Special Revenue Funds used by the City are as follows:

- Tax Increment Fund - 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 Maintenance - This fund accounts for gasoline tax revenues to be used to pay for street resurfacing.
- Five-cent Roadway Maintenance - This fund accounts for gasoline 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 Roadway Maintenance - This fund accounts for gasoline tax revenues to be used to pay the cost of electricity for streetlights 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.
- 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.
- Storm Water Fund – This fund is used to account for activities funded by dedicated revenues established by local ordinance which levied a storm water fee to be used for storm water management activities.
- 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.



**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 goods or services. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**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 System** - 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 pre-hospital/basic and advanced life support management of acute illness or injury through aggressive field stabilization and rapid transport to the appropriate medical facility; and offers support services to other divisions of the Mobile Fire-Rescue Department.
- **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 Copeland-Cox Tennis Center which derives most of its income from tennis court rentals.
- **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 Fund - 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 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. Actual results could differ from those estimates.

### Government-wide Financial Statements

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

### Fund Financial Statements

#### Governmental Funds

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

Property taxes are recognized as revenue when the enforceable legal claim has occurred.



Grant revenues (non-exchange transactions) are recognized when all eligibility requirements have been met and the resources are available. In regard 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 recognized when measurable, usually when cash is 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 liabilities, compensated absences and sinking funds 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. By law, expenditures may not exceed revenues and surplus available, if any.
- A public hearing is held to obtain final taxpayer input, and necessary revisions are made not later than September 20. If for any reason the City Council fails to adopt the general fund budget on or before such day, the general fund budget of the current fiscal year shall be the general fund budget for the ensuing year, until such time as a newly revised budget shall be adopted by the City Council and, until such time, it shall have full force and effect to the same extent as if the same had been adopted by the City Council.
- 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 Revenue Commissioner 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 revenues which are susceptible to accrual include sales and use taxes, interest income and state-shared revenues. Revenues which are not both available and measurable and are thus not susceptible to accrual include property taxes, franchise fees, 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 cost, which approximates fair value. The City's long-term investments are stated at fair value. For securities traded on a major exchange, market values are priced as of the statement date. The method and frequency of pricing assets not traded on major exchanges varies depending on the type of assets. Investments for which quotations are not readily available are valued at their fair value as provided by the investment custodians under the direction of City management.

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. Investment income includes the City's gains and losses on investments bought and sold as well as held during the year.

**Inventories** - All City inventories are maintained using the consumption method 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 from transactions between funds are classified as "due from other funds" and "due to other funds" (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." The flow of cash or goods from one fund to another without a requirement for repayment is reported as an interfund transfer. Interfund transfers are reported as other financing sources/uses in governmental funds. In proprietary funds, they are reported after "income before contributions and transfers." 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 for 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 have initial useful lives extending beyond a single reporting period. In accordance with GASB Statement No. 51, the City began capitalizing and reporting intangible assets in the fiscal year ended September 30, 2010. Those intangible assets consist of easements with indefinite useful lives and are not amortized. The easements were valued based on fair value associated with land. According to Statement 51, retroactive reporting of intangible assets considered to have indefinite useful lives as of the effective date of the statement, is not required but is permitted. The City has elected not to retroactively report such assets.

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

The range of estimated useful lives by type of asset is as follows:

<u>Types of Assets</u>	<u>Estimated Useful Life</u>
Buildings	25-60 years
Improvements	20 years
Infrastructure (Drainage, Streets, Bridges, Sidewalks and Docking)	50 years
Infrastructure (Utilities and Landscaping)	25 years
Machinery and equipment	5-10 years
Vehicular 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.

### **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 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.

The reporting categories and descriptions for fund balance in governmental funds within the guidance from GASB Statement No. 54 are as follows:

- Non-spendable Fund Balance - Inventory, prepaid items and other similar assets not in a spendable form that are contractually required to be maintained intact are classified as non-spendable fund balance.
- Restricted Fund Balance - Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - Amounts formally designated by City Council through equally binding ordinances or resolutions for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.
- Assigned Fund Balance - Amounts constrained by City Council or the Executive Director of Finance for a specific purpose normally through the appropriations process in establishing and amending budgets. Furthermore, funds in special revenue and capital projects funds 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 for the proprietary funds, management considers cash and all highly liquid investments with an original maturity of three months or less to be cash equivalents.



**Pensions & Other Postemployment Benefits** - Refer to Note 10 for additional information on Pensions and OPEB.

Employees' Retirement System of Alabama 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.

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.

Other Postemployment Benefits (OPEB) refers to the benefits, other than pensions, that the City provides as part of an employee's retirement benefits. The City recognizes OPEB using the accrual basis of accounting, recognizing total OPEB liability in the financial statements based on the actuarial present value of projected benefit payments. Changes in the OPEB liability during the year are recorded as OPEB expense, with deferred outflows of resources being recorded for employer contributions made subsequent to the measurement date.

### **Adoption of new GASB pronouncements**

#### 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 Ended September 30, 2019).

#### GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

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. This Statement also intends to improve accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018 (Fiscal Year Ended September 30, 2019).



**Future adoption of GASB pronouncements that have been issued but are not yet effective at 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. 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).

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

Issued June 2018, this statement is intended to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019 (Fiscal Year Ending September 30, 2021).

GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 & No. 61*

Issued August 2018, this statement is intended to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (Fiscal Year Ending September 30, 2020).

GASB Statement No. 91, *Conduit Debt Obligations*

Issued May 2019, this Statement is intended to improve consistency in accounting and financial reporting for conduit debt obligations by providing a single method of reporting conduit debt obligations by issuers. The Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of an issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020 (Fiscal Year Ending September 30, 2022).



GASB Statement No. 92, Omnibus

Issued February 2020, this Statement is intended to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Statement clarifies the requirements related to the effective date of GASB Statement 87, Leases, and Implementation Guide 2019-3, Leases. Further, the Statement addresses reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. The Statement also addresses the applicability of GASB Statements 73 and 74 to reporting assets accumulated for postemployment benefits.

Statement No. 92 also addresses the applicability of certain requirements of GASB Statement 84 to postemployment benefit arrangements. The Statement also addresses the measurement of liabilities (and assets) related to asset retirement obligations in a government acquisition. The Statement addresses reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. The Statement addresses references to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The Statement also addresses terminology used to refer to derivative instruments. The requirements related to the effective date of GASB Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements related to intra-entity transfers of assets, those related to the applicability of GASB Statements 73 and 74, application of GASB Statement 84 to OPEB arrangements, nonrecurring fair value measurements of assets or liabilities are effective for fiscal years beginning after June 15, 2020. The requirements related to measurement of liabilities (and assets) associated with asset retirement obligations in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Earlier application is encouraged and is permitted by topic.

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 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

As required by GAAP, 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) in the government-wide financial statements 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.



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. The Library operates like a governmental activity. 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. The Board operates like a business-type activity. 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 operates like a governmental activity. The Authority does not issue separate financial statements.

Related Organizations

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

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 City Council. 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 Mobile 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 Mobile 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.
- **Mobile Museum Board** – The City Council appoints members to the governing board. The Mobile Museum Board has separate administrative authority for the museum. The Mobile Museum Board establishes the rates for revenues derived from admissions and facility rentals, and, at its discretion, utilizes said funds to further the purposes of the Board.

### Joint Ventures

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

- **Mobile County Board of Health** - The Mayor and the City Council do not appoint the board members for the Mobile County Board of Health. The City is legally required to contribute financial support to the Mobile County Board of Health on an annual basis. The City contributed \$600,000 to the Mobile County Board of Health during the fiscal year ended September 30, 2019. The Mobile County 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 County Board of Health. In addition, the Mobile County Board of Health receives State and Federal financial assistance. The City has no equity interest in the Mobile County Board of Health. Complete financial statements for the Mobile County Board of Health may be obtained from their administrative office at 251 North Bayou Street, Mobile, Alabama 36601.
- **Mobile County Emergency Management Agency** - The board members for Mobile County Emergency Management Agency 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 County Emergency Management Agency on an annual basis. The City contributed \$648,037 to Mobile County Emergency Management Agency during the fiscal year ended September 30, 2019. Mobile County Emergency Management Agency 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 County Emergency Management Agency. Complete financial statements for Mobile County Emergency Management may be obtained from their administrative office at 348 North McGregor Avenue, Mobile, Alabama 36618.
- **Mobile County 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 Mobile County Personnel Board on an annual basis. The City contributed \$1,191,303 to the Mobile County Personnel Board during the fiscal year ended September 30, 2019. The Mobile County 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 County Personnel Board. Complete financial statements for the Mobile County Personnel Board may be obtained from their administrative office at P.O. Box 66794, Mobile, Alabama 36660-1794.





- Juvenile Court and James T. Strickland Youth Center** - An act was adopted by the Alabama Legislature in 1919 which directs the City to pay one-half of all expenses for the Juvenile Court and James T. Strickland Youth Center within thirty days after receiving the bill. During the fiscal year ended September 30, 2019, the City contributed \$3,133,943 to the Juvenile Court and Youth Center. It is funded by Mobile County, the City of Mobile, the Alabama 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 financial statements 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 cash deposits, as well as those of the Component Units, is a certified participant in the Security for Alabama Funds Enhancement (SAFE) program. Funds covered by the SAFE program are protected through a collateral pool administered by the Alabama State Treasury.

The City's primary government deposits and City's restricted cash were fully insured or collateralized at September 30, 2019. At year-end, the carrying amount of the City's cash and cash equivalent deposits was \$171,765,141 and the bank balance was \$173,282,387. Of the total bank balance, \$3,701,913 was covered by Federal Depository Insurance and \$169,580,474 was covered under the SAFE program. The City also held investments totaling \$20,387,532 (plus \$68,761 of accrued interest receivable) detailed further below.

**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, 2019, the City had the following investments held in a custodial trust account or repurchase agreement:

Investment Category	Investment Maturities (Fair Value)			Total Fair Value
	Less than 1 Year	1 to 2 Years	2 to 3 Years	
US Treasury	\$ 2,283,816	\$ 2,657,183	\$ 1,103,830	\$ 6,044,829
Federal Agency	3,058,225	1,741,635	2,063,745	6,863,605
Certificates of Deposit	-	456,639	2,019,407	2,476,046
Repurchase Agreement	5,071,813	-	-	5,071,813
<b>Total Fair Value*</b>	<b>\$ 10,413,854</b>	<b>\$ 4,855,457</b>	<b>\$ 5,186,982</b>	<b>\$ 20,456,293</b>

\*Includes accrued interest receivable totaling \$68,761



Fair Value of Financial Instruments

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB Statement No. 72), established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date.
- Level 2 Inputs other than quotes prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 Inputs to the valuation methodology are unobservable.

The following table sets forth by level, within the fair value hierarchy, the City’s assets at fair value as of September 30, 2019:

Investment Category	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
US Treasury	\$ -	\$ 6,044,829	\$ -	\$ 6,044,829
Federal Agency	-	6,863,605	-	6,863,605
Certificates of Deposit	-	2,476,046	-	2,476,046
Repurchase Agreement	-	5,071,813	-	5,071,813
Total Fair Value	\$ -	\$ 20,456,293	\$ -	\$ 20,456,293

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies since September 30, 2018.

- US Treasury, Federal Agency Securities, Repurchase Agreements and Certificates of Deposit are valued based on market transactions involving similar assets traded in active markets.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes these valuation methods are appropriate and consistent, the use of different methods or assumptions to determine the fair value of a certain financial instrument could result in a different fair value measurement at the reporting date.

Credit Risk and Concentration of Credit Risk

Based on the City's investment policy, the City invests public funds not required for immediate day-to-day operations in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforms to all state statutes and City Council resolutions governing the investment of public funds. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.



As of September 30, 2019, the City's investments in money market accounts are under the SAFE program. 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. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer due to the failure of a security lender or backer. Such risks are mitigated through the City's Investment Policy which states the following.

The City will minimize credit risk by:

- Limiting investments to the safest types of securities
- Pre-qualifying the financial institutions, broker/dealers; intermediaries, and advisers with which the City will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized

The City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations
- Investing operating funds primarily in shorter-term securities

To minimize the concentration of credit risk the investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities)
- Limiting investment in securities that have higher credit risks
- Investing in securities with varying maturities
- Continuously investing a portion of the portfolio in readily available funds such as interest-bearing demand deposits to ensure that appropriate liquidity is maintained to meet ongoing obligations.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is more restrictive.

**NOTE 4 - RECEIVABLES**

Receivables at September 30, 2019, consist of the following:

	Governmental Activities	Business-Type Activities	Total Primary Government
<b>Receivables</b>			
Taxes	\$ 21,022,059	\$ 971,360	\$ 21,993,419
Customers and other	4,104,548	4,874,823	8,979,371
Other governmental units	9,981,797	-	9,981,797
<b>Gross receivables</b>	<u>35,108,404</u>	<u>5,846,183</u>	<u>40,954,587</u>
Allowance for uncollectibles	<u>(3,055,660)</u>	<u>(2,555,234)</u>	<u>(5,610,894)</u>
<b>Net receivables</b>	<u>\$ 32,052,744</u>	<u>\$ 3,290,949</u>	<u>\$ 35,343,693</u>

Substantially all receivables are due in fiscal year 2020.



**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, 2019, are as detailed below:

	Transfers In	Transfers Out
<b>Major Governmental Funds</b>		
General Fund		
Capital Improvements Fund	\$ 1,244	\$ 228,351
Other Governmental Funds	1,041,532	1,058,742
Internal Service Funds	3,000,000	2,362,169
Mobile Convention Center	-	187,000
Mobile Civic Center	-	1,405,409
Cruise Terminal	2,900,000	-
WAVE Transit	1,603,039	7,271,516
Emergency Medical Services	-	5,384,301
Municipal Parking Garage	600,000	-
Other Enterprise Funds	-	1,286,592
Total General Fund	<u>9,145,815</u>	<u>19,184,080</u>
Capital Improvements Fund		
General Fund	228,351	1,244
Other Governmental Funds	4,442,400	21,194,881
WAVE Transit	-	500,000
Mobile Convention Center	1,378,870	-
Total Capital Improvements Fund	<u>6,049,621</u>	<u>21,696,125</u>
<b>Other Governmental Funds</b>		
General Fund	1,058,743	1,041,533
Capital Improvements Fund	21,194,881	4,442,400
Other Governmental Funds	2,100,012	2,100,012
Mobile Convention Center	1,384,232	-
Total Other Governmental Funds	<u>25,737,868</u>	<u>7,583,945</u>
<b>Internal Service Funds</b>		
General Fund	2,362,169	3,000,000
Total Internal Service Funds	<u>2,362,169</u>	<u>3,000,000</u>
<b>Major Enterprise Funds</b>		
Mobile Civic Center		
General Fund	1,405,409	-
Total Mobile Civic Center	<u>1,405,409</u>	<u>-</u>
Mobile Convention Center		
General Fund	187,000	-
Capital Improvements Fund	-	1,378,870
Other Governmental Funds	-	1,384,232
Total Mobile Convention Center	<u>187,000</u>	<u>2,763,102</u>
WAVE Transit		
General Fund	7,271,516	1,603,039
Capital Improvements Fund	500,000	-
Total WAVE Transit	<u>7,771,516</u>	<u>1,603,039</u>



	Transfers In	Transfers Out
<b>Major Enterprise Funds (continued)</b>		
Cruise Terminal		
General Fund	-	2,900,000
Total Cruise Terminal	-	2,900,000
Emergency Medical Services		
General Fund	5,384,301	-
Total Emergency Medical Services	5,384,301	-
Parking Garage		
General Fund	-	600,000
Total Parking Garage	-	600,000
<b>Other Enterprise Funds</b>		
General Fund	1,286,592	-
Total Other Enterprise Fund	1,286,592	-
<b>Total Transfers</b>	<u>\$59,330,291</u>	<u>\$59,330,291</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.

Interfund receivables and payables at September 30, 2019, are detailed in the following schedule.

	Due From Other Funds	Due To Other Funds
<b>Major Governmental Funds</b>		
General Fund		
WAVE Transit	\$ 1,668,039	\$ 428,515
Total General Fund	1,668,039	428,515
<b>Other Governmental Funds</b>		
Other Governmental Funds	63,891	63,891
Total Other Governmental Funds	63,891	63,891
<b>Major Enterprise Funds</b>		
WAVE Transit		
General Fund	428,515	1,668,039
Total WAVE Transit	428,515	1,668,039
<b>Total Interfund Balances</b>	<u>\$ 2,160,445</u>	<u>\$ 2,160,445</u>

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, 2019:

	Balance, Beginning	Additions	Deductions	Balance, Ending
Capital assets, not depreciated				
Land	\$ 27,375,079	\$ -	\$ -	\$ 27,375,079
Construction in progress	53,399,403	22,122,522	(10,748,130)	64,773,795
Intangible assets	4,767,690	74,384		4,842,074
Subtotal	<u>85,542,172</u>	<u>22,196,906</u>	<u>(10,748,130)</u>	<u>96,990,948</u>
Capital assets, depreciated				
Buildings	143,858,672	-	-	143,858,672
Improvements other than buildings	131,267,895	766,659	-	132,034,554
Vehicular equipment	75,298,408	8,240,842	(4,169,612)	79,369,638
Other equipment	46,165,747	2,491,595	(454,876)	48,202,466
Infrastructure	557,628,255	9,753,983	-	567,382,238
Subtotal	<u>954,218,977</u>	<u>21,253,079</u>	<u>(4,624,488)</u>	<u>970,847,568</u>
Accumulated Depreciation				
Buildings	39,415,999	3,016,938	-	42,432,937
Improvements other than buildings	69,509,106	5,333,504	-	74,842,610
Vehicular equipment	40,671,378	5,400,042	(3,508,279)	42,563,141
Other equipment	36,675,293	1,676,107	(405,615)	37,945,785
Infrastructure	165,928,083	11,631,769	-	177,559,852
Subtotal	<u>352,199,859</u>	<u>27,058,360</u>	<u>(3,913,894)</u>	<u>375,344,325</u>
Depreciable capital assets, net	<u>602,019,118</u>	<u>(5,805,281)</u>	<u>(710,594)</u>	<u>595,503,243</u>
Total capital assets, net	<u>\$ 687,561,290</u>	<u>\$ 16,391,625</u>	<u>\$ (11,458,724)</u>	<u>\$ 692,494,191</u>

Please see the following pages for a schedule of construction in progress.



Construction in progress consists of the following:

Asset	Project	Balance, 09/30/2018	Additions	Deductions	Balance, 09/30/2019
79240	CDBG 2011 ANN STREET DRAINAGE	\$ 481,978	\$ 47,221	\$ 529,199	\$ -
79248	PARKS - HERNDON PARK IMPRV	2,453,881	61,386	-	2,515,267
79254	INFRA - ADA MODIFICATIONS	1,502,319	-	1,502,319	-
79255	CITY SHARE - ZEIGLER BLVD	1,204,491	80,496	-	1,284,987
79256	RESURF 4CT GAS TAX PROJECT	12,099,769	-	-	12,099,769
79259	MPO MCGREGOR AVE - WIDENING	412,768	57,407	-	470,175
79265	ANN ST. (TENN TO MCDONALD)	452,727	-	452,727	-
79286	PARKS - MARDI GRAS PARK	3,108,827	-	-	3,108,827
79287	PARKS - LYONS PARK IMPROVEMENT	59,533	34,597	-	94,130
79296	POLICE-200 GOVERNMENT ST PURCH & RENOV	590,468	199,579	-	790,047
79298	WATER ST - COMPLETE STREETS - DESIGN	245,000	-	245,000	-
79456	CITYWIDE STORM DRAINS	263,551	-	-	263,551
79458	MPO - DAUPHIN ST - SAGE	7,183	-	-	7,183
79470	PKS-MIMS-RENOVATIONS & REPAIRS	53,397	53,926	-	107,323
79472	LADD STADIUM RENOVATIONS & REPAIRS	524,259	32,523	-	556,782
79474	ARCHITECTURAL ENGINEERING PROJECTS	98,581	27,805	-	126,386
79475	PKS-FIGURES PARK IMPRV	223,708	2,500	-	226,208
79477	FT CONDE VISITORS CENTER	200,216	4,963	205,179	-
79478	CDBG 2014 - AFRICAN AMERICAN ARCHIVES	57,023	236	-	57,259
79491	FHWA GRANT - BRING BACK BROAD STREET	-	24,871	24,871	-
79500	PARKS-SULLIVAN PARK IMPRV	105,948	73,745	-	179,693
79503	PARKS-HILLSDALE COM CTR-DISTRICT 7	86,443	146,348	-	232,791
79505	STORMWATER-MISC BRIDGE IMPRV	21,894	1	-	21,895
79506	TRAFFIC CALMING DEVICES PROG	41,380	2,584	-	43,964
79507	TIF WATER ST STREET LIGHTS & SIDEWALKS	675,052	-	-	675,052
79509	2017 CITYWIDE ADA ASSESSMENTS	99,984	-	-	99,984
79510	SAENGER- RENOVATIONS & REPAIRS	120,767	27,461	-	148,228
79512	PARKS-MEDAL OF HONOR PARK PROJ	92,003	300,757	-	392,760
79513	CS-ZEIGLER-CODY TO SCHILLINGER	167,000	-	-	167,000
79514	PARKS-LAKE DR TRICENTENNIAL PARK IMPR	55,598	53,636	-	109,234
79516	PARKS-RICKARBY PARK IMPRV	124,100	170,570	-	294,670
79519	PARKS-TRINITY GARDEN PK IMP-DIST 1	240,115	39,510	-	279,625
79526	HISTORIC DEV-AFRICAN AMERICAN HTG	31,250	-	31,250	-
79528	SPRINGHILL FIRE STATION (MCGREGOR)	-	116,699	-	116,699
79530	GUS REHM/CRICHTON FIRE STATION	2,941,664	60,803	-	3,002,467
79532	POLICE HEADQUARTERS UPGRADES	80,345	1,206	-	81,551
79533	PARKS-AARON PARK IMPRV	131,350	362,101	-	493,451
79535	PARKS-MCNALLY PARK IMPRV	96,199	-	-	96,199
79536	PARKS-FRY PARK IMPRV	97,783	-	-	97,783
79539	PARKS-DENTON PARK IMPRV	124,603	10,176	134,779	-
79540	PKS-NEW PARK-THEODORE AREA	273,952	-	-	273,952
79542	PARKS-UNITY POINT IMPRV	29,058	-	-	29,058
79546	TRINITY GARDENS-DITCH ENCLOSURES	1,582,276	7,913	-	1,590,189
79548	HILLCREST ROAD ST IMPRV	61,108	2,912	64,020	-
79550	WOODCOCK DRAINAGE AIRPORT TO US90	20,500	-	20,500	-
79552	PARKS-HELEN WOODS PARK IMPROV	15,871	203,086	-	218,957
79553	PARKS-TAYLOR PARK IMPRV	49,522	750	-	50,272
79556	PARK - STOTTS RENOVATION & REPAIRS	3,673	13,971	-	17,644
79558	WEST REGIONAL LIBRARY IMPROVEMENT	77,929	176,399	-	254,328
79563	MILL STREET PARK IMPRV	101,402	-	-	101,402
79567	BROAD ST IMPRV-TIGER	413,423	16,189	-	429,612
79568	ED-WESTWOOD PLAZA	157,406	-	-	157,406
79571	DRAINAGE-FLORIDA ST AT DOHM ST	57,431	2,326,087	-	2,383,518
79573	DRAINAGE-SPRINGHILL/MOBILE INFIRMARY	11,133	-	11,133	-
79576	PARKS-CRAWFORD PARK IMPRV	76,186	174,668	-	250,854
79577	PARKS-HARMON RECREATION CENTER	490,618	3,926	-	494,544



Asset	Project	Balance, 09/30/2018	Additions	Deductions	Balance, 09/30/2019
79578	PARKS-SPRINGHILL RECREATION CENTER	62,588	48,561	-	111,149
79586	DRAINAGE-KING ST IMPRV	6,840	-	6,840	-
79587	LIGHTING GREYSTONE FACILITY	73,264	-	-	73,264
79588	DRAINAGE-GREENWICH AT DOGWOOD	21,355	235,083	-	256,438
79589	DRAINAGE-ESLAVA CREEK IMPRV	94,505	261,808	-	356,313
79591	GOVERNMENT ST REBUILD	6,755	-	-	6,755
79593	MCGREGOR SIDEWALKS-OLD SHELL TO DAU	802,933	519,985	-	1,322,918
79594	TURNING RAIDUS-AIRPORT BLVD	6,625	18,375	-	25,000
79595	SIGNAL IMPRV AIRPORT & SAGE	581,988	37,806	-	619,794
79597	CROSSWALK-SEMINOLE & AIRPORT	6,756	28,249	-	35,005
79598	COTTAGE HILL & HILLCREST ACCESS MGT IMP	183,252	5,250	188,502	-
79602	CENTER ST OUTFALL-12 MILE CREEK	13,322	3,084	16,406	-
79605	AIRWAY PK DR & SCHILLINGER	149,824	50,878	200,702	-
79606	DRAINAGE-GRAHAM RD SOUTH	23,459	-	23,459	-
79607	PARK-LANGAN PK-COPELAND-COX TENNIS	124,738	379,941	-	504,679
79608	12 MI CREEK BANK STABILIZATION PROJ	70,452	-	70,452	-
79609	IRENE & LONGS GARDEN OUTFALL	114	-	114	-
79610	RETENTION POND SUMMER PL SUBDIVISION	3,150	-	3,150	-
79615	PARK-COPELAND COX TENNIS CENTER	219,213	22,729	-	241,942
79616	EXPLOREUM RENOVATION & REPAIRS	96,105	-	-	96,105
79620	DAUPHIN ISLAND PARKWAY	9,367	-	-	9,367
79621	CRUISE TERMINAL-EQUIPMENT & MISC	1,296,924	730,473	-	2,027,397
79629	3 MILE CREEK JAPANESE GARDENS	178,446	974	179,420	-
79633	ZEIGLER AT 3 MILE CREEK CULVERT	5,950	525	6,475	-
79635	2409 WOODLAND ROAD DRAINAGE	5,900	-	5,900	-
79636	350 GULFWOOD DR DRAINAGE	25,400	2,480	27,880	-
79637	WATER ST STRIPING/SIGNALS	340,564	196,221	-	536,785
79638	ANN ST (ARLINGTON - DOUGLAS) DRAIN	3,405,611	57,032	3,462,643	-
79644	PARKS-DOG RIVER PARK IMPROVEMENT	107,427	490,332	-	597,759
79646	HUDSON MOBILE REG SENIOR CENTER	81,296	5,544	86,840	-
79647	MUSEUM OF ARTS IMPROV	116,968	116,155	-	233,123
79648	MOORER/SPRINGHILL LIBRARY	6,000	8,460	-	14,460
79649	MOBILE GREENWAY INITIATIVE	549,758	580,320	-	1,130,078
79650	2017 TRAFFIC SIGNAL INTX IMPROV	30,642	-	-	30,642
79652	UNIVERSITY BLVD-USA PED SIGNAL IMP	19,595	-	-	19,595
79654	DAUPHIN ISLAND PARK SIDEWALKS	6,680	4,690	-	11,370
79655	TRAFFIC ENG-BIKE SAFETY	-	14,778	-	14,778
79662	2017 CITYWIDE GUARDRAILS	13,618	2,382	16,000	-
79669	CW DRAINAGE REPR CONTRACTS	1,176,307	10,368	1,186,675	-
79715	DISTRICT 1 INROAD DETECTION LOOP RP	-	19,697	-	19,697
79716	DISTRICT 2 INROAD DETECTION LOOP RP	-	38,199	-	38,199
79717	DISTRICT 3 INROAD DETECTION LOOP RP	-	11,805	-	11,805
79718	DISTRICT 4 INROAD DETECTION LOOP RP	-	27,236	-	27,236
79719	DISTRICT 5 INROAD DETECTION LOOP RP	-	18,142	-	18,142
79720	DISTRICT 6 INROAD DETECTION LOOP RP	-	7,267	-	7,267
79721	DISTRICT 7 INROAD DETECTION LOOP RP	-	1,450	-	1,450
79722	DISTRICT 1 PARK REPAIR PROJECTS	14,200	-	-	14,200
79724	DISTRICT 3 PARK REPAIR PROJECTS	20,490	-	-	20,490
79725	DISTRICT 4 PARK REPAIR PROJECTS	7,400	-	-	7,400
79726	DISTRICT 5 PARK REPAIR PROJECTS	12,343	-	-	12,343
79728	DISTRICT 7 PARK REPAIR PROJECTS	37,036	919	-	37,955
79745	DISTRICT 1 SIDEWALK REPAIRS & MAINT	283,806	10,700	-	294,506
79746	DISTRICT 2 SIDEWALK REPAIRS & MAINT	920,257	131,992	-	1,052,249
79747	DISTRICT 3 SIDEWALK REPAIRS & MAINT	269,589	22,659	-	292,248
79748	DISTRICT 4 SIDEWALK REPAIRS & MAINT	327,200	78,284	-	405,484
79749	DISTRICT 5 SIDEWALK REPAIRS & MAINT	227,092	126,564	-	353,656





Asset	Project	Balance, 09/30/2018	Additions	Deductions	Balance, 09/30/2019
79750	DISTRICT 6 SIDEWALK REPAIRS & MAINT	493,112	219,602	-	712,714
79751	DISTRICT 7 SIDEWALK REPAIRS & MAINT	399,581	11,358	-	410,939
79752	DISTRICT 1 STREET LIGHT IMPROVEMENT	54,389	-	-	54,389
79754	DISTRICT 3 STREET LIGHT IMPROVEMENT	16,270	28,102	-	44,372
79758	DISTRICT 7 STREET LIGHT IMPROVEMENT	30,427	12,800	-	43,227
79759	CITYWIDE STREET LIGHT IMPRV	22,335	25,800	-	48,135
79976	LAFAYETTE HEIGHTS PARK IMPRV	2,888	412	-	3,300
79978	PROPERTY- ZEIGLER RD	358,723	4,193	-	362,916
79979	PARKS-WOODCOCK TSAC FACILITY IMPROV	53,712	349	-	54,061
79980	PARKS - WESTSIDE IMPRV	5,700	-	-	5,700
79981	LAVRETTA PARK IMPRV	12,101	-	-	12,101
79982	TRIMMIER PARK IMPRV	23,012	95,294	-	118,306
79983	MAIN LIBRARY IMPRV	3,290	-	3,290	-
79985	2016 SIDEWALK REVITILIZATION	11,651	34,708	-	46,359
79986	HOPE COMMUNITY CENTER IMPRV	10,633	90,100	-	100,733
79987	MATTHEWS PARK IMPRV	60,462	-	-	60,462
79988	WALSH PARK IMPROVEMENETS	97,505	-	-	97,505
79989	COTTAGE HILL AT MILK HOUSE	-	15,400	-	15,400
79990	TRINITY GARDENS DRAINAGE IMPRV	30,000	91,252	-	121,252
79991	ARC ROAD IMPRV	7,560	58,462	-	66,022
79992	DARWOOD & HARBOR DR DRAINAGE	29,700	237,011	-	266,711
79993	BOLTONS BRANCH-DAVIDSON TO MONTLIMAR	72,890	8,110	-	81,000
79995	WOODCOCK CREEK WEST BRANCH	70,000	15,587	-	85,587
79996	EAST DRIVE AT 12 MILE CREEK	97,357	121,434	-	218,791
79997	GLENWOOD ST REHABILITATION	46,580	8,196	-	54,776
79998	ST. LOUIS ST STREETSCAPES	56,135	220,795	-	276,930
79999	TEXAS ST REBUILD, ANN TO BROAD	78,813	92,108	-	170,921
80000	2018 SIDEWALKS	17,640	12,660	-	30,300
80002	2018 DRAINAGE MISC GROUP A	40,485	715,526	-	756,011
80003	2018 CITYWIDE DRAINAGE PROJECT	39,050	700,344	-	739,394
80004	2018 CITYWAIDE RESURFACING	669,714	2,926,865	-	3,596,579
80026	TAP SIDEWALK PROJECT- DIP	109,944	-	-	109,944
80027	TAP SIDEWALK - BIT & SPUR	1,864	241,711	-	243,575
80028	2016 CRUISE TERMINAL REPAIRS	2,296,181	161,094	-	2,457,275
80033	TAYLOR PARK WALKING TRAIL	142,278	12,755	155,033	-
80034	TIGER - COMPLETE STREETS IMPRV	312,277	24,205	-	336,482
80036	DRAINAGE - GRAND BLVD	772,321	30,476	802,797	-
80039	CDBG 2015 - BALTIMORE ST REHAB	203,215	3,876	-	207,091
80351	2018 BRIDGES & CULVERTS	472,046	-	-	472,046
80352	PK-JAMES SEALS PARK NEW PAVILION	1,239	75,087	-	76,326
80353	PARKS-MEDAL OF HONOR SOCCER LIGHTING	20,455	279,276	-	299,731
80354	PARKS-MEDAL OF HONOR SPLASH PAD	14,187	927,588	-	941,775
80355	SPRINGHILL/MOORER BR LIBRARY IMPRV	29,290	141,500	-	170,790
80356	AIRPORT BLVD-MEDIAN MODIFICATIONS	9,860	7,590	-	17,450
80357	DEARBORN YMCA POOL IMPRV	30,230	49,770	80,000	-
80358	2018 CITYWIDE GUARD RAILS	101,272	-	-	101,272
80360	CIP SOFTWARE SYSTEM IMPL & TRAINING	157,240	-	-	157,240
80361	HACKMEYER PK MASTER PLAN & IMPV	13,766	24,859	-	38,625
80363	CHURCH ST CEMETERY WALL REPAIRS	188,172	9,867	-	198,039
80364	MPL ADMIN BUILDING EXTERIOR REPAIRS	272	179,826	-	180,098
80365	COOPER RIVERSIDE PARK FLOATING DOCK	130,883	5,895	-	136,778
80366	ARCHED WALL REPAIRS TELECOM BLDG	3,560	53,773	-	57,333
80368	2018 MISC MINOR SIGNAL IMPRV	4,462	4,962	-	9,424
80373	CDBG16-SIDEWALKS & CROSSWALKS	266,921	-	-	266,921
80392	CUSTOM POLICE PATROL BOAT	-	228,071	-	228,071
80445	CRUISE TERMINAL-CCTV SYSTEM	368,004	100,610	468,614	-
80446	D1 TAP 17 OLD SHELL UNION-DURANT	-	22,430	-	22,430
80447	WATER STREET STRIPING & RESRF PH2	-	1,150,472	-	1,150,472
80448	MLK BASKETBALL COURT PROJECT	-	81,884	-	81,884



Asset	Project	Balance, 09/30/2018	Additions	Deductions	Balance, 09/30/2019
80449	KIDD PARK IMPRV	-	34,530	-	34,530
80450	ALDOT DAUPHIN ST WIDENING	-	293,237	-	293,237
80451	2018 PAYGO GROUP A	-	471,530	-	471,530
80452	2018 PAYGO GROUP B	-	229,941	-	229,941
80453	2018 PAYGO N MCGREGOR TO OLD SHELL	-	35,103	-	35,103
80454	PARKS-MEMORIAL PARK MASTER PL & IMP	-	17,226	-	17,226
80455	LANGAN PARK RESTROOM RENOV	-	15,445	-	15,445
80456	PARK-HOWARD JOHNSON	-	2,875	-	2,875
80457	2019 DRAINAGE GROUP D	-	56,740	-	56,740
80458	2019 DRAINAGE GROUP E	-	53,723	-	53,723
80459	2019 DRAINAGE GROUP A	-	9,000	-	9,000
80460	AIRPORT BLVD-WILLIAMS TO HOUSTON	-	47,078	-	47,078
80461	2019 OSR TAP PARKWAY-UNIVERSITY	-	24,303	-	24,303
80462	BALTIMORE ST REHAB-ANN TO BROAD	-	55,000	-	55,000
80463	PAYGO HILLCREST RD RESURF	-	716,780	-	716,780
80464	CULVERT REPLA/MCNALLY SPOIL REMOVAL	-	251,388	251,388	-
80465	HILLCREST/COTTAGE HILL SIGNAL UPGRA	-	15,489	-	15,489
80466	2019 TENNIS CENTER LED LIGHTING	-	5,713	-	5,713
80467	AZALEA CITY GOLF IRRIGATION SYSTEM	-	1,402	-	1,402
80469	LANGAN PARK-RESTROOM RENOVATIONS	-	16,323	-	16,323
80470	MEDAL OF HONOR-GYMNASTICS CENTER IM	-	31,975	-	31,975
80471	CHILLER REPLACEMENT-850 ST ANTHONY MPD	-	18,196	-	18,196
80472	ANIMAL SHELTER KENNEL ROOF ENCLOS.	-	18,180	-	18,180
80473	BAUMHAUER-RANDLE PK-SITE AMENITY	-	12,144	-	12,144
80475	DEARBORN YMCA CHILLER REPLACEMENT	-	284,573	284,573	-
80477	AZALEA CITY GOLF COURSE LANDSCAPING	-	8,283	-	8,283
80478	TIF AWARD LIGHT/POLES PURCHASES	-	191,829	-	191,829
80480	NEW PUBLIC SAFETY FACILITY	-	24,200	-	24,200
80549	2018 UPGRADE DOWNTOWN PARKING EQUIP	-	266,578	-	266,578
80550	GULF COAST EXPLOREUM -RE-ROOFING	-	7,160	-	7,160
80551	2019 CITYWIDE SIDEWALK REPAIRS	-	96,128	-	96,128
		<u>\$ 53,399,403</u>	<u>\$ 22,122,522</u>	<u>\$ 10,748,130</u>	<u>\$ 64,773,795</u>

Depreciation expense was charged to governmental activities as follows:

Governmental Function	Depreciation Expense
General government	\$ 17,351,226
Economic development	12,892
Public safety	4,061,990
Public works	2,509,349
Engineering, development & Build Mobile	308,947
Culture & recreation	2,788,026
Finance	25,930
Total depreciation expense	<u>\$ 27,058,360</u>



Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2019:

	Balance, Beginning	Additions	Deductions	Balance, Ending
Capital assets, not depreciated				
Land	\$ 10,932,788	\$ 54,485	\$ -	\$ 10,987,273
Construction in progress	213,937	-	(213,937)	-
Subtotal	<u>11,146,725</u>	<u>54,485</u>	<u>(213,937)</u>	<u>10,987,273</u>
Capital assets, depreciated				
Buildings	126,877,149	-	(937,592)	125,939,557
Improvements other than buildings	18,102,579	213,937	-	18,316,516
Vehicular equipment	13,200,869	407,641	(28,274)	13,580,236
Other equipment	7,550,850	194,028	(1,819,566)	5,925,312
Subtotal	<u>165,731,447</u>	<u>815,606</u>	<u>(2,785,432)</u>	<u>163,761,621</u>
Accumulated Depreciation				
Buildings	63,645,248	2,330,072	(1,231,843)	64,743,477
Improvements other than buildings	12,313,121	525,752	(6,000)	12,832,873
Vehicular equipment	10,907,399	826,642	(2,252,035)	9,482,006
Other equipment	6,191,408	452,427	(2,172,123)	4,471,712
Subtotal	<u>93,057,176</u>	<u>4,134,893</u>	<u>(5,662,001)</u>	<u>91,530,068</u>
Depreciable capital assets, net	<u>72,674,271</u>	<u>(3,319,287)</u>	<u>2,876,569</u>	<u>72,231,553</u>
Total capital assets, net	<u>\$ 83,820,996</u>	<u>\$ (3,264,802)</u>	<u>\$ 2,662,632</u>	<u>\$ 83,218,826</u>

Approximately \$4.5 million (cost of \$12.0 million and accumulated depreciation of \$7.5 million) of the Municipal Parking Garage property is leased to others as of September 30, 2019. (See Note 12)

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

Fund	Depreciation Expense
Civic center	\$ 319,367
Convention center	1,340,304
Cruise terminal	406,337
WAVE transit	1,429,840
Parking garage	201,644
Emergency medical services	24,814
Golf course	219,722
Tennis center	3,706
Saenger theater	189,159
Total depreciation expense	<u>\$ 4,134,893</u>

Construction in progress consists of the following:

Asset	Project	Balance, 09/30/2018	Additions	Deductions	Balance, 09/30/2019
79557	CONVENTION CTR-FIRE SPRINKLER	\$ 213,937	\$ -	\$ 213,937	\$ -
TOTAL		<u>\$ 213,937</u>	<u>\$ -</u>	<u>\$ 213,937</u>	<u>\$ -</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, 2019:

Bond/Warrant	Principal Balance
\$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	5,105,000
\$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	37,228,000
\$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	17,020,000
\$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	58,515,000
\$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	3,045,000
\$8,935,000; 2017C General Obligation Warrants, Tax-Exempt; due annually with interest payable semi-annually at 5.00% per annum, maturing February 15, 2020	4,580,000
\$48,770,000; 2017D General Obligation Warrants, Taxable; due annually with interest payable semi-annually at rates ranging from 2.40% to 3.12% per annum, maturing February 15, 2028	48,770,000
\$24,350,000; 2018A General Obligation Warrants; due annually with interest payable semi-annually at 5.00% per annum, maturing February 15, 2028	24,350,000
<b>Total bonds/warrants payable</b>	<u><u>\$ 205,043,000</u></u>

Note Payable	Principal Balance
\$1,275,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$40,000 to \$115,000 through August 2022, semi-annual interest payments ranging from 0.57% to 2.45%	\$ 320,000
\$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%	1,065,000
\$2,000,000; note payable to Hancock Whitney Bank, annual principal payments of \$400,000 through December 2022, no related interest payments	1,600,000
<b>Total notes payable</b>	<u><u>\$ 2,985,000</u></u>



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:

<b>Bonds/Warrants Payable</b>			
Fiscal Year Ending September 30	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 15,039,000	\$ 7,497,275	\$ 22,536,275
2021	16,195,000	6,868,390	23,063,390
2022	16,987,000	6,295,468	23,282,468
2023	18,314,000	5,774,489	24,088,489
2024	18,267,000	5,204,545	23,471,545
2025-2029	98,736,000	15,347,456	114,083,456
2030	21,505,000	534,209	22,039,209
Subtotals	205,043,000	47,521,832	252,564,832
Plus: Bond premium	9,627,663	(9,627,663)	-
Totals	<u>\$ 214,670,663</u>	<u>\$ 37,894,169</u>	<u>\$ 252,564,832</u>

<b>Notes Payable</b>			
Fiscal Year Ending September 30	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 660,000	\$ 35,175	\$ 695,175
2021	665,000	29,115	694,115
2022	685,000	22,536	707,536
2023	585,000	15,389	600,389
2024	190,000	10,545	200,545
2025	200,000	5,476	205,476
Totals	<u>\$ 2,985,000</u>	<u>\$ 118,236</u>	<u>\$ 3,103,236</u>

Please see the following page for a schedule of the changes in long-term liabilities reported in the Statement of Net Position.



The following is a summary of the changes in long-term liabilities reported in the Statement of Net Position for the year ended September 30, 2019:

	Balance, October 1, 2018	Additions	Deductions	Balance, September 30, 2019	Due Within One Year
<b><u>Governmental Activities</u></b>					
General & limited obligation bonds/ warrants	\$221,246,000	\$24,350,000	\$ 40,553,000	\$205,043,000	\$15,039,000
Plus: Bond premium	8,096,047	3,223,002	1,691,386	9,627,663	-
Total general & limited obligation bonds/ warrants	229,342,047	27,573,002	42,244,386	214,670,663	15,039,000
Notes payable	1,635,000	2,000,000	650,000	2,985,000	660,000
Compensated absences	14,085,023	337,112	1,785,213	12,636,922	1,785,212
Self-insured legal liability	638,228	363,560	691,788	310,000	-
Insurance claims	23,443,795	27,367,489	25,933,044	24,878,240	4,897,952
Landfill postclosure liability	569,932	-	53,942	515,990	56,101
OPEB liability	192,024,334	12,670,945	63,752,397	140,942,882	-
Net pension liability	134,833,542	27,456,263	33,603,047	128,686,758	-
Total governmental activities	596,571,901	97,918,371	168,863,817	525,626,455	22,438,265
<b><u>Business-type Activities</u></b>					
Compensated absences	536,727	703,279	738,203	501,803	111,071
Net pension liability	10,685,330	48,463	2,074,688	8,659,105	-
Total business-type activities	11,222,057	751,742	2,812,891	9,160,908	111,071
Total primary government	\$607,793,958	\$98,670,113	\$171,676,709	\$534,787,362	\$22,549,336

Repayment of principal and interest maturities is made from sales and use 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, 2019, the permissible debt limit exceeded actual debt by approximately \$427.3 million.



**NOTE 9 – DEBT ISSUANCE, REFUNDING & DEFEASANCE****2018A General Obligation Refunding Warrants**

Series 2018A General Obligation Refunding Warrants (the “Series 2018A Warrants”) were issued for \$24,350,000 on December 20, 2018 with interest of 5.00 percent per annum maturing on February 15, 2030. The Series 2018A Warrants were issued at a premium of \$3,223,002 less costs of issuance and underwriter’s discount totaling \$235,607. Net proceeds were \$27,337,627. The 2018A Warrants resulted in a deposit to the trust escrow fund totaling \$27,337,395.

The Series 2018A Warrants were issued to refund the outstanding portion of the General Obligation Refunding Warrants, Series 2009A, which are outstanding in the aggregate principal amount of \$9,925,000. The 2018A Warrants were also issued to refund the General Obligation Build America Taxable Warrants, Series 2009B, which are outstanding in the aggregate principal amount of \$16,765,000.

To effect the refunding of the Refunded 2009A and 2009B Warrants, the City and Regions Bank, Birmingham, Alabama, entered into an escrow trust agreement simultaneously with the issuance of the Series 2018A Warrants. The City established an irrevocable trust fund for the benefit of the holders of the Refunded 2009A and 2009B Warrants and deposited therein a portion of the proceeds of the Series 2018A Warrants. The amount deposited in the Series 2009A and 2009B Escrow Fund were 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 and 2009B Escrow Fund, will be sufficient to pay the redemption price (principal, premium, and accrued interest) of the Refunded 2009A and 2009B Warrants, which will be called for redemption on February 15, 2019. After the Series 2009A and 2009B Escrow Fund is established, the Refunded 2009A and 2009B Warrants will be considered defeased.

The net effect of the issuance of the Series 2018A Warrants was a decrease in total debt service of \$2,158,959 in gross savings, or \$1,724,497 in present value savings.

**GulfQuest Note Payable**

On July 30, 2019, the City entered into a loan purchase agreement with Hancock Whitney Bank to purchase the bank’s interest in a commercial note originally dated November 10, 2014. This 2014 commercial note was executed by the National Maritime Museum of the Gulf of Mexico, an Alabama non-profit corporation, payable to Hancock Whitney Bank in the original principal amount of \$5,000,000. This non-profit corporation was formed for the purpose of operating the GulfQuest Maritime Museum, a public/private partnership to establish the facility as a part of the Michael C. Dow Mobile Landing.

The City constructed and owns the facility and previously leased it to the non-profit through an operating agreement dated April 16, 2013. The non-profit designed, fabricated and installed in the facility certain exhibits for the museum and operated the facility as an educational attraction for the benefit of the citizens of the City and the general public.

Under the July 30, 2019 loan purchase agreement, the City purchased the bank’s interest in the commercial note along with other loan assets including a security interest in the non-profit’s deposit accounts, cash, certain equipment, and certain museum exhibits. In return for the purchase of the commercial note and other loan assets, the City agreed to pay the bank a total of \$2,000,000 in payments per the payment schedule included in the loan purchase agreement. Additional purchase amounts of \$500,000 principal and specified interest payments on the reduced principal balance were due and payable by the non-profit.



Simultaneously with the execution of the loan purchase agreement, the City entered into a second operating agreement under which the City is responsible for carrying out the general administration of the GulfQuest National Maritime Museum as an educational attraction. Under this same agreement, the non-profit is limited to the acquisition and management of the exhibits and to fundraising in support thereof.

The City has recorded a long-term receivable from the non-profit related to the July 30, 2019 loan purchase agreement. As the City is not currently requiring payments from the non-profit, the original borrower, the City has also recorded an allowance for impaired accounts receivable equal to the principal amount outstanding on the note receivable. The receivable and related impairment balances at September 30, 2019 are each recorded at \$1,600,000.

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

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

Plan	Contributions
Employees' Retirement System of Alabama (ERS)	\$ 5,076,340
Police and Firefighters Retirement Plan (PFFRP)	20,699,025
Transit Workers Pension Plan (TWPP)	659,074
General Municipal Employee Pension Trust Fund (GMEPTF)	8,903
Total	<u>\$ 26,443,342</u>

The City has an agreement and declaration of trust with First Transit, Inc. (the contracted transit operator), which contractually obligates the City (as plan sponsor) to reimburse the contracted transit operator for payment of any pension plan or other employee benefits, specifically as it relates to the Transit Workers Pension Plan.

Aggregate information on all plans is summarized below and provided in further detail in the following sections.

	ERS	PFFRP	TWPP	GMEPTF	Total
Total Pension Liability	\$216,976,876	\$283,177,474	\$16,830,431	\$ -	\$516,984,781
Plan Fiduciary Net Position	162,595,119	202,411,170	14,632,629	-	379,638,918
Net Pension Liability	<u>\$ 54,381,757</u>	<u>\$ 80,766,304</u>	<u>\$ 2,197,802</u>	<u>\$ -</u>	<u>\$137,345,863</u>
Deferred Outflows of Resources	\$ 8,669,125	\$ 42,425,081	\$ 769,998	\$ -	\$ 51,864,204
Deferred Inflows of Resources	8,154,100	8,285,995	2,349,384	-	18,789,479
Pension Expense/Expenditures	4,105,150	7,768,920	428,598	8,903	12,311,571

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, an agent 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 Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36, Chapter 27* 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 *Code of Alabama, Section 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 creditable service. Vesting means the member has earned enough service credit to be eligible for a lifetime retirement benefit. Members have a vested status in the ERS after accumulating 10 years of creditable service. Members cannot convert unused sick leave to retirement credit in order to meet the minimum 10 years of service required for vesting.

For Tier 1 participants, a member attaining the earlier of age 60 with 10 years of creditable service or after completing 25 or more creditable years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. While members may not convert sick leave to qualify for the 10-year requirement for vesting, eligible members may convert unused sick leave days to service credit to meet the minimum requirement of 25 years of service for 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 909 local participating employers. These participating employers include 297 cities, 65 counties, and 511 other public entities. City of Mobile ERS membership as of September 30, 2019 consisted of:

Category	Members
Retired members or their beneficiaries currently receiving benefits	779
Vested inactive members	18
Non-vested inactive members	117
Active members	1,095
Post-DROP retired members still in active service	9
Total	2,018

*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.

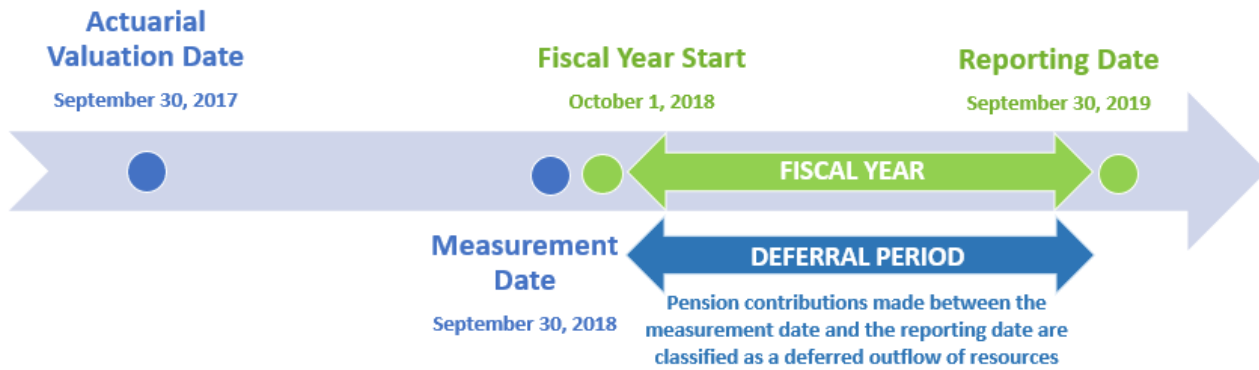
The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the preretirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2019, the City's average active employee contribution rate was 5.26% percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 11.69% of covered payroll.

The City's contractually required contribution rate for Tier 1 employer contributions during fiscal 2019 were based on 12.28% of pensionable pay. Tier 2 employer contributions during fiscal 2019 were based on 10.00% of pensionable pay. These required contribution rates are based upon the actuarial valuation dated September 30, 2016, 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 2019 amounted to \$7,355,232 of which \$5,076,340 and \$2,278,892 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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2017 rolled forward to September 30, 2018 using standard roll-forward techniques shown in the following table:

Roll-Forward of the Total Pension Liability	Expected	Actual	Actual
Total pension liability as of September 30, 2017 (a)	\$ 212,133,645	\$ 211,317,274	\$ 212,334,304
Discount rate (b)	7.75%	7.75%	7.70%
Entry Age Normal Cost for			
October 1, 2017 - September 30, 2018 (c)	3,634,759	3,634,759	3,665,273
Transfers among employers (d)	-	129,613	129,613
Actual Benefit Payments and Refunds			
for October 1, 2017 - September 30, 2018 (e)	<u>(14,927,353)</u>	<u>(14,927,353)</u>	<u>(14,927,353)</u>
Total Pension Liability as of September 30, 2018 (f)			
[(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))]	<u>\$ 216,702,974</u>	<u>\$ 215,952,947</u>	<u>\$ 216,976,876</u>
Difference between Expected and Actual Experience (g)		\$ (750,027)	
Less: Liability Transferred for Immediate Recognition (h)		<u>129,613</u>	
Experience (Gain)/Loss (i) = (g) - (h)		\$ (879,640)	
Difference between Actual at 7.70% and Actual at 7.75% (j) [Assumption Change (Gain)/Loss]			\$ 1,023,929

*Actuarial assumptions.* The total pension liability as of September 30, 2019 was based on the September 30, 2017 actuarial valuation and was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	28.2 years
Asset valuation method	Five-year smoothed market
Inflation	2.75%
Salary increases	3.25% - 5.00%
Investment rate of return	7.75%, net of pension plan investment expense

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 ages 78 and older. 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 actuarial valuation as of September 30, 2017, 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, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

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	100.00%	

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

*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 plan 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**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2017	\$ 212,133,645	\$ 156,296,287	\$ 55,837,358
Changes for the year:			
Service cost	3,634,759	-	3,634,759
Interest	15,861,923	-	15,861,923
Changes in assumptions	1,023,929	-	1,023,929
Differences between expected and actual experience	(879,640)	-	(879,640)
Contributions-employer	-	4,522,472	(4,522,472)
Contributions-employee	-	2,470,473	(2,470,473)
Net investment income	-	14,103,627	(14,103,627)
Benefit payments, including refunds of employee contributions	(14,927,353)	(14,927,353)	-
Administrative expense	-	-	-
Transfers among employers	129,613	129,613	-
Net changes	4,843,231	6,298,832	(1,455,601)
Balances at 9/30/2018	\$ 216,976,876	\$ 162,595,119	\$ 54,381,757

*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 (dollar amounts in thousands):

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	\$76,794,908	\$54,381,757	\$35,268,359

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued RSA Comprehensive Annual Financial Report for the fiscal year ended September 30, 2018. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2018.

The auditor’s report dated September 17, 2019, 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 <http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports>.



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

For the year ended September 30, 2019 the City recognized pension expense (income) of \$4,105,150.

<b>Components of pension expense are as follows:</b>	
Service cost	\$ 3,634,759
Interest on the total pension liability	15,861,923
Current-period benefit changes	-
Expensed portion of the current-period difference between expected and actual experience	(175,928)
Expensed portion of current-period changes of assumptions	204,786
Member contributions	(2,470,473)
Projected earnings on plan investments	(11,810,526)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(458,620)
Transfers among employers	-
Recognition of beginning deferred outflows as pension expense	1,340,235
Recognition of beginning deferred inflows as pension expense	<u>(2,021,006)</u>
Pension Expense (Income)	<u>\$ 4,105,150</u>

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to ERS pension of the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,191,740	\$ 2,737,817
Changes of assumptions or other inputs	2,977,994	-
Net difference between projected and actual earnings on pension plan investments	-	5,416,283
Employer contributions subsequent to the measurement date*	<u>4,499,391</u>	<u>-</u>
Total	<u>\$ 8,669,125</u>	<u>\$ 8,154,100</u>

*\*Employer contributions made from 10/01/2018-09/30/2019, related to normal and accrued liability components of employer rate net of any refunds or error service payments. These amounts will be recognized in 2020 as a reduction of the net pension liability.*



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
2020	\$ 1,545,021	\$ 1,612,981	\$ (67,960)
2021	1,545,021	3,257,134	(1,712,113)
2022	874,907	2,552,887	(1,677,980)
2023	204,785	731,098	(526,313)
2024	-	-	-
Thereafter	-	-	-
	<u>\$ 4,169,734</u>	<u>\$ 8,154,100</u>	<u>\$(3,984,366)</u>

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 Wells Fargo Bank. 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.

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 service being without a break in service exceeding one year) 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 service being without a break in service exceeding one year) 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.

*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.



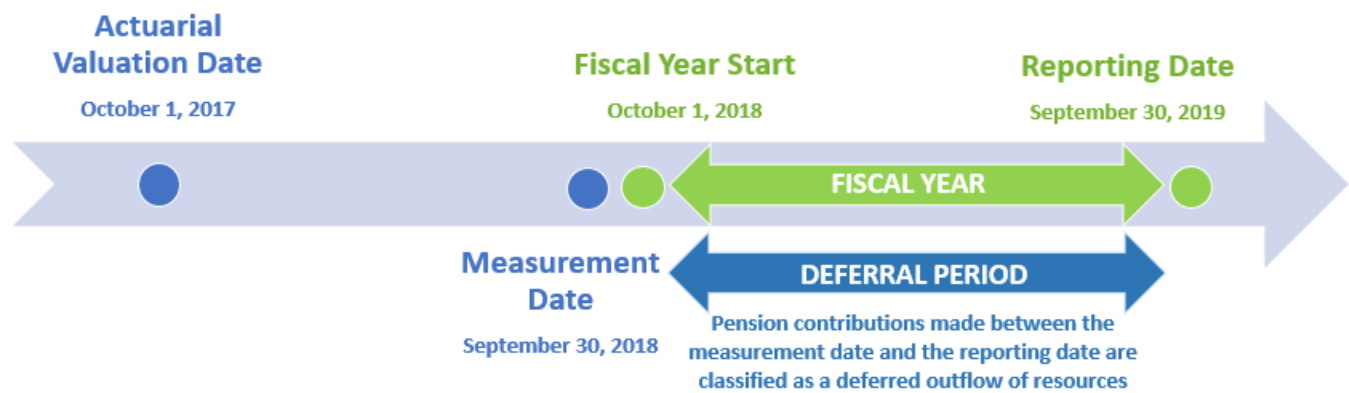


For the year ended September 30, 2019, the City's active employee contribution rate was 8.0 percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 49.3 percent of covered payroll. Total contributions to the Plan during fiscal year 2019 amounted to \$24,083,125 of which \$20,699,025 and \$3,384,100 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, 2018, according to the latest actuarial valuations, was comprised of the following:

Category	Members
Retired members or their beneficiaries currently receiving benefits	731
Vested terminated employees	22
Active employees	903
<b>Total</b>	<b>1,656</b>

**Net Pension Liability**



The City's net pension liability was measured as of September 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2017 rolled forward to September 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement.

*Actuarial assumptions:*

Discount rate	7.32% per annum
Investment rate of return, net of pension plan investment expense, including inflation	7.32% per annum
Inflation	2.25%
Salary increases	3.00% per annum
Cost-of-living increases	2.50% per annum
<i>(only for those who retired during the period October 1, 1977 through April 14, 1985)</i>	



The actuarial assumptions used in the October 1, 2017 valuations were based on results of an actuarial experience study for the period October 1, 2007 through September 30, 2017.

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 Blue Collar Mortality Table, with full generational improvements in mortality using Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430.

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.

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>	5.07%



**Changes in Net Pension Liability**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2017	\$ 270,857,075	\$ 184,991,659	\$ 85,865,416
Changes for the year:			
Service cost	1,405,646	-	1,405,646
Expected interest growth	19,275,199	13,602,079	5,673,120
Unexpected investment income	-	2,129,249	(2,129,249)
Demographic experience	1,267,621	-	1,267,621
Contributions-employer	-	18,717,733	(18,717,733)
Contributions-employee	-	3,279,235	(3,279,235)
Benefit payments, including refunds of employee contributions	(20,299,667)	(20,299,667)	-
Administrative expense	-	(9,118)	9,118
Changes in benefit terms	-	-	-
Assumption changes	10,671,600	-	10,671,600
Net changes	12,320,399	17,419,511	(5,099,112)
Balances at 9/30/2018	\$ 283,177,474	\$ 202,411,170	\$ 80,766,304

*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 7.32%, 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%)
Net Pension Liability	\$116,022,079	\$80,766,304	\$52,096,725

*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, 2019 the City recognized pension expense (income) of \$7,768,920.

<b>Components of pension expense are as follows:</b>	
Service cost	\$ 1,405,646
Expected interest growth	5,673,120
Investment gain/loss	1,254,605
Demographic gain/loss	1,328,685
Employee contributions	(3,279,235)
Benefit payments and refunds	-
Administrative expenses	9,118
Changes in benefit terms	-
Changes in assumptions or other inputs	1,376,981
<b>Pension Expense (Income)</b>	<b><u>\$ 7,768,920</u></b>

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to PFFRP of the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Balance as of September 30, 2017	\$ 34,921,181	\$ 8,613,088
Amortization payments	(6,416,613)	(2,456,342)
Prior year employer contributions paid subsequent to the measurement date (10/01/17-09/30/18)	(18,717,733)	-
Investment gain/loss	-	2,129,249
Demographic gain/loss	1,267,621	-
Changes in assumptions or other inputs	10,671,600	-
Employer contributions subsequent to the measurement date*	20,699,025	-
Balance as of September 30, 2018	<u>\$ 42,425,081</u>	<u>\$ 8,285,995</u>

*\*Employer contributions made from 10/01/2018-09/30/2019, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amount will be recognized in 2020 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
2020	\$ 6,416,613	\$ 2,413,323	\$ 4,003,290
2021	2,821,966	2,413,322	408,644
2022	2,821,966	2,174,045	647,921
2023	2,821,966	542,149	2,279,817
2024	2,821,966	116,300	2,705,666
Thereafter	4,021,579	626,856	3,394,723
	<u>\$ 21,726,056</u>	<u>\$ 8,285,995</u>	<u>\$ 13,440,061</u>

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.

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, 2019, 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, 2019, 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, 2019 were \$8,903.

Transit Workers Pension Plan

**General Plan Information**

*Plan description.* The Plan was adopted in June 2003, retroactively effective to July 1, 2002 which contractually obligated the City (as Plan sponsor) to reimburse the contracted transit operator for the payment of any pension plan or other employee benefits. The Transit Workers Pension Plan (TWPP) is a single-employer defined benefit pension plan established 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 transit 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 transit 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.

*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 Internal Revenue 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 \$30,000 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 requirements may be amended by Ordinance of the City of Mobile City Council.

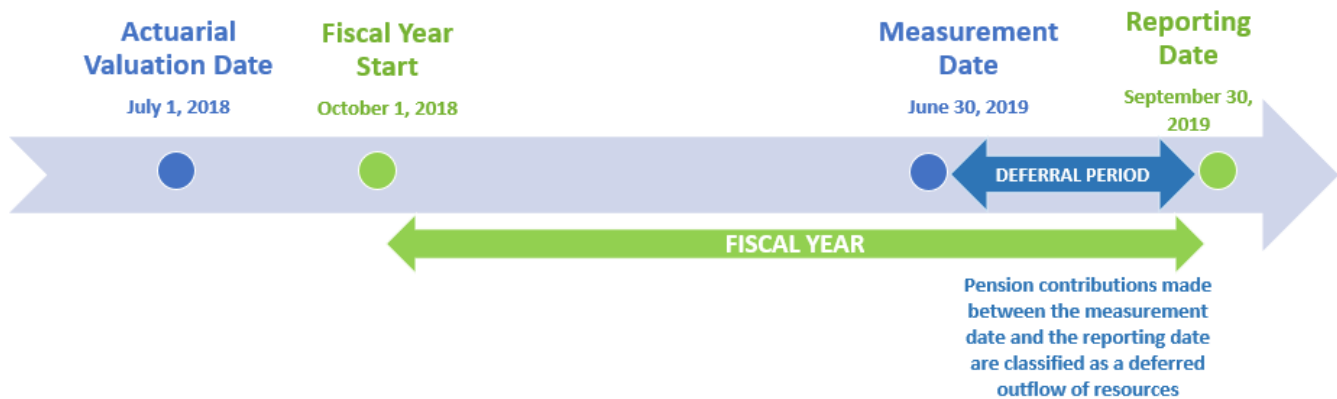
For the year ended September 30, 2019, the City's active employee contribution rate was 5% of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 17.01% percent of covered payroll. Total contributions to the pension plan during plan fiscal year 2018 amounted to \$887,442 of which \$659,074 and \$228,368 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.



Membership. Participation in the Plan as of July 1, 2018, according to the latest actuarial valuations, was comprised of the following:

Category	Members
Retired members or their beneficiaries	
currently receiving benefits	40
Vested terminated employees	8
Active employees	119
Total	167

**Net Pension Liability**



The City's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions:*

Measurement date	June 30, 2019
Actuarial valuation date	July 1, 2018
Discount rate	5.26%
Inflation	2.00%
Salary increases	4.00%
Investment rate of return	5.28%
Cost-of-living increases	None assumed
Other decrements	Assumed employment termination is based on the Scale 255 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 2).
Changes	Investment rate of return reduced from 5.73% to 5.28%. The administrative expense assumption increased from \$20,000 per year to \$30,000 per year.

The discount rate used to measure the total pension liability was 5.26 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 rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2018 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.

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.

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	12.95%	4.50%
International emerging equity	6.48%	6.50%
U.S. large cap equity	32.35%	4.00%
U.S. mid cap equity	6.48%	4.50%
U.S. small cap equity	6.48%	4.50%
Foreign bond	3.48%	0.00%
High yield bond	3.48%	3.00%
U.S. core fixed income	22.24%	1.25%
U.S. short term bond	5.56%	0.00%
Cash	0.50%	0.00%
Total	<u>100.00%</u>	<u>3.26%</u>

**Changes in Net Pension Liability**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2018:	\$ 17,087,052	\$ 13,270,954	\$ 3,816,098
Changes for the year:			
Service cost	841,709	-	841,709
Interest	925,643	708,550	217,093
Differences between expected and actual experience	(355,413)	248,786	(604,199)
Contributions-employer	-	659,074	(659,074)
Contributions-employee	-	228,368	(228,368)
Benefit payments, including refunds of employee contributions	(450,715)	(450,715)	-
Administrative expense	-	(32,388)	32,388
Changes in benefit terms	-	-	-
Assumption changes	(1,217,845)	-	(1,217,845)
Net changes	<u>(256,621)</u>	<u>1,361,675</u>	<u>(1,618,296)</u>
Balances at 6/30/2019:	<u>\$ 16,830,431</u>	<u>\$ 14,632,629</u>	<u>\$ 2,197,802</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 5.26%, 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 (4.26%) or 1-percentage point higher (6.26%) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Net Pension Liability	\$ 4,405,167	\$ 2,197,802	\$ 368,935

*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, 2019 the City recognized pension expense (income) of \$428,598.

<b>Components of pension expense are as follows:</b>	
Service cost	\$ 841,709
Expected interest growth	217,093
Investment gain/loss	(82,892)
Demographic gain/loss	(60,858)
Employee contributions	(228,368)
Administrative expenses	32,388
Changes in benefit terms	-
Changes in assumptions or other inputs	(290,474)
Pension Expense (Income)	\$ 428,598



At September 30, 2019, 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, 2018	\$ 1,002,697	\$ 1,269,263
Amortization payments	(307,699)	(741,923)
Prior year employer contributions paid subsequent to the measurement date (07/01/18-09/30/18)	(75,000)	-
Investment gain/loss	-	248,786
Demographic gain/loss	-	355,413
Changes in assumptions or other inputs	-	-
Employer contributions subsequent to the measurement date*	150,000	1,217,845
Balance as of September 30, 2019	<u>\$ 769,998</u>	<u>\$ 2,349,384</u>

*\*Employer contributions made from 07/01/2019-09/30/2019, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amount will be recognized in 2020 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
2020	\$ 256,660	\$ 741,923	\$ (485,263)
2021	166,670	741,921	(575,251)
2022	149,401	617,861	(468,460)
2023	46,447	223,734	(177,287)
2024	820	23,945	(23,125)
	<u>\$ 619,998</u>	<u>\$ 2,349,384</u>	<u>\$(1,729,386)</u>

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

**General Plan Information**

The City provides post-employment health care coverage, including dental benefits, and life insurance, as allowed by Alabama state laws, to eligible individuals in a single-employer arrangement on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The City of Mobile Management Committee has the authority to establish and amend eligible benefit terms and contribution requirements at its sole discretion.

*Health and Dental.* Health and Dental plan claims for active employees, dependents, and non-Medicare eligible retirees are fully self-funded and are administered by Blue Cross Blue Shield of Alabama. Such claims for Medicare-eligible retirees are fully-insured and covered under a Medicare Advantage Plan administered by Humana.



*Life Insurance.* 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.

*Eligible Individuals.* Eligible individuals include all regular, full-time employees of the City, not Medicare-eligible, 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 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.

*Membership.*

Category	Members
Inactive employees and beneficiaries	
currently receiving benefits	1,175
Active employees	1,353
Total	2,528

*Contributions.* Retirees must pay the required monthly contribution for either single or family coverage, as applicable. During fiscal year 2019, retirees have been assumed to make monthly contributions equal to \$94 for single coverage and \$267 for family coverage. COBRA contributions for retirees for the same period have been assumed to be \$475 per month for single coverage and \$1,234 per month for single plus spouse coverage. If eligible, dependents of deceased retirees may pay the monthly retiree contribution rate for up to 12 months after the retiree's death but must pay the monthly COBRA premium thereafter as well as dependents of active employees who either have earned at least 10 years of service or die in the line of duty. All other terminated employees and dependents must pay the COBRA premium for continued coverage.

The City establishes rates based on an annual valuation made by an independent consultant. The City's policy is to use the Blue Cross Blue Shield projected cost to develop the funding rates which in turn set the employee/retiree and other agency/COBRA monthly premium rates.

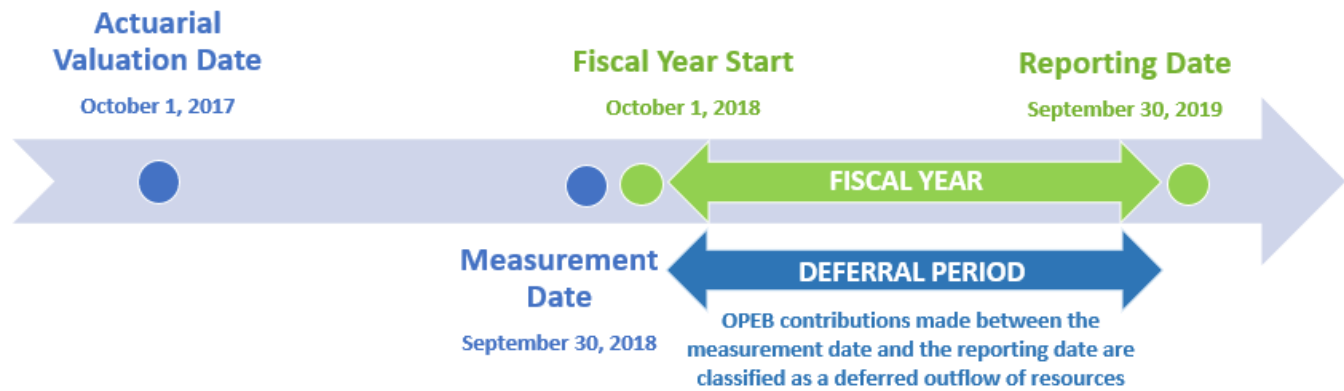
For Medicare-eligible retirees, the Medicare Advantage Plan is fully-insured and underwritten by Humana. The 2019 Medicare Advantage Plan rate is \$173.58. The City also funds the cost of non-Medicare dependents for this group.



The cost of retiree health care, dental care and life insurance benefits is recognized as an expenditure as claims are paid. For fiscal year 2019, those retiree-related costs totaled approximately \$4,704,938 and the liability for incurred and not paid claims totaled \$1,776,700.

Total contributions to the Plan in fiscal year 2019 amounted to \$6,987,050 of which \$4,704,938 and \$2,282,112 were made by the City of Mobile and its employees, respectively.

**Total OPEB Liability**



The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

*Actuarial assumptions:*

Valuation date	October 1, 2017
Measurement date	September 30, 2018
Discount rate	3.64%, used to discount all future benefit payments and is based on the 20-year municipal bond index
Salary increases	3.00% per annum
Cost-of-living increases	Prior to age 65, retiree contributions and health insurance claims have been assumed to increase in accordance with the healthcare cost trend rates; the subsidy provided to Medicare-eligible retirees has not been assumed to increase; dental claims and administrative expenses have been assumed to increase at the rate of 3.00% per year
Healthcare cost trend rates	7.50% downgraded by 0.50% per year to 5.00% for the 2022/23 and later fiscal years
Age-related morbidity	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age
Per capita claim cost	Healthcare claims are assumed to be \$9,200 for a 62-year old participant during the period October 1, 2018 through September 30, 2019; dental claims are assumed to be \$250 for each individual during the period October 1, 2017 through September 30, 2018; the healthcare claims amount was developed based on actual retiree claims experience during the previous year, the dental claims amount was developed based on plan experience for all participants.
Administrative expenses	Administrative expenses are assumed to be \$225 for each participant for the period October 1, 2017 through September 30, 2018



Mortality basis	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2017; all pre-retirement deaths for public safety employees are assumed to be service-related.
Retirement	With respect to public safety employees, 25% are assumed to retire at each of ages 50 and 57, 20% are assumed to retire at each of ages 51, 52, 58, 60, and 61, 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, 15% are assumed to retire at age 59, and 100% are assumed to retire at age 62; with respect to general employees, 2.5% are assumed to retire at each of ages 50 through 54, 5% are assumed to retire at ages 55 through 59, 10% are assumed to retire at each of ages 60 and 61, 25% are assumed to retire at ages 62 through 64, and 100% are assumed to retire at age 65.
Other decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for public safety employees and Class 1 rates were used for all other employees).
Health coverage election	100% of eligible employees are assumed to elect medical coverage for themselves upon retirement or disability; public safety employees who terminate their service after 20 years of employment other than for retirement or disability are assumed to continue coverage for life; all other employees who terminate their service other than for retirement or disability are assumed to continue coverage for one year; of those electing coverage, 75% of males and 25% of females are assumed to elect coverage for their spouses until three years after the retiree's death but not after age 65.
Spouses and dependents	Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.
COBRA	Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.
Changes	Since the prior measurement date, the discount rate was increased from 2.80% per annum to 3.64% per annum, the per capita healthcare claims cost at age 62 for the 2018/19 fiscal year decreased from \$10,042.65 to \$9,200.00, the per capita dental claims cost for the 2017/18 fiscal year was decreased from \$334.75 to \$250.00, per capita administrative expenses for the 2017/18 fiscal year were increased from \$188.12 to \$225.00, and the mortality basis was changed from the RP-2000 Mortality Table with generational improvements in mortality using Scale AA to the PUB-2010 Mortality Table with generational improvements in mortality using Scale MP-2017.



**Changes in the Total OPEB Liability**

Changes in Total OPEB Liability	Total OPEB Liability (a)
Balance at 9/30/2017:	\$ 192,024,334
Changes for the year:	
Service cost	5,529,861
Expected interest growth	7,141,084
Unexpected investment income	-
Demographic experience	(50,661,758)
Contributions-employer	-
Contributions-employee	-
Benefit payments, including refunds of employee contributions	(2,765,878)
Administrative expense	-
Changes in benefit terms	-
Assumption changes	(10,324,761)
Net changes	(51,081,452)
Balance at 9/30/2018:	\$ 140,942,882

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following table presents the City's total OPEB liability calculated using the discount rate of 3.64%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.64%) or 1-percentage point higher (4.64%) than the current rate:

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Total OPEB Liability	\$ 158,855,577	\$ 140,942,882	\$ 125,714,316

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following table presents the City's total OPEB liability calculated using the healthcare cost trend rates (7.50% downgraded by 0.50% per year to 5.00%) as well as what the total OPEB liability would be if it were calculated using discount rates that are 1-percentage point lower or 1-percentage point higher than the current rates:

	1% Decrease	Current Healthcare Cost Trend Rates (7.50% graded down to 5.0%)	1% Increase
Total OPEB Liability	\$ 129,178,949	\$ 140,942,882	\$ 154,955,445



**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2019, the City recognized OPEB expense (income) of (\$646,234).

<b>Components of OPEB expense (income) are as follows:</b>	
Service Cost	\$ 5,529,861
Expected interest growth	7,141,084
Investment gain/loss	-
Demographic gain/loss	(8,765,010)
Employee contributions	-
Benefit payments & refunds	(2,765,878)
Administrative expenses	-
Changes in benefit terms	-
Changes in assumptions or other inputs	(1,786,291)
OPEB Expense (Income)	<u>\$ (646,234)</u>

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB of the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Balance as of September 30, 2017	\$ -	\$ -
Amortization payments	-	(10,551,301)
Investment gain/loss	-	-
Demographic gain/loss	-	50,661,758
Changes in assumptions or other inputs	-	10,324,761
Employer contributions subsequent to the measurement date*	4,704,938	-
Balance as of September 30, 2018	<u>\$ 4,704,938</u>	<u>\$ 50,435,218</u>

\*Employer contributions made from 10/01/2018-09/30/2019, This amount will be recognized in 2020 as a reduction of the total OPEB liability.

Other amounts reported as deferred outflows of resources and deferred inflows of resources to OPEB plan will be recognized as an expense as follows:

<b>Year ended September 30:</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
2020	\$ -	\$ 10,551,301	\$ (10,551,301)
2021	-	10,551,301	(10,551,301)
2022	-	10,551,301	(10,551,301)
2023	-	10,551,301	(10,551,301)
2024	-	8,230,014	(8,230,014)
	<u>\$ -</u>	<u>\$ 50,435,218</u>	<u>\$ (50,435,218)</u>



**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, 2019:

Activity	Restricted By	Amount
Capital Projects	Enabling Legislation	\$ 2,992,390
Capital Projects	Legal Restriction	6,614,881
Debt Service	Legal Restriction	1,016,179
Economic Development	Enabling Legislation	12,383,608
Grant Programs	Grant Agreements	6,609,463
Storm Water Management	Enabling Legislation	761,966
		<u>\$30,378,487</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, 2019 was \$3,456,633. This amount is reported as a deferred inflow of resources related to deferred service concession arrangement receipts in the Enterprise Funds - Municipal Parking Garage fund.

The lessee paid a base amount of \$5,000,000 which constituted payment in full of all base rent due under the lease for the lease term; therefore, the base rental amount is being recognized as revenue over a period of 49 years. The lease allows the lessee to pay all expenses associated with the operation of the parking garage from rentals received. A percentage of the balance remaining after payment of these expenses is to be remitted to the City at the end of each lease year commencing on October 1 of each year. Rental income of \$491,096 for fiscal year 2019 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. By agreement in April 2018, the City and County agreed to set the monthly rate for rent and expenses at \$55,000 per month effective as of January 2018. The agreement extends until September 30, 2020. Lease payments for fiscal year 2019 were \$660,000.

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 \$460,000 and \$525,000. Consequently, the City has accrued at September 30, 2019, the lesser of the range equal to \$460,000. Loss contingencies categorized as "reasonably possible" range between \$200,000 and \$2,000,000.

The City has pre-funded \$150,000 towards this loss contingency liability with the third-party claims administrator and has recorded this as a reduction of the related liability.

Governmental Funds Encumbrances

Encumbrances for the year ended September 30, 2019 are disclosed for each major fund and for all other governmental funds in the aggregate.

<b>Governmental Funds Encumbrances</b>	<b>Amount</b>
Major Governmental Funds:	
General Fund	\$ 1,827,618
Capital Improvements Fund	28,806,975
Governmental Funds - Nonmajor	18,974,122
<b>Total Governmental Funds Encumbrances</b>	<b>\$49,608,715</b>

**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 \$460,000 for loss contingencies relating to claims and judgments, reduced by \$150,000 pre-funded with the third-party claims administrator. 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, 2019 is \$23,010,240.

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, 2019 is \$1,868,000.

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				
2017-2018	\$ 1,641,500	\$ (206,915)	\$ 796,357	\$ 638,228
2018-2019	638,228	363,560	691,788	310,000
Employee Health				
2017-2018	2,021,600	23,614,172	23,629,072	2,006,700
2018-2019	2,006,700	22,852,824	22,991,524	1,868,000
Workers' Compensation				
2017-2018	15,389,053	8,747,509	2,699,467	21,437,095
2018-2019	21,437,095	4,514,665	2,941,520	23,010,240

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

The following nonmajor funds had deficits in net position/fund balance of at September 30, 2019.

Nonmajor Special Revenue Funds	
7-Cent Roadway Maintenance	<u>\$ (20,166)</u>
Internal Service Funds	
Liability Insurance	<u>\$ (247,660)</u>



**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, 2019, 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 \$515,990 reported in the Statement of Net Position as a landfill postclosure liability at September 30, 2019 represents the estimated current cost of all postclosure care. However, due to changes in technology, laws or regulations, these costs may change in the future.

**NOTE 17 – TAX ABATEMENTS**

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 2019 was \$3,876,012.

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 is 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 \$600,000.

### **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.

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 2019 fiscal year due to tax abatement agreements was \$643,120.

#### **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 2019 fiscal year identified due to agreements authorized by the Mobile County IDA.



**NOTE 18 – FUND BALANCE – GOVERNMENTAL FUNDS**

The following schedule presents the fund balances of governmental funds by category of classification:

	General Fund	Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable				
Inventory	\$ 3,028,287	\$ -	\$ -	\$ 3,028,287
Prepaid items	15,616	-	-	15,616
Restricted				
Capital Projects	-	-	6,613,232	6,613,232
Debt Service	-	-	1,016,179	1,016,179
Grants	-	-	6,609,463	6,609,463
Law Enforcement	-	-	668,188	668,188
Road and Bridge Construction	-	-	443,084	443,084
Road and Bridge Repair	-	-	2,536,513	2,536,513
Committed				
Flood Management	-	-	84,914	84,914
Storm Water	-	-	761,966	761,966
Tax Increment Program	-	-	12,353,462	12,353,462
Assigned				
Capital Improvements Fund	75,592	-	-	75,592
Economic Development	-	69,863,605	-	69,863,605
Municipal Court	1,289,803	-	-	1,289,803
Athletic Fund	-	-	30,146	30,146
Designated and Donated Funds	1,827,618	-	-	1,827,618
General Fund Encumbrances	-	-	1,649,511	1,649,511
Unassigned	62,151,219	-	-	62,151,219
Total	<u>\$ 68,388,135</u>	<u>\$ 69,863,605</u>	<u>\$ 32,766,658</u>	<u>\$ 171,018,398</u>



REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN THE MD&A



## REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN THE MD&A

Pictures on the prior page are from the June 2019 LODA ArtWalk.

LoDa ArtWalk is a monthly event where in the community is invited to come downtown and enjoy local art, artists, galleries, and other great venues. ArtWalk takes place every second Friday of the month from 6 to 9 p.m. in the Lower Dauphin (LoDa) Arts District. The event takes place through a partnership between the Mobile Arts Council and the City of Mobile Special Events.



RSI – GENERAL FUND BUDGET TO ACTUAL





**Required Supplementary Information**

**Schedule of Revenues, Expenditures, and Changes  
in Fund Balances Budget and Actual - General Fund**

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

Pictures on the prior page are from the April 2019 Mobile Area  
Special Olympics



**CITY OF MOBILE, ALABAMA**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**For the Year Ended September 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 184,530,164	\$ 184,868,767	\$ 196,557,066	\$ 11,688,299
Licenses and permits	36,239,949	36,239,949	37,939,269	1,699,320
Intergovernmental	46,613	46,613	-	(46,613)
Charges for services	7,026,161	7,026,161	7,647,374	621,213
Fines and forfeitures	1,716,555	1,716,555	2,556,796	840,241
State and federal assistance	26,000	26,000	94,609	68,609
Investment income	295,778	295,778	1,676,626	1,380,848
Other revenue	199,157	199,157	371,203	172,046
Total revenues	<u>230,080,377</u>	<u>230,418,980</u>	<u>246,842,943</u>	<u>16,423,963</u>
<b>EXPENDITURES</b>				
Current:				
General government				
311	465,682	465,682	378,529	87,153
Archives	358,757	358,853	246,237	112,616
City clerk	788,578	648,078	519,569	128,509
City council	622,852	756,961	669,338	87,623
City council discretionary funds	444,500	347,606	344,573	3,033
City hall overhead	3,932,100	3,934,445	3,169,743	764,702
Communications and external affairs	582,777	589,590	457,037	132,553
Geographical information system	770,529	714,600	695,182	19,418
Innovation and tech admin	223,777	42,362	42,362	-
Information technology	3,467,869	3,774,349	3,485,268	289,081
Legal	1,887,808	1,887,849	1,525,583	362,266
Mail room	95,699	100,344	82,724	17,620
Mayor's office	694,882	695,452	460,385	235,067
Mayor's office discretionary funds	25,000	25,000	390	24,610
Total general government	<u>14,360,810</u>	<u>14,341,171</u>	<u>12,076,920</u>	<u>2,264,251</u>
Culture and recreation				
Athletics	583,203	587,456	383,285	204,171
Community activities	-	1,024	(2,557)	3,581
Community centers	2,708,401	2,592,326	2,259,981	332,345
GulfQuest museum	458,400	462,535	438,808	23,727
Mobile Museum of Art	2,240,292	2,240,416	2,095,476	144,940
Parks and recreation administration	199,473	-	95,984	(95,984)
Parks, cemeteries and operations	2,085,419	2,189,043	2,222,937	(33,894)
Parks maintenance	4,599,824	4,618,798	4,466,821	151,977
Recreation administration	82,530	312,003	207,178	104,825
Senior and community center	647,420	643,903	559,725	84,178
Special activities	864,473	857,598	832,439	25,159
Total culture and recreation	<u>14,469,435</u>	<u>14,505,102</u>	<u>13,560,077</u>	<u>945,025</u>
Economic development				
Civic engagement	311,240	443,364	228,103	215,261
Mobile film office	202,875	202,875	152,373	50,502
Special events	626,252	634,977	605,051	29,926
Total economic development	<u>1,140,367</u>	<u>1,281,216</u>	<u>985,527</u>	<u>295,689</u>

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Engineering, development and Build Mobile				
Architectural engineering	1,114,575	1,187,304	1,064,277	123,027
Building services	468,593	468,743	405,063	63,680
Build Mobile executive administration	524,494	547,129	484,459	62,670
Build Mobile services	157,214	206,213	129,500	76,713
Engineering	2,733,968	2,807,361	2,502,890	304,471
Engineering and development	526,274	526,274	174,967	351,307
Facility maintenance	4,292,992	4,299,048	3,845,708	453,340
Historic development	282,631	282,691	194,187	88,504
Inspection services	1,642,984	1,644,785	1,354,483	290,302
Municipal enforcement	1,267,375	1,269,355	1,157,916	111,439
Neighborhood development	145,468	145,468	148,328	(2,860)
Permitting	661,430	662,453	409,277	253,176
Planning and zoning	1,148,759	1,148,894	880,577	268,317
Real estate	300,191	300,191	201,893	98,298
Real estate asset management	208,620	283,736	246,636	37,100
Total engineering, development and Build Mobile	15,475,568	15,779,645	13,200,161	2,579,484
Public safety				
Fire	33,451,096	33,858,155	31,267,770	2,590,385
Mobile metro jail	8,800,000	8,800,000	9,833,537	(1,033,537)
Municipal court	2,987,108	2,996,365	2,828,947	167,418
Police	51,947,101	52,370,164	50,700,864	1,669,300
Public safety administration	408,070	408,070	258,878	149,192
Total public safety	97,593,375	98,432,754	94,889,996	3,542,758
Finance				
Accounting	913,860	1,011,476	821,285	190,191
Finance administration	681,621	702,176	613,346	88,830
Human resources	562,923	571,874	486,666	85,208
Payroll	307,654	307,654	313,853	(6,199)
Police and fire pension administration	251,535	251,535	205,340	46,195
Procurement	769,811	775,656	675,095	100,561
Revenue	2,117,498	2,120,868	1,920,610	200,258
Treasury	392,783	392,783	298,617	94,166
Total finance	5,997,685	6,134,022	5,334,812	799,210
Public works				
Bates Field landfill	47,880	225,880	22,010	203,870
Electrical	2,394,885	2,426,147	2,040,893	385,254
Equipment services-garage	8,311,708	8,281,562	6,289,184	1,992,378
Forestry	789,850	790,403	593,445	196,958
Inventory control	348,140	348,216	266,683	81,533
Litter and recycling	1,535,857	1,220,357	710,074	510,283
Public works executive administration	436,680	436,680	330,449	106,231
Public works administration	756,873	1,007,645	719,273	288,372
Public works special operations	1,766,926	1,766,927	1,511,002	255,925
Solid waste	3,418,544	3,379,809	3,123,509	256,300
Storm drainage maintenance	2,913,960	2,918,058	2,846,460	71,598
Street department	2,990,119	3,113,004	3,144,902	(31,898)
Traffic engineering	1,693,112	1,694,765	1,568,635	126,130
Trash	3,692,628	3,692,628	3,280,992	411,636
Total public works	31,097,162	31,302,081	26,447,511	4,854,570
Total departmental	180,134,402	181,775,991	166,495,004	15,280,987

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Non-departmental				
Reserve for retirement	2,000,000	2,000,000	1,751,650	248,350
Board of health	600,000	600,000	600,000	-
Juvenile court and youth center	3,200,000	3,200,000	3,133,943	66,057
Personnel board	1,520,650	1,520,650	1,191,303	329,347
Board of equalization	7,152	7,152	7,142	10
Emergency management	648,037	648,037	648,037	-
Mobile legislative delegation	3,655	3,655	3,331	324
Public library	7,021,420	7,021,420	7,021,420	-
Solid waste disposal authority	2,371,435	2,371,435	2,185,683	185,752
Employee education	100,000	100,000	67,451	32,549
Employees' pension	147,420	147,420	97,148	50,272
Police and firefighter's retirement	12,450,056	12,450,056	12,143,550	306,506
Retired employees insurance	5,250,000	5,250,000	6,793,186	(1,543,186)
Unemployment compensation	80,725	80,725	93,915	(13,190)
Worker's compensation	3,370,780	3,370,780	3,373,796	(3,016)
Athletic fund	-	-	78,554	(78,554)
Contingency reserve	949	949	(102,555)	103,504
Dues	371,498	371,498	368,363	3,135
Performance contracts/organizations	4,806,413	5,381,413	4,050,038	1,331,375
Property insurance	1,800,000	1,800,000	1,763,135	36,865
Miscellaneous	-	142,475	142,475	-
Total non-departmental	<u>45,750,190</u>	<u>46,467,665</u>	<u>45,411,565</u>	<u>1,056,100</u>
Total current	<u>225,884,592</u>	<u>228,243,656</u>	<u>211,906,569</u>	<u>16,337,087</u>
Debt service:				
Interest	9,051	9,051	9,051	-
Principal retirement	95,000	95,000	95,000	-
Total debt service	<u>104,051</u>	<u>104,051</u>	<u>104,051</u>	<u>-</u>
Total expenditures	<u>225,988,643</u>	<u>228,347,707</u>	<u>212,010,620</u>	<u>16,337,087</u>
Excess (deficiency) of revenues over expenditures	<u>4,091,734</u>	<u>2,071,273</u>	<u>34,832,323</u>	<u>32,761,050</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	1,454	1,454	7,959	6,505
Transfers in	7,850,168	7,851,413	9,145,815	1,294,402
Transfers out	(15,604,376)	(15,712,727)	(19,184,080)	(3,471,353)
Total other financing sources (uses)	<u>(7,752,754)</u>	<u>(7,859,860)</u>	<u>(10,030,306)</u>	<u>(2,170,446)</u>
Net change in fund balances	<u>\$ (3,661,020)</u>	<u>\$ (5,788,587)</u>	<u>24,802,017</u>	<u>\$ 30,590,604</u>
Fund balances - beginning			41,758,500	
Fund balances - ending			<u>\$ 66,560,517</u>	
<b>ADJUSTMENTS</b>				
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 financing uses			\$ 24,802,017	
Encumbrances outstanding at September 30, 2019			1,827,618	
Encumbrances outstanding at September 30, 2018			<u>(2,247,767)</u>	
Net change in fund balance per the statement of revenues, expenditures, and changes in fund balances - governmental funds			<u>\$ 24,381,868</u>	

**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, 2019:

GAAP expenditures	\$ 212,430,769
Encumbrances at:	
September 30, 2019	1,827,618
September 30, 2018	(2,247,767)
Budgetary expenditures	<u>\$ 212,010,620</u>

For the fiscal year ended September 30, 2019, general fund budgetary appropriations exceeded total expenditures by \$16,337,087.

**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, 2019	\$ 66,560,517
Add encumbrances:	
Function:	
General government	96,763
Culture and recreation	49,826
Economic development	49,193
Engineering, development & Build Mobile	100,796
Finance	26,172
Public safety	698,724
Public works	806,144
Total encumbrances	<u>1,827,618</u>
Fund balance - GAAP basis at September 30, 2019	<u>\$ 68,388,135</u>

**NOTE 3 - BUDGET AMENDMENTS**

The City makes various amendments to the adopted budget throughout the fiscal year. In FY 2019, the most significant of those amendments were:

- Budget adjustments due to changes in prior year encumbrance carryforward
- Adjustment per Resolution 09-595-2019 dated June 19, 2019 to provide for additional staff capacity to support capital project delivery and grant management:
  - Increase departmental personnel budgets by \$338,603
  - Increase Sales Tax – City revenue budget by \$338,603



REQUIRED SUPPLEMENTARY INFORMATION – PENSION & OPEB 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**

**OPEB Plan**

**Schedule of Changes in the Total OPEB Liability and Related Ratios**

Pictures on the prior page are from Mobile’s Azalea Trail Maids’ visit to Disney World in April 2019. The Azalea Trail Maids have served as Mobile’s goodwill ambassadors since 1929. The Maids are comprised of 50 senior girls from Mobile County high schools.



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

	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 3,634,759	\$ 3,655,533	\$ 3,871,747	\$ 3,700,746	\$ 3,797,860
Interest	15,861,923	15,708,733	15,255,262	14,994,981	14,582,730
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(879,640)	(2,510,319)	2,621,825	(1,994,818)	-
Changes of assumptions	1,023,929	-	4,749,471	-	-
Benefit Payments, including refunds of employee contributions	(14,927,353)	(15,135,319)	(13,379,634)	(13,515,159)	(12,939,756)
Transfers among employers	129,613	154,026	(238,266)	-	-
<b>Net change in total pension liability</b>	<u>4,843,231</u>	<u>1,872,654</u>	<u>12,880,405</u>	<u>3,185,750</u>	<u>5,440,834</u>
<b>Total pension liability - beginning</b>	<u>212,133,645</u>	<u>210,260,991</u>	<u>197,380,586</u>	<u>194,194,836</u>	<u>188,754,002</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 216,976,876</u>	<u>\$ 212,133,645</u>	<u>\$ 210,260,991</u>	<u>\$ 197,380,586</u>	<u>\$ 194,194,836</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 4,522,472	\$ 4,719,340	\$ 4,790,583	\$ 4,996,104	\$ 4,682,549
Contributions - member	2,470,473	2,438,330	2,383,150	2,362,148	2,266,801
Net investment income	14,103,627	18,184,736	13,786,336	1,660,751	15,642,316
Benefit payments, including refunds of employee contributions	(14,927,353)	(15,135,319)	(13,379,634)	(13,515,159)	(12,939,756)
Transfers among employers	129,613	154,026	(238,266)	50,472	46,811
<b>Net change in plan fiduciary net position</b>	<u>6,298,832</u>	<u>10,361,113</u>	<u>7,342,169</u>	<u>(4,445,684)</u>	<u>9,698,721</u>
<b>Plan net position - beginning</b>	<u>156,296,287</u>	<u>145,935,174</u>	<u>138,593,005</u>	<u>143,038,689</u>	<u>133,339,968</u>
<b>Plan net position - ending (b)</b>	<u>\$ 162,595,119</u>	<u>\$ 156,296,287</u>	<u>\$ 145,935,174</u>	<u>\$ 138,593,005</u>	<u>\$ 143,038,689</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 54,381,757	\$ 55,837,358	\$ 64,325,817	\$ 58,787,581	\$ 51,156,147
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	74.94%	73.68%	69.41%	70.22%	73.66%
<b>Covered payroll</b>	\$ 44,134,252	\$ 45,753,761	\$ 46,861,508	\$ 47,096,079	\$ 45,476,596
<b>Net pension liability (asset) as a percentage of covered payroll</b>	123.22%	122.04%	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 EMPLOYER CONTRIBUTIONS**  
**EMPLOYEES' RETIREMENT SYSTEM OF ALABAMA**  
**Last 10 Fiscal Years Ending September 30\***

	2019	2018	2017	2016	2015
Actuarially determined contribution**	\$ 5,090,793	\$ 4,696,683	\$ 4,719,457	\$ 4,791,994	\$ 4,994,771
Contributions in relation to the actuarially determined contribution**	<u>5,090,793</u>	<u>4,696,683</u>	<u>4,719,457</u>	<u>4,791,994</u>	<u>4,994,771</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	43,531,867	44,134,252	45,753,761	46,861,508	47,096,079
Contributions as a percentage of covered payroll	11.69%	10.64%	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 2019 were based on the September 30, 2016 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	29.2 years
Asset valuation method	Five year smoothed market
Inflation	2.875%
Salary increases	3.375 - 5.125%, including inflation
Investment rate of return	7.875%, net of pension plan investment expense, including inflation

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

	2018	2017	2016	2015	2014
<b>Total pension liability</b>					
Service cost	\$ 1,405,646	\$ 1,576,326	\$ 1,414,553	\$ 1,501,441	\$ 1,542,522
Interest	19,275,199	18,546,963	18,550,878	18,407,492	18,287,147
Changes of benefit terms	-	-	-	-	-
Demographic experience	1,267,621	9,154,812	(1,557,256)	1,341,073	-
Changes of assumptions	10,671,600	-	-	-	-
Benefit Payments, including refunds of employee contributions	(20,299,667)	(19,059,277)	(18,335,869)	(19,657,648)	(17,958,800)
<b>Net change in total pension liability</b>	<u>12,320,399</u>	<u>10,218,824</u>	<u>72,306</u>	<u>1,592,358</u>	<u>1,870,869</u>
<b>Total pension liability - beginning</b>	<u>270,857,075</u>	<u>260,638,251</u>	<u>260,565,945</u>	<u>258,973,587</u>	<u>257,102,718</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 283,177,474</u>	<u>\$ 270,857,075</u>	<u>\$ 260,638,251</u>	<u>\$ 260,565,945</u>	<u>\$ 258,973,587</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 18,717,733	\$ 19,977,104	\$ 19,701,943	\$ 16,354,458	\$ 14,950,855
Contributions - member	3,279,235	3,306,936	2,995,750	2,969,379	2,945,173
Net investment income	15,731,328	20,075,805	11,927,721	(6,881,722)	10,307,058
Benefit payments, including refunds of employee contributions	(20,299,667)	(19,059,277)	(18,335,869)	(19,657,648)	(18,186,135)
Administrative expenses	(9,118)	(49,685)	(18,061)	(4,989)	(110,549)
<b>Net change in plan fiduciary net position</b>	<u>17,419,511</u>	<u>24,250,883</u>	<u>16,271,484</u>	<u>(7,220,522)</u>	<u>9,906,402</u>
<b>Plan net position - beginning</b>	<u>184,991,659</u>	<u>160,740,776</u>	<u>144,469,292</u>	<u>151,689,814</u>	<u>141,783,412</u>
<b>Plan net position - ending (b)</b>	<u>\$ 202,411,170</u>	<u>\$ 184,991,659</u>	<u>\$ 160,740,776</u>	<u>\$ 144,469,292</u>	<u>\$ 151,689,814</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 80,766,304	\$ 85,865,416	\$ 99,897,475	\$ 116,096,653	\$ 107,283,773
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	71.48%	68.30%	61.67%	55.44%	58.57%
<b>Covered payroll</b>	\$ 40,740,794	\$ 39,003,598	\$ 36,451,544	\$ 35,887,574	\$ 36,010,184
<b>Net pension liability (asset) as a percentage of covered payroll</b>	198.24%	220.15%	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 EMPLOYER CONTRIBUTIONS**  
**POLICE AND FIREFIGHTERS RETIREMENT PLAN**  
**Last 10 Fiscal Years Ending September 30\***

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution**	\$ 20,699,025	\$ 18,717,733	\$ 19,977,104	\$ 19,701,944	\$ 16,354,458	\$ 14,950,855
Contributions in relation to the actuarially determined contribution**	<u>20,699,025</u>	<u>18,717,733</u>	<u>19,977,104</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>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	41,953,354	40,740,794	39,003,598	36,451,544	35,887,574	36,010,184
Contributions as a percentage of covered payroll	49.34%	45.94%	51.22%	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 2019 were based on the October 1, 2018 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. No assumptions or methods were changed since the completion of the previous valuation.

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	2.50%
Salary increases	3.00% per annum
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.
Mortality rates	RP-2000 Blue Collar Mortality Table

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

	2019	2018	2017	2016	2015
<b>Total pension liability</b>					
Service cost	\$ 841,709	\$ 891,442	\$ 850,659	\$ 855,623	\$ 916,967
Interest	925,643	794,830	732,175	710,345	605,268
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(355,413)	(276,445)	156,090	(760,649)	1,197,488
Changes of assumptions	(1,217,845)	29,946	-	26,156	(94,322)
Benefit Payments, including refunds of employee contributions	(450,715)	(487,357)	(421,768)	(340,857)	(316,249)
<b>Net change in total pension liability</b>	(256,621)	952,416	1,317,156	490,618	2,309,152
<b>Total pension liability - beginning</b>	17,087,052	16,134,636	14,817,480	14,326,862	12,017,710
<b>Total pension liability - ending (a)</b>	<u>\$ 16,830,431</u>	<u>\$ 17,087,052</u>	<u>\$ 16,134,636</u>	<u>\$ 14,817,480</u>	<u>\$ 14,326,862</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 659,074	\$ 592,745	\$ 457,063	\$ 280,573	\$ 404,160
Contributions - member	228,368	225,283	231,011	227,928	218,400
Net investment income	957,336	942,711	910,131	173,650	228,476
Benefit payments, including refunds of employee contributions	(450,715)	(487,357)	(421,768)	(340,857)	(318,619)
Administrative expenses	(32,388)	(29,651)	(28,080)	(19,280)	(17,915)
<b>Net change in plan fiduciary net position</b>	1,361,675	1,243,731	1,148,357	322,014	514,502
<b>Plan net position - beginning</b>	13,270,954	12,027,223	10,878,866	10,556,852	10,042,350
<b>Plan net position - ending (b)</b>	<u>\$ 14,632,629</u>	<u>\$ 13,270,954</u>	<u>\$ 12,027,223</u>	<u>\$ 10,878,866</u>	<u>\$ 10,556,852</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 2,197,802	\$ 3,816,098	\$ 4,107,413	\$ 3,938,614	\$ 3,770,010
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	86.94%	77.67%	74.54%	73.42%	73.69%
<b>Covered payroll</b>	\$ 3,874,236	\$ 3,657,154	\$ 3,578,494	\$ 3,624,022	\$ 3,891,061
<b>Net pension liability (asset) as a percentage of covered payroll</b>	56.73%	104.35%	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 EMPLOYER CONTRIBUTIONS**  
**TRANSIT WORKERS PENSION PLAN**  
**Last 10 Fiscal Years Ending June 30**

	2019	2018	2017	2016
Actuarially determined contribution**	\$ 659,074	\$ 592,745	\$ 457,063	\$ 280,573
Contributions in relation to the actuarially determined contribution*	<u>659,074</u>	<u>592,745</u>	<u>457,063</u>	<u>280,573</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	3,874,236	3,657,154	3,578,494	3,624,022
Contributions as a percentage of covered payroll	17.01%	16.21%	12.77%	7.74%

\*\* 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 2019 were based on the July 1, 2018 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.

Since the last valuation, the segment rates were changed from 3.92%, 5.52% and 6.29%, with an equivalent rate of 5.28% to 3.74%, 5.35%, and 6.11%, respectively with an equivalent rate of 5.07%.

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
Cost of living adjustments	None
Salary increases	4.00% per annum
Investment rate of return	5.28%, net of pension plan investment expense, including inflation.
Mortality rates	Sex distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2018 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.

2015	2014	2013	2012	2011	2010
\$ 404,160	\$ 785,105	\$ 580,620	\$ 1,319,178	\$ 861,901	\$ 695,577
404,160	785,105	580,620	1,319,178	861,901	695,577
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,891,061	3,679,642	3,650,777	3,681,811	3,671,711	3,452,194
10.39%	21.34%	15.90%	35.83%	23.47%	20.15%

**CITY OF MOBILE, ALABAMA**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
**Last 10 Fiscal Years Ending September 30\***

	2018	2017
<b>Total OPEB liability</b>		
Service cost	\$ 5,529,861	\$ 6,848,282
Expected interest growth	7,141,084	5,332,451
Changes of benefit terms	-	-
Differences between expected and actual experience	(50,661,758)	-
Changes of assumptions	(10,324,761)	-
Benefit Payments, including refunds of employee contributions	<u>(2,765,878)</u>	<u>(7,454,141)</u>
<b>Net change in total OPEB liability</b>	(51,081,452)	4,726,592
<b>Total OPEB liability - beginning</b>	<u>192,024,334</u>	<u>187,297,742</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 140,942,882</u></u>	<u><u>\$ 192,024,334</u></u>
<b>Covered payroll**</b>	\$ 86,002,849	\$ 85,810,180
<b>Net OPEB liability (asset) as a percentage of covered payroll</b>	163.88%	223.78%

\* 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.

\*\*Covered payroll includes the base pay of all employees eligible to participate in the plan.

Note: There are no assets in a trust compliant with GASB Statement No. 73 or Statement No. 75.

**NOTES TO SCHEDULE**

Changes of assumptions: There were a number of changes in the actuarial assumptions. Some of these assumption changes have significantly affected the liability amount. Key items to note regarding actuarial assumptions include:

- The discount rate was increased from 2.80% per annum to 3.64% per annum.
- The mortality basis was changed from the RP-2000 Mortality Table with generational improvements in mortality using Scall AA to the PUB-2010 Mortality Table with generational improvements in mortality using Scale MP-2017.

# GOVERNMENTAL FUNDS – NONMAJOR





# GOVERNMENTAL FUNDS – NONMAJOR

**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.**

Picture on the prior page features downtown Mobile



# COMBINING FINANCIAL STATEMENTS



# COMBINING FINANCIAL STATEMENTS

Picture on the prior page features a statue of Ervin S. Cooper (1911-1982) sitting on a bench in Cooper Riverside Park alongside the Mobile River.

Cooper is credited with growing his family's stevedoring business into a complex, multifaceted maritime giant, employing thousands worldwide. He is immortalized in a bronze statue sitting on a Waterman Steamship Company bench watching over the Mobile waterfront which has meant so much to the Cooper family,



**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**Summary by Fund Type**  
**September 30, 2019**

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 6,614,365	\$ 1,016,122	\$ 24,429,012	\$ 32,059,499
Restricted cash - capital purchases and debt service	83,781	57	-	83,838
Receivables, net	-	-	2,857,880	2,857,880
Due from other funds	-	-	63,891	63,891
Total assets	<u>\$ 6,698,146</u>	<u>\$ 1,016,179</u>	<u>\$ 27,350,783</u>	<u>\$ 35,065,108</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,419,995	\$ 1,419,995
Pension employer contributions payable	-	-	12,166	12,166
Unearned revenue	-	-	801,992	801,992
Due to other funds	-	-	63,891	63,891
Escrowed funds liability	-	-	406	406
Total liabilities	<u>-</u>	<u>-</u>	<u>2,298,450</u>	<u>2,298,450</u>
<b>FUND BALANCES</b>				
Restricted				
Capital projects	6,613,232	-	-	6,613,232
Debt service	-	1,016,179	-	1,016,179
Grants	-	-	6,609,463	6,609,463
Law enforcement	-	-	668,188	668,188
Road and bridge construction	-	-	443,084	443,084
Road and bridge repair	-	-	2,536,513	2,536,513
Committed				
Flood management	84,914	-	-	84,914
Storm water	-	-	761,966	761,966
Tax increment program	-	-	12,353,462	12,353,462
Assigned				
Economic development	-	-	30,146	30,146
Municipal court	-	-	1,649,511	1,649,511
Total fund balances	<u>6,698,146</u>	<u>1,016,179</u>	<u>25,052,333</u>	<u>32,766,658</u>
Total liabilities and fund balances	<u>\$ 6,698,146</u>	<u>\$ 1,016,179</u>	<u>\$ 27,350,783</u>	<u>\$ 35,065,108</u>

**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, 2019**

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 10,944,162	\$ 10,944,162
Charges for services	-	-	8,030	8,030
Fines and forfeitures	-	-	438,605	438,605
State and federal assistance	1,749,125	-	7,701,516	9,450,641
Investment income	62,423	18,399	207,049	287,871
Other revenue	-	-	15,555	15,555
Total revenues	<u>1,811,548</u>	<u>18,399</u>	<u>19,314,917</u>	<u>21,144,864</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	3,511,880	3,511,880
Culture and recreation	-	-	266,320	266,320
Engineering, development and Build Mobile	-	-	854,709	854,709
Public safety	-	-	3,678,176	3,678,176
Public works	-	-	5,193,497	5,193,497
Debt service:				
Administrative charges	-	82	-	82
Bond issuance costs	235,607	-	4,548	240,155
Interest	-	7,696,956	50,509	7,747,465
Principal retirement	-	14,263,000	155,000	14,418,000
Capital outlay:				
Capital outlay	-	-	2,087,965	2,087,965
Total expenditures	<u>235,607</u>	<u>21,960,038</u>	<u>15,802,604</u>	<u>37,998,249</u>
Excess (deficiency) of revenues over expenditures	<u>1,575,941</u>	<u>(21,941,639)</u>	<u>3,512,313</u>	<u>(16,853,385)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding debt issued	24,350,000	-	-	24,350,000
Payment to refunding bond escrow agent	(27,337,395)	-	-	(27,337,395)
Premium (discount) on debt issued	3,223,002	-	-	3,223,002
Transfers in	-	23,677,064	2,060,804	25,737,868
Transfers out	(1,917,326)	(872,521)	(4,794,098)	(7,583,945)
Total other financing sources (uses)	<u>(1,681,719)</u>	<u>22,804,543</u>	<u>(2,733,294)</u>	<u>18,389,530</u>
Net change in fund balances	(105,778)	862,904	779,019	1,536,145
Fund balances - beginning	6,803,924	153,275	24,273,314	31,230,513
Fund balances - ending	<u>\$ 6,698,146</u>	<u>\$ 1,016,179</u>	<u>\$ 25,052,333</u>	<u>\$ 32,766,658</u>

# CAPITAL PROJECT FUNDS – NONMAJOR



# CAPITAL PROJECT FUNDS – NONMAJOR

**Municipal Government Capital Improvements**

**Flood Management Escrow**

**2000 Capital Projects**

**2012 General Obligation Private Placement Capital Equipment**

**2016C General Obligation Taxable Warrants**

**2017A General Obligation Warrants**

**2018A General Obligation Warrants**

Picture on the prior page features a statue of the Queen of Carnival in Mardi Gras Park in downtown Mobile.

Mardi Gras Park commemorates the city's standing as the host of the first Mardi Gras celebration in the United States. It features colorful statues of popular Carnival characters including Joe Cain. It is a popular corner of the main parade route.



**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**September 30, 2019**

	Municipal Government Capital Improvement	Flood Management Escrow	2000 Capital Projects
<b>ASSETS</b>			
Cash, equity in pooled cash and investments	\$ 6,529,967	\$ 84,914	\$ 496
Restricted cash - capital purchases	-	-	-
Total assets	<u>\$ 6,529,967</u>	<u>\$ 84,914</u>	<u>\$ 496</u>
<b>LIABILITIES</b>			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>			
Restricted			
Capital projects	6,529,967	-	496
Committed			
Flood management	-	84,914	-
Total fund balances	<u>6,529,967</u>	<u>84,914</u>	<u>496</u>
Total liabilities and fund balances	<u>\$ 6,529,967</u>	<u>\$ 84,914</u>	<u>\$ 496</u>



2012 G.O. Private Placement Capital Equipment	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2018A G.O. Warrants	Total Nonmajor Capital Projects Funds
\$ (1,012)	\$ -	\$ -	\$ -	\$ 6,614,365
83,781	-	-	-	83,781
<u>\$ 82,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,698,146</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
82,769	-	-	-	6,613,232
-	-	-	-	84,914
<u>82,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,698,146</u>
<u>\$ 82,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,698,146</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, 2019**

	Municipal Government Capital Improvement	Flood Management Escrow	2000 Capital Projects
<b>REVENUES</b>			
State and federal assistance	\$ 1,749,125	\$ -	\$ -
Investment income	61,404	860	5
Total revenues	<u>1,810,529</u>	<u>860</u>	<u>5</u>
<b>EXPENDITURES</b>			
Debt service:			
Bond issuance costs	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,810,529</u>	<u>860</u>	<u>5</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Refunding debt issued	-	-	-
Payment to refunding bond escrow agent	-	-	-
Premium (discount) on debt issued	-	-	-
Transfers out	<u>(1,906,793)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,906,793)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(96,264)	860	5
Fund balances - beginning	6,626,231	84,054	491
Fund balances - ending	<u>\$ 6,529,967</u>	<u>\$ 84,914</u>	<u>\$ 496</u>

2012 G.O. Private Placement Capital Equipment	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2018A G.O. Warrants	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ 1,749,125
154	-	-	-	62,423
154	-	-	-	1,811,548
-	-	-	235,607	235,607
-	-	-	235,607	235,607
154	-	-	(235,607)	1,575,941
-	-	-	24,350,000	24,350,000
-	-	-	(27,337,395)	(27,337,395)
-	-	-	3,223,002	3,223,002
(10,530)	(1)	(2)	-	(1,917,326)
(10,530)	(1)	(2)	235,607	(1,681,719)
(10,376)	(1)	(2)	-	(105,778)
93,145	1	2	-	6,803,924
\$ 82,769	\$ -	\$ -	\$ -	\$ 6,698,146

# DEBT SERVICE FUNDS – NONMAJOR



# DEBT SERVICE FUNDS – NONMAJOR

**Bank Service Charges – Various Issues**

**2009A General Obligation Refunding Warrants**

**2009B General Obligation BAB Capital Taxable Warrants**

**2009C General Obligation ARRA Capital Taxable Warrants**

**2011 General Obligation Private Placement Warrants**

**2012 General Obligation Private Placement Warrants**

**2016 General Obligation Refunding Warrants**

**2016C General Obligation Taxable Warrants**

**2017A General Obligation Warrants**

**2017B General Obligation Warrants**

**2017C General Obligation Warrants**

**2017D General Obligation Warrants**

**2018A General Obligation Refunding Warrants**

Picture on the prior page features the History Museum of Mobile



**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**September 30, 2019**

	Bank Serv Chgs-Var Issues	2009A G.O. Refunding Warrants	2009B G.O. BAB Cap Taxable Warrants	2009C G.O. ARRA Cap Taxable Warrants	2011 G.O. Priv Place Warrants	2012 G.O. Priv Place Warrants
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$ 130,914	\$ -	\$ -	\$ 77	\$ -	\$ -
Restricted cash - debt service	-	-	-	-	41	16
Total assets	<u>\$ 130,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 41</u>	<u>\$ 16</u>
<b>LIABILITIES</b>						
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>						
Restricted						
Debt service	130,914	-	-	77	41	16
Total fund balances	<u>130,914</u>	<u>-</u>	<u>-</u>	<u>77</u>	<u>41</u>	<u>16</u>
Total liabilities and fund balances	<u>\$ 130,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 41</u>	<u>\$ 16</u>

2016 G.O. Refunding Warrants	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	2018A G.O. Refunding Warrants	2019 GulfQuest Note Payable	Total Nonmajor Debt Service Funds
\$ 5,110	\$ 13,620	\$ 10,846	\$ 15,638	\$ 5,658	\$ 4,996	\$ 829,263	\$ -	\$ 1,016,122
-	-	-	-	-	-	-	-	57
<u>\$ 5,110</u>	<u>\$ 13,620</u>	<u>\$ 10,846</u>	<u>\$ 15,638</u>	<u>\$ 5,658</u>	<u>\$ 4,996</u>	<u>\$ 829,263</u>	<u>\$ -</u>	<u>\$ 1,016,179</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,110	13,620	10,846	15,638	5,658	4,996	829,263	-	1,016,179
<u>5,110</u>	<u>13,620</u>	<u>10,846</u>	<u>15,638</u>	<u>5,658</u>	<u>4,996</u>	<u>829,263</u>	<u>-</u>	<u>1,016,179</u>
<u>\$ 5,110</u>	<u>\$ 13,620</u>	<u>\$ 10,846</u>	<u>\$ 15,638</u>	<u>\$ 5,658</u>	<u>\$ 4,996</u>	<u>\$ 829,263</u>	<u>\$ -</u>	<u>\$ 1,016,179</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, 2019**

	Bank Serv Chgs-Var Issues	2009A G.O. Refunding Warrants	2009B G.O. BAB Cap Taxable Warrants	2009C G.O. ARRA Cap Taxable Warrants	2011 G.O. Priv Place Warrants	2012 G.O. Priv Place Warrants
<b>REVENUES</b>						
Investment income	\$ 746	\$ 182	\$ 394	\$ 248	\$ -	\$ -
Total revenues	<u>746</u>	<u>182</u>	<u>394</u>	<u>248</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Debt service:						
Administrative charges	-	-	-	46	36	-
Interest	-	-	-	391,227	170,221	-
Principal retirement	-	-	-	-	1,600,000	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>391,273</u>	<u>1,770,257</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>746</u>	<u>182</u>	<u>394</u>	<u>(391,025)</u>	<u>(1,770,257)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	10,529	273,758	595,088	391,266	1,770,221	-
Transfers out	-	(275,240)	(596,437)	(844)	-	-
Total other financing sources (uses)	<u>10,529</u>	<u>(1,482)</u>	<u>(1,349)</u>	<u>390,422</u>	<u>1,770,221</u>	<u>-</u>
Net change in fund balances	11,275	(1,300)	(955)	(603)	(36)	-
Fund balances - beginning	119,639	1,300	955	680	77	16
Fund balances - ending	<u>\$ 130,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 41</u>	<u>\$ 16</u>



2016 G.O. Refunding Warrants	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	2018A G.O. Refunding Warrants	2019 GulfQuest Note Payable	Total Nonmajor Debt Service Funds
\$ 5,110	\$ 2,539	\$ 875	\$ 1	\$ -	\$ -	\$ 8,304	\$ -	\$ 18,399
<u>5,110</u>	<u>2,539</u>	<u>875</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>8,304</u>	<u>-</u>	<u>18,399</u>
-	-	-	-	-	-	-	-	82
969,359	552,926	2,982,466	125,055	337,622	1,384,490	783,590	-	7,696,956
398,000	715,000	6,095,000	700,000	4,355,000	-	-	400,000	14,263,000
<u>1,367,359</u>	<u>1,267,926</u>	<u>9,077,466</u>	<u>825,055</u>	<u>4,692,622</u>	<u>1,384,490</u>	<u>783,590</u>	<u>400,000</u>	<u>21,960,038</u>
<u>(1,362,249)</u>	<u>(1,265,387)</u>	<u>(9,076,591)</u>	<u>(825,054)</u>	<u>(4,692,622)</u>	<u>(1,384,490)</u>	<u>(775,286)</u>	<u>(400,000)</u>	<u>(21,941,639)</u>
1,367,359	1,268,060	9,078,027	840,691	4,692,875	1,384,641	1,604,549	400,000	23,677,064
-	-	-	-	-	-	-	-	(872,521)
<u>1,367,359</u>	<u>1,268,060</u>	<u>9,078,027</u>	<u>840,691</u>	<u>4,692,875</u>	<u>1,384,641</u>	<u>1,604,549</u>	<u>400,000</u>	<u>22,804,543</u>
5,110	2,673	1,436	15,637	253	151	829,263	-	862,904
-	10,947	9,410	1	5,405	4,845	-	-	153,275
<u>\$ 5,110</u>	<u>\$ 13,620</u>	<u>\$ 10,846</u>	<u>\$ 15,638</u>	<u>\$ 5,658</u>	<u>\$ 4,996</u>	<u>\$ 829,263</u>	<u>\$ -</u>	<u>\$ 1,016,179</u>

SPECIAL REVENUE FUNDS – NONMAJOR



# **SPECIAL REVENUE FUNDS – NONMAJOR**

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

Pictures on the prior page feature the 2019 MoonPie Drop New Year's Eve celebration in downtown Mobile.

Downtown Mobile welcomes more than 50,000 people each New Year's Eve for an evening of celebratory activities leading up to the giant 600 pound electric MoonPie drop, laser light show and fireworks at midnight! It has been hailed as one of the best New Year's Eve events in the country!



**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**September 30, 2019**

	Tax Increment Fund	Four-Cent Maintenance	Five-Cent Roadway Maintenance	Seven-Cent Roadway Maintenance	Fuel Inspection Fees
<b>ASSETS</b>					
Cash, equity in pooled cash and investments	\$ 12,680,334	\$ 2,420,209	\$ 379,456	\$ -	\$ -
Receivables, net	-	129,097	63,628	222,699	7,373
Due from other funds	-	-	-	-	-
Total assets	<u>\$ 12,680,334</u>	<u>\$ 2,549,306</u>	<u>\$ 443,084</u>	<u>\$ 222,699</u>	<u>\$ 7,373</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 326,872	\$ -	\$ -	\$ 242,865	\$ -
Pension employer contributions payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Escrowed funds liability	-	-	-	-	-
Total liabilities	<u>326,872</u>	<u>-</u>	<u>-</u>	<u>242,865</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Restricted					
Grants	-	-	-	-	-
Law enforcement	-	-	-	-	-
Road and bridge construction	-	-	443,084	-	-
Road and bridge repair	-	2,549,306	-	(20,166)	7,373
Committed					
Storm water	-	-	-	-	-
Tax increment program	12,353,462	-	-	-	-
Assigned					
Economic development	-	-	-	-	-
Municipal court	-	-	-	-	-
Total fund balances (deficits)	<u>12,353,462</u>	<u>2,549,306</u>	<u>443,084</u>	<u>(20,166)</u>	<u>7,373</u>
Total liabilities and fund balances (deficits)	<u>\$ 12,680,334</u>	<u>\$ 2,549,306</u>	<u>\$ 443,084</u>	<u>\$ 222,699</u>	<u>\$ 7,373</u>

Economic Development Escrow	Drug Enforcement Fund	Municipal Court Judicial Admin	Storm Water Fund	General Activities Grants	Public Safety Grants	Housing and Urban Development Grants	Total Nonmajor Special Revenue Funds
\$ 30,146	\$ 668,188	\$ 1,714,720	\$ 777,028	\$ 4,321,617	\$ 1,437,314	\$ -	\$ 24,429,012
-	-	-	-	1,124,340	911,416	399,327	2,857,880
-	-	-	-	63,891	-	-	63,891
<u>\$ 30,146</u>	<u>\$ 668,188</u>	<u>\$ 1,714,720</u>	<u>\$ 777,028</u>	<u>\$ 5,509,848</u>	<u>\$ 2,348,730</u>	<u>\$ 399,327</u>	<u>\$ 27,350,783</u>
\$ -	\$ -	\$ 63,048	\$ 15,062	\$ 490,209	\$ 179,196	\$ 102,743	\$ 1,419,995
-	-	2,161	-	4,163	-	5,842	12,166
-	-	-	-	755,988	46,004	-	801,992
-	-	-	-	-	-	63,891	63,891
-	-	-	-	-	-	406	406
-	-	65,209	15,062	1,250,360	225,200	172,882	2,298,450
-	-	-	-	4,259,488	2,123,530	226,445	6,609,463
-	668,188	-	-	-	-	-	668,188
-	-	-	-	-	-	-	443,084
-	-	-	-	-	-	-	2,536,513
-	-	-	761,966	-	-	-	761,966
-	-	-	-	-	-	-	12,353,462
30,146	-	-	-	-	-	-	30,146
-	-	1,649,511	-	-	-	-	1,649,511
<u>30,146</u>	<u>668,188</u>	<u>1,649,511</u>	<u>761,966</u>	<u>4,259,488</u>	<u>2,123,530</u>	<u>226,445</u>	<u>25,052,333</u>
<u>\$ 30,146</u>	<u>\$ 668,188</u>	<u>\$ 1,714,720</u>	<u>\$ 777,028</u>	<u>\$ 5,509,848</u>	<u>\$ 2,348,730</u>	<u>\$ 399,327</u>	<u>\$ 27,350,783</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, 2019**

	Tax Increment Fund	4-Cent Maintenance	5-Cent Roadway Maintenance	7-Cent Roadway Maintenance	Fuel Inspection Fees
<b>REVENUES</b>					
Taxes	\$ 4,006,534	\$ 1,408,308	\$ 693,113	\$ 2,425,898	\$ 85,068
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
State and federal assistance	-	-	-	-	-
Investment income	174,250	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>4,180,784</u>	<u>1,408,308</u>	<u>693,113</u>	<u>2,425,898</u>	<u>85,068</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Engineering, development and Build Mobile	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	3,031,485	-
Debt service:					
Bond issuance costs	-	-	-	-	-
Interest	-	-	-	-	-
Principal retirement	-	-	-	-	-
Capital outlay:					
Capital outlay	2,087,965	-	-	-	-
Total expenditures	<u>2,087,965</u>	<u>-</u>	<u>-</u>	<u>3,031,485</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,092,819</u>	<u>1,408,308</u>	<u>693,113</u>	<u>(605,587)</u>	<u>85,068</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	748,742	-
Transfers out	(2,704,302)	(671,927)	(600,000)	(356,238)	(85,295)
Total other financing sources (uses)	<u>(2,704,302)</u>	<u>(671,927)</u>	<u>(600,000)</u>	<u>392,504</u>	<u>(85,295)</u>
Net change in fund balances	(611,483)	736,381	93,113	(213,083)	(227)
Fund balances - beginning	12,964,945	1,812,925	349,971	192,917	7,600
Fund balances - ending	<u>\$12,353,462</u>	<u>\$ 2,549,306</u>	<u>\$ 443,084</u>	<u>\$ (20,166)</u>	<u>\$ 7,373</u>

Economic Development Escrow	Drug Enforcement Fund	Municipal Court Judicial Admin	Storm Water Fund	General Activities Grants	Public Safety Grants	Housing and Urban Development Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 2,325,241	\$ -	\$ -	\$ -	\$ 10,944,162
-	-	-	-	-	8,030	-	8,030
-	216,357	213,696	-	-	8,552	-	438,605
-	-	-	-	1,281,015	3,121,017	3,299,484	7,701,516
303	6,961	-	-	18,358	7,177	-	207,049
-	-	-	-	-	15,555	-	15,555
<u>303</u>	<u>223,318</u>	<u>213,696</u>	<u>2,325,241</u>	<u>1,299,373</u>	<u>3,160,331</u>	<u>3,299,484</u>	<u>19,314,917</u>
-	-	-	-	487,871	-	3,024,009	3,511,880
-	-	-	-	266,320	-	-	266,320
-	-	-	-	854,709	-	-	854,709
-	226,713	186,813	-	-	3,264,650	-	3,678,176
-	-	-	1,565,365	596,647	-	-	5,193,497
-	-	-	-	-	-	4,548	4,548
-	-	-	-	-	-	50,509	50,509
-	-	-	-	-	-	155,000	155,000
-	-	-	-	-	-	-	2,087,965
-	<u>226,713</u>	<u>186,813</u>	<u>1,565,365</u>	<u>2,205,547</u>	<u>3,264,650</u>	<u>3,234,066</u>	<u>15,802,604</u>
<u>303</u>	<u>(3,395)</u>	<u>26,883</u>	<u>759,876</u>	<u>(906,174)</u>	<u>(104,319)</u>	<u>65,418</u>	<u>3,512,313</u>
-	-	-	-	705,869	310,000	296,193	2,060,804
-	-	-	-	(79,960)	-	(296,376)	(4,794,098)
-	-	-	-	625,909	310,000	(183)	(2,733,294)
303	(3,395)	26,883	759,876	(280,265)	205,681	65,235	779,019
29,843	671,583	1,622,628	2,090	4,539,753	1,917,849	161,210	24,273,314
<u>\$ 30,146</u>	<u>\$ 668,188</u>	<u>\$ 1,649,511</u>	<u>\$ 761,966</u>	<u>\$ 4,259,488</u>	<u>\$ 2,123,530</u>	<u>\$ 226,445</u>	<u>\$ 25,052,333</u>

# ENTERPRISE FUNDS – NONMAJOR





# ENTERPRISE FUNDS – NONMAJOR

**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  
Mobile Tennis Center  
Saenger Theater  
Neighborhood Renewal Program**

Pictures on the prior page feature the Arthur R. Outlaw Mobile Convention Center in downtown Mobile



**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2019**

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise Funds
<b>ASSETS</b>					
Current assets:					
Cash, equity in pooled cash and investments	\$ 545,171	\$ 600	\$ 1,100	\$ 719,606	\$ 1,266,477
Receivables, net	1,265	-	-	-	1,265
Inventories and prepaids	21,896	-	52,971	69,850	144,717
Total current assets	<u>568,332</u>	<u>600</u>	<u>54,071</u>	<u>789,456</u>	<u>1,412,459</u>
Noncurrent assets:					
Non-depreciable capital assets	-	-	1,457,640	-	1,457,640
Depreciable capital assets, net	2,085,728	66,926	1,656,428	-	3,809,082
Total noncurrent assets	<u>2,085,728</u>	<u>66,926</u>	<u>3,114,068</u>	<u>-</u>	<u>5,266,722</u>
Total assets	<u>2,654,060</u>	<u>67,526</u>	<u>3,168,139</u>	<u>789,456</u>	<u>6,679,181</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>2,654,060</u>	<u>67,526</u>	<u>3,168,139</u>	<u>789,456</u>	<u>6,679,181</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	160,429	29,896	108,174	377	298,876
Pension employer contributions payable	-	3,979	8,041	-	12,020
Unearned revenue	421,548	-	-	-	421,548
Total liabilities	<u>581,977</u>	<u>33,875</u>	<u>116,215</u>	<u>377</u>	<u>732,444</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>581,977</u>	<u>33,875</u>	<u>116,215</u>	<u>377</u>	<u>732,444</u>
<b>NET POSITION</b>					
Net investment in capital assets	2,085,728	66,926	3,114,068	-	5,266,722
Unrestricted	(13,645)	(33,275)	(62,144)	789,079	680,015
Total net position	<u>\$ 2,072,083</u>	<u>\$ 33,651</u>	<u>\$ 3,051,924</u>	<u>\$ 789,079</u>	<u>\$ 5,946,737</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2019**

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 617,943	\$ 222,478	\$ 1,122,837	\$ -	\$ 1,963,258
Facility rent	291,192	-	-	-	291,192
Sales revenue	-	3,000	143,184	25,921	172,105
Concessions	225,727	910	-	-	226,637
Other revenue	215,220	480	612	-	216,312
Total operating revenues	<u>1,350,082</u>	<u>226,868</u>	<u>1,266,633</u>	<u>25,921</u>	<u>2,869,504</u>
<b>OPERATING EXPENSES</b>					
Personnel services	1,130,187	552,112	896,092	-	2,578,391
Commodities	27,025	106,088	261,727	253	395,093
Utilities	148,379	72,134	81,649	-	302,162
Professional and technical	100,716	153,947	2,592	3,300	260,555
Maintenance and repairs	5,412	-	7,296	-	12,708
Printing and reproduction	238	3,747	1,844	-	5,829
Insurance payments	23,576	-	53,297	3,414	80,287
Cost of goods sold	-	-	144,862	27,975	172,837
Other charges	129,929	48,039	100,268	229	278,465
Depreciation	189,159	3,706	219,722	-	412,587
Total operating expenses	<u>1,754,621</u>	<u>939,773</u>	<u>1,769,349</u>	<u>35,171</u>	<u>4,498,914</u>
Operating income (loss)	<u>(404,539)</u>	<u>(712,905)</u>	<u>(502,716)</u>	<u>(9,250)</u>	<u>(1,629,410)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State and federal assistance	-	-	766	-	766
Gain (loss) from disposal of assets	-	-	7,105	-	7,105
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>7,871</u>	<u>-</u>	<u>7,871</u>
Income (loss) before contributions and transfers	<u>(404,539)</u>	<u>(712,905)</u>	<u>(494,845)</u>	<u>(9,250)</u>	<u>(1,621,539)</u>
Transfers in	120,958	708,730	456,904	-	1,286,592
Change in net position	<u>(283,581)</u>	<u>(4,175)</u>	<u>(37,941)</u>	<u>(9,250)</u>	<u>(334,947)</u>
Total net position - beginning	2,355,664	37,826	3,089,865	798,329	6,281,684
Total net position - ending	<u>\$ 2,072,083</u>	<u>\$ 33,651</u>	<u>\$ 3,051,924</u>	<u>\$ 789,079</u>	<u>\$ 5,946,737</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2019**

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 617,463	\$ 222,478	\$ 1,122,837	\$ 25,921	\$ 1,988,699
Cash received from sales revenue	-	-	143,184	-	143,184
Cash received from facility and other rent	298,266	3,000	-	-	301,266
Cash received from concessions	225,727	910	-	-	226,637
Cash received from miscellaneous	(216,290)	4,249	612	-	(211,429)
Cash payments for operating expenses	(535,902)	(375,680)	(659,076)	(17,915)	(1,588,573)
Cash payments for internal services	-	(55,122)	(135,656)	-	(190,778)
Cash payments to employees for services	(1,130,187)	(501,765)	(765,891)	-	(2,397,843)
Net cash provided (used) by operating activities	<u>(740,923)</u>	<u>(701,930)</u>	<u>(293,990)</u>	<u>8,006</u>	<u>(1,728,837)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Non-capital grants and contributions	-	-	766	-	766
Transfers in from other funds	120,959	708,730	456,904	-	1,286,593
Net cash provided (used) by noncapital financing activities	<u>120,959</u>	<u>708,730</u>	<u>457,670</u>	<u>-</u>	<u>1,287,359</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	(6,800)	(187,228)	-	(194,028)
Proceeds from sale of capital assets	-	-	23,548	-	23,548
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(6,800)</u>	<u>(163,680)</u>	<u>-</u>	<u>(170,480)</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	(619,964)	-	-	8,006	(611,958)
Balances - beginning of year	1,165,135	600	1,100	711,600	1,878,435
Balances - end of the year	<u>\$ 545,171</u>	<u>\$ 600</u>	<u>\$ 1,100</u>	<u>\$ 719,606</u>	<u>\$ 1,266,477</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (404,539)	\$ (712,905)	\$ (502,716)	\$ (9,250)	\$ (1,629,410)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	189,159	3,706	219,722	-	412,587
Changes in assets and liabilities:					
Accounts payable and accrued liabilities	(110,321)	7,963	(51,050)	(476)	(153,884)
Receivables, net	7,074	-	-	-	7,074
Inventories and prepaids	9,214	-	40,455	17,732	67,401
Salary and benefits payable	-	(694)	(401)	-	(1,095)
Advance collections	(431,510)	-	-	-	(431,510)
Net cash provided (used) by operating activities	<u>\$ (740,923)</u>	<u>\$ (701,930)</u>	<u>\$ (293,990)</u>	<u>\$ 8,006</u>	<u>\$ (1,728,837)</u>

# INTERNAL SERVICE FUNDS



# INTERNAL SERVICE FUNDS

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

**Motor Pool Fund**

**Liability Insurance Fund**

**Employee Health Fund**

Pictures on the prior page feature the Summer 2019 Africatown Clotilda Celebration.

The City of Mobile gathered in Africatown to celebrate the findings of the Clotilda and to honor the descendants. Africatown was formed by a group of 32 West Africans, who in 1860 were included in the last known illegal shipment of slaves to the United States.



**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2019**

	<u>Motor Pool</u>	<u>Employee Health Plan</u>	<u>Liability Insurance</u>	<u>Total Internal Service Funds</u>
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 2,754,586	\$ 12,008,083	\$ 87,011	\$ 14,849,680
Receivables, net	23,440	231,279	-	254,719
Total current assets	<u>2,778,026</u>	<u>12,239,362</u>	<u>87,011</u>	<u>15,104,399</u>
Noncurrent assets:				
Depreciable capital assets, net	32,334,211	-	-	32,334,211
Total noncurrent assets	<u>32,334,211</u>	<u>-</u>	<u>-</u>	<u>32,334,211</u>
Total assets	<u>35,112,237</u>	<u>12,239,362</u>	<u>87,011</u>	<u>47,438,610</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>35,112,237</u>	<u>12,239,362</u>	<u>87,011</u>	<u>47,438,610</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	63,670	989,150	24,671	1,077,491
Pension employer contributions payable	1,258	-	-	1,258
Insurance claims payable	-	1,868,000	-	1,868,000
Total current liabilities	<u>64,928</u>	<u>2,857,150</u>	<u>24,671</u>	<u>2,946,749</u>
Noncurrent liabilities:				
Self-insured legal liability	-	-	310,000	310,000
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>310,000</u>	<u>310,000</u>
Total liabilities	<u>64,928</u>	<u>2,857,150</u>	<u>334,671</u>	<u>3,256,749</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	<u>64,928</u>	<u>2,857,150</u>	<u>334,671</u>	<u>3,256,749</u>
<b>NET POSITION</b>				
Net investment in capital assets	32,334,211	-	-	32,334,211
Unrestricted	2,713,098	9,382,212	(247,660)	11,847,650
Total net position	<u>\$ 35,047,309</u>	<u>\$ 9,382,212</u>	<u>\$ (247,660)</u>	<u>\$ 44,181,861</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2019**

	Motor Pool	Employee Health Plan	Liability Insurance	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 20,302	\$ 1,427,113	\$ -	\$ 1,447,415
Internal charges	8,136,870	22,271,530	-	30,408,400
Employee contributions	-	7,087,790	-	7,087,790
Total operating revenues	<u>8,157,172</u>	<u>30,786,433</u>	<u>-</u>	<u>38,943,605</u>
<b>OPERATING EXPENSES</b>				
Personnel services	153,022	-	-	153,022
Commodities	3,293,602	-	-	3,293,602
Utilities	38,092	-	-	38,092
Professional and technical	12,300	67,725	2,213,750	2,293,775
Printing and reproduction	1,408	1,897	-	3,305
Insurance and claim payments	-	25,307,466	-	25,307,466
Increase (decrease) in provision for self-insurance loss	-	(138,700)	(178,228)	(316,928)
Other charges	141,076	11,166	691,289	843,531
Depreciation	5,754,011	-	-	5,754,011
Total operating expenses	<u>9,393,511</u>	<u>25,249,554</u>	<u>2,726,811</u>	<u>37,369,876</u>
Operating income (loss)	<u>(1,236,339)</u>	<u>5,536,879</u>	<u>(2,726,811)</u>	<u>1,573,729</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Damaged vehicles reimbursement	118,108	-	-	118,108
Gain (loss) from disposal of assets	82,663	-	-	82,663
Total nonoperating revenues (expenses)	<u>200,771</u>	<u>-</u>	<u>-</u>	<u>200,771</u>
Income (loss) before contributions and transfers	<u>(1,035,568)</u>	<u>5,536,879</u>	<u>(2,726,811)</u>	<u>1,774,500</u>
Capital grants and contributions	44,521	-	-	44,521
Transfers in	-	-	2,362,169	2,362,169
Transfers out	-	(3,000,000)	-	(3,000,000)
Change in net position	<u>(991,047)</u>	<u>2,536,879</u>	<u>(364,642)</u>	<u>1,181,190</u>
Total net position - beginning	36,038,356	6,845,333	116,982	43,000,671
Total net position - ending	<u>\$ 35,047,309</u>	<u>\$ 9,382,212</u>	<u>\$ (247,660)</u>	<u>\$ 44,181,861</u>



**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2019**

	Motor Pool	Employee Health Plan	Liability Insurance	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 20,302	\$ 1,329,965	\$ -	\$ 1,350,267
Cash received from internal billings	8,136,870	22,271,530	-	30,408,400
Cash received from employee contributions	-	7,087,790	-	7,087,790
Cash payments for operating expenses	(3,447,889)	(80,788)	(3,030,368)	(6,559,045)
Cash payments for insurance claims	-	(24,944,201)	-	(24,944,201)
Cash payments to employees for services	(154,938)	-	-	(154,938)
Net cash provided (used) by operating activities	<u>4,554,345</u>	<u>5,664,296</u>	<u>(3,030,368)</u>	<u>7,188,273</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in from other funds	-	-	2,362,169	2,362,169
Transfers out to other funds	-	(3,000,000)	-	(3,000,000)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(3,000,000)</u>	<u>2,362,169</u>	<u>(637,831)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(3,925,745)	-	-	(3,925,745)
Proceeds from sale of capital assets	766,140	-	-	766,140
Reimbursement for damaged vehicles	130,164	-	-	130,164
Net cash provided (used) by capital and related financing activities	<u>(3,029,441)</u>	<u>-</u>	<u>-</u>	<u>(3,029,441)</u>
Net increase (decrease) in cash and cash equivalents	1,524,904	2,664,296	(668,199)	3,521,001
Balances - beginning of year	1,229,682	9,343,787	755,210	11,328,679
Balances - end of the year	<u>\$ 2,754,586</u>	<u>\$ 12,008,083</u>	<u>\$ 87,011</u>	<u>\$ 14,849,680</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (1,236,339)	\$ 5,536,879	\$ (2,726,811)	\$ 1,573,729
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	5,754,011	-	-	5,754,011
Changes in assets and liabilities:				
Accounts payable and accrued liabilities	38,589	363,265	13,495	415,349
Receivables, net	-	(97,148)	-	(97,148)
Self-insured legal liability	-	-	(328,228)	(328,228)
Insurance claims payable	-	(138,700)	11,176	(127,524)
Salary and benefits payable	(1,916)	-	-	(1,916)
Net cash provided (used) by operating activities	<u>\$ 4,554,345</u>	<u>\$ 5,664,296</u>	<u>\$ (3,030,368)</u>	<u>\$ 7,188,273</u>

OTHER SUPPLEMENTARY INFORMATION



**General Fund Revenues and Other Financing Sources (Uses)**

**Schedule of Bonds, Warrants, and Notes Payable**

Pictures on the prior page feature the Council District 3 2019 Easter Egg Hunt



**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, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
Property				
Real estate	\$ 15,927,516	\$ 15,927,516	\$ 16,606,505	\$ 678,989
Motor vehicle	1,513,182	1,513,182	1,696,962	183,780
Sales and use				
Sales tax - City	135,293,218	135,631,821	141,774,395	6,142,574
Sales tax - Police Jurisdiction	8,914,036	8,914,036	9,536,978	622,942
Sellers use tax	1,951,006	1,951,006	3,971,208	2,020,202
Lease/rental - City	5,200,309	5,200,309	6,557,760	1,357,451
Lease/rental - Police Jurisdiction	224,619	224,619	278,252	53,633
Room tax - City	4,964,860	4,964,860	4,865,647	(99,213)
Room tax - Police Jurisdiction	11,733	11,733	17,640	5,907
Motor vehicle rental - City	1,290,679	1,290,679	1,615,872	325,193
Motor vehicle rental - Police Jurisdiction	3,162	3,162	4,807	1,645
Selective sales and use				
Motor fuel				
Regular - City	2,872,453	2,872,453	2,455,750	(416,703)
Regular - Police Jurisdiction	857,101	857,101	811,587	(45,514)
County equalization	261,583	261,583	271,209	9,626
Alcoholic beverages				
Liquor - City	664,605	664,605	815,666	151,061
Liquor - Police Jurisdiction	26,261	26,261	31,041	4,780
Liquor - ABC Board	202,989	202,989	246,330	43,341
Table Wine	183,909	183,909	193,082	9,173
Beer	1,029,729	1,029,729	1,020,458	(9,271)
Other				
Cigarette stamp tax	1,447,151	1,447,151	1,370,651	(76,500)
Other tobacco tax - City	544,198	544,198	822,970	278,772
Other tobacco tax - Police Jurisdiction	30,657	30,657	36,729	6,072
Business privilege tax	285,006	285,006	289,297	4,291
Other tax revenue	830,202	830,202	1,266,270	436,068
Total taxes	<u>184,530,164</u>	<u>184,868,767</u>	<u>196,557,066</u>	<u>11,688,299</u>
Licenses and permits				
Business licenses - City	33,218,275	33,218,275	35,045,394	1,827,119
Business licenses - Police Jurisdiction	2,130,672	2,130,672	2,009,728	(120,944)
Motor vehicle licenses	670,084	670,084	646,788	(23,296)
Dog licenses	11,022	11,022	9,470	(1,552)
Alarm ordinance permits	209,896	209,896	227,889	17,993
Total licenses and permits	<u>36,239,949</u>	<u>36,239,949</u>	<u>37,939,269</u>	<u>1,699,320</u>
Intergovernmental				
Alcoholic Beverage Control Board	46,613	46,613	-	(46,613)
Total intergovernmental	<u>46,613</u>	<u>46,613</u>	<u>-</u>	<u>(46,613)</u>
Charges for services				
Health				
Lot cleaning	39,868	39,868	44,550	4,682
Building demolition fee	21,370	21,370	49,534	28,164
Animal shelter	18,769	18,769	12,108	(6,661)
Recycling Fees	9,793	9,793	18,799	9,006
Public safety				
Inspection	1,738,343	1,738,343	1,582,414	(155,929)
Fire plan review fee	73,037	73,037	70,040	(2,997)
Police and fire	1,501,112	1,501,112	1,737,360	236,248
Engineering	418,775	418,775	776,658	357,883
Parking meter and management fees	249,998	249,998	130,408	(119,590)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Property rental	97,470	97,470	119,385	21,915
Franchise fees - miscellaneous	2,720,221	2,720,221	2,916,947	196,726
Parks and recreation fees	133,290	133,290	136,135	2,845
Vacation of ROW fee	263	263	47,567	47,304
Other	3,852	3,852	5,469	1,617
Total charges for services	<u>7,026,161</u>	<u>7,026,161</u>	<u>7,647,374</u>	<u>621,213</u>
Fines and forfeitures				
Municipal offense fines	9,380	9,380	5,506	(3,874)
Police fines	482,840	482,840	531,125	48,285
Driver's education	193,347	193,347	145,644	(47,703)
Bond forfeitures	1,000	1,000	485,653	484,653
Court costs	213,408	213,408	210,247	(3,161)
DA Restitution Unit collection fees	62,405	62,405	67,899	5,494
Corrections fund	560,889	560,889	606,842	45,953
Alarm ordinance fines	23,890	23,890	22,600	(1,290)
Municipal court administrative fee	119,261	119,261	129,770	10,509
Probation fees	50,135	50,135	351,510	301,375
Total fines and forfeitures	<u>1,716,555</u>	<u>1,716,555</u>	<u>2,556,796</u>	<u>840,241</u>
State and federal assistance	<u>26,000</u>	<u>26,000</u>	<u>94,609</u>	<u>68,609</u>
Investment income				
Investment of idle funds	287,241	287,241	1,335,068	1,047,827
Interest on investments	-	-	327,365	327,365
Dividend income	8,537	8,537	14,193	5,656
Total investment income	<u>295,778</u>	<u>295,778</u>	<u>1,676,626</u>	<u>1,380,848</u>
Other revenue				
Athletic fund	-	-	64,299	64,299
Miscellaneous	199,157	199,157	306,904	107,747
Total other revenue	<u>199,157</u>	<u>199,157</u>	<u>371,203</u>	<u>172,046</u>
Total revenues	<u>\$ 230,080,377</u>	<u>\$ 230,418,980</u>	<u>\$ 246,842,943</u>	<u>\$ 16,423,963</u>

#### OTHER FINANCING SOURCES (USES)

Proceeds from disposal of assets	1,454	1,454	7,959	6,505
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	667,241	667,242	356,237	(311,005)
From Fuel Inspection Fees Special Revenue Fund	82,927	82,927	85,295	2,368
From Capital Improvements Fund	-	1,244	1,244	-
From Cruise Terminal Fund	2,900,000	2,900,000	2,900,000	-
From Health Plan Internal Service Fund	3,000,000	3,000,000	3,000,000	-
From Municipal Parking Garage Fund	600,000	600,000	600,000	-
From WAVE Transit	-	-	1,603,039	1,603,039
Total operating transfers in	<u>7,850,168</u>	<u>7,851,413</u>	<u>9,145,815</u>	<u>1,294,402</u>
Operating transfers out				
To Capital Improvement Fund	120,000	228,351	228,351	-
To 7-Cent Roadway Maintenance Fund	900,000	900,000	748,742	(151,258)
To Grant Administration Funds	310,000	310,000	310,000	-
To Civic Center Enterprise Fund	1,245,512	1,245,512	1,405,409	159,897
To Convention Center Enterprise Fund	187,000	187,000	187,000	-
To WAVE Transit Enterprise Fund	5,668,477	5,668,477	7,271,516	1,603,039
To Cruise Terminal Enterprise Fund	-	-	-	-
To Emergency Medical Services Enterprise Fund	3,827,864	3,827,864	5,384,301	1,556,437
To Tennis Center Enterprise Fund	841,463	841,463	708,730	(132,733)
To Saenger Theater Enterprise Fund	100,000	100,000	120,958	20,958
To Azalea City Golf Course Enterprise Fund	354,060	354,060	456,904	102,844
To Employee Health Plan Internal Service Fund	-	-	-	-
To Liability Insurance Internal Service Fund	2,050,000	2,050,000	2,362,169	312,169
Total operating transfers out	<u>15,604,376</u>	<u>15,712,727</u>	<u>19,184,080</u>	<u>3,471,353</u>
Total other financing sources (uses)	<u>\$ (7,752,754)</u>	<u>\$ (7,859,860)</u>	<u>\$ (10,030,306)</u>	<u>\$ (2,170,446)</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE**  
**For the year ended September 30, 2019**

	Interest Rates Percent	Interest Payment Dates	Issue Dates	Final Maturity Date	Serial Payments
2009A General Obligation Refunding Warrants	3.0-5.0%	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
2016 General Obligation Refunding Warrants	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
2017C General Obligation Warrants, Tax-Exempt	5.0%	2/15-8/15	12/6/17	2/15/20	Semi-annual interest payments with semi- annual principal payments ranging from \$4,355,000 to \$4,580,000
2017D General Obligation Warrants, Taxable	2.4-3.12%	2/15-8/15	12/6/17	2/15/28	Semi-annual interest payments with semi- annual principal payments ranging from \$3,715,000 to \$8,745,000
2018A General Obligation Warrants	5.0%	2/15-8/15	12/20/18	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$2,490,000 to \$8,715,000
Note payable to Bank of New York Mellon (Fort Conde)	0.57-2.45%	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 (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
Note payable to Hancock Whitney Bank (GulfQuest)	0.00%	n/a	7/31/19	12/31/22	Annual principal payments of \$400,000

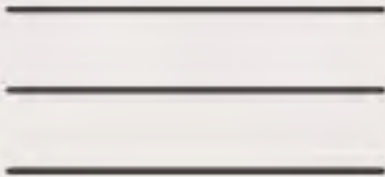
**TOTAL**

Original Amount of Issue	Balance September 30, 2018	Year Ended September 30, 2019 Issued	Year Ended September 30, 2019 Refunded	Year Ended September 30, 2019 Retired	Balance September 30, 2019	Interest for Year Ended September 2019
\$ 56,380,000	\$ 9,925,000	\$ -	\$ 9,925,000	\$ -	\$ -	\$ -
16,765,000	16,765,000	-	16,765,000	-	-	-
6,430,000	6,430,000	-	-	-	6,430,000	391,227
13,715,000	6,705,000	-	-	1,600,000	5,105,000	170,221
39,402,000	37,626,000	-	-	398,000	37,228,000	969,359
17,735,000	17,735,000	-	-	715,000	17,020,000	552,925
64,610,000	64,610,000	-	-	6,095,000	58,515,000	2,982,466
4,430,000	3,745,000	-	-	700,000	3,045,000	125,055
8,935,000	8,935,000	-	-	4,355,000	4,580,000	337,622
48,770,000	48,770,000	-	-	-	48,770,000	1,384,491
24,350,000	-	24,350,000	-	-	24,350,000	783,590
1,275,000	415,000	-	-	95,000	320,000	9,051
2,695,000	1,220,000	-	-	155,000	1,065,000	50,509
2,000,000	-	2,000,000	-	400,000	1,600,000	-
<b>\$ 307,492,000</b>	<b>\$ 222,881,000</b>	<b>\$ 26,350,000</b>	<b>\$ 26,690,000</b>	<b>\$ 14,513,000</b>	<b>\$ 208,028,000</b>	<b>\$ 7,756,515</b>

# PART III: STATISTICAL SECTION



*Greetings  
from  
Mobile!*





# PART III: STATISTICAL SECTION

Picture on the prior page features downtown Mobile



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>	135
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's local resources.</i>	145
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>	155
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>	160
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>	163

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			
	2019	2018	2017	2016
<b>Governmental activities</b>				
Net investment in capital assets	\$ 478,292,410	\$ 463,460,102	\$ 466,796,768	\$ 417,251,471
Restricted	30,378,487	28,640,056	25,668,707	24,152,958
Unrestricted	(178,363,596)	(223,182,102)	(298,582,917)	(278,066,055)
Total governmental net position	<u>\$ 330,307,301</u>	<u>\$ 268,918,056</u>	<u>\$ 193,882,558</u>	<u>\$ 163,338,374</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 83,218,826	\$ 83,820,996	\$ 86,872,399	\$ 90,229,705
Unrestricted	3,661,778	(700,561)	1,545,787	458,089
Total business-type net position	<u>\$ 86,880,604</u>	<u>\$ 83,120,435</u>	<u>\$ 88,418,186</u>	<u>\$ 90,687,794</u>
<b>Primary governmental</b>				
Net investment in capital assets	\$ 561,511,236	\$ 547,281,098	\$ 553,669,167	\$ 507,481,176
Restricted	30,378,487	28,640,056	25,668,707	24,152,958
Unrestricted	(174,701,818)	(223,882,663)	(297,037,130)	(277,607,966)
Total primary governmental net position	<u>\$ 417,187,905</u>	<u>\$ 352,038,491</u>	<u>\$ 282,300,744</u>	<u>\$ 254,026,168</u>

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 401,397,005	\$ 372,032,993	\$ 366,741,756	\$ 360,178,198	\$ 350,323,247	\$ 352,295,866
21,295,974	95,217,446	93,283,087	97,600,533	95,803,612	92,363,209
(282,832,642)	(161,252,000)	(157,937,778)	(126,055,943)	(90,121,806)	(81,290,372)
<u>\$ 139,860,337</u>	<u>\$ 305,998,439</u>	<u>\$ 302,087,065</u>	<u>\$ 331,722,788</u>	<u>\$ 356,005,053</u>	<u>\$ 363,368,703</u>
\$ 92,885,644	\$ 97,964,060	\$ 101,563,121	\$ 101,478,517	\$ 102,867,788	\$ 105,870,417
(1,914,572)	6,820,494	10,284,211	4,634,952	6,145,132	5,217,216
<u>\$ 90,971,072</u>	<u>\$ 104,784,554</u>	<u>\$ 111,847,332</u>	<u>\$ 106,113,469</u>	<u>\$ 109,012,920</u>	<u>\$ 111,087,633</u>
\$ 494,282,649	\$ 469,997,053	\$ 468,304,877	\$ 461,656,715	\$ 453,191,035	\$ 458,166,283
21,295,974	95,217,446	93,283,087	97,600,533	95,803,612	92,363,209
(284,747,214)	(154,431,506)	(147,653,567)	(121,420,991)	(83,976,674)	(76,073,156)
<u>\$ 230,831,409</u>	<u>\$ 410,782,993</u>	<u>\$ 413,934,397</u>	<u>\$ 437,836,257</u>	<u>\$ 465,017,973</u>	<u>\$ 474,456,336</u>

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

	Fiscal Year			
	2019	2018	2017	2016
<b>Expenses</b>				
Governmental activities:				
General government	\$ 58,344,738	\$ 49,876,175	\$ 57,338,003	\$ 71,077,484
Culture and recreation	26,093,105	24,667,442	25,120,318	24,346,459
Economic development	1,084,321	933,158	1,128,267	1,058,324
Engineering, development & Build Mobile	15,028,296	15,460,518	15,477,038	15,562,782
Finance	5,741,105	6,324,506	6,184,239	5,792,949
Public safety	113,057,091	117,810,593	118,270,320	108,777,473
Public works	34,174,619	38,135,993	36,948,205	32,182,584
Interest on long-term debt	7,546,824	8,015,023	10,956,824	12,523,734
Total governmental activities expenses	<u>261,070,099</u>	<u>261,223,408</u>	<u>271,423,214</u>	<u>271,321,789</u>
Business-type activities:				
Azalea City Golf Course	1,762,244	1,642,458	1,595,699	1,602,676
Civic Center	3,762,093	3,644,260	3,539,260	3,794,184
Convention Center	10,231,659	8,671,027	8,433,850	9,078,055
Cruise Terminal	3,125,480	2,929,012	2,610,198	1,092,752
Emergency Medical Services	7,187,148	13,452,009	5,163,686	5,796,418
Mobile Tennis Center	939,773	865,150	793,795	761,823
Neighborhood Renewal Program	35,171	82,219	10,560	11,467
Parking Garage	265,725	228,529	234,118	237,596
Saenger Theater	1,754,621	1,538,821	1,009,011	881,566
Wave Transit System	11,705,465	12,083,817	11,645,426	12,169,978
Total business-type activities expenses	<u>40,769,379</u>	<u>45,137,302</u>	<u>35,035,603</u>	<u>35,426,515</u>
Total primary government expenses	<u>\$ 301,839,478</u>	<u>\$ 306,360,710</u>	<u>\$ 306,458,817</u>	<u>\$ 306,748,304</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services				
General government	52,019,172	49,800,454	49,688,127	50,160,158
Culture and recreation	257,254	228,072	281,967	302,707
Engineering, development & Build Mobile	2,410,813	2,417,052	1,922,408	1,601,395
Public safety	5,737,922	3,884,100	4,547,998	4,505,318
Public works	18,799	7,255	33,027	-
Operating grants and contributions	6,875,901	7,089,334	6,659,324	9,029,824
Capital grants and contributions	3,063,779	1,714,304	2,928,157	3,518,998
Total governmental activities program revenues	<u>70,383,640</u>	<u>65,140,571</u>	<u>66,061,008</u>	<u>69,118,400</u>
Business-type activities:				
Charges for services				
Azalea City Golf Course	1,266,633	1,223,954	1,263,235	1,275,404
Civic Center	2,010,607	2,087,435	1,891,198	2,367,738
Convention Center	3,582,654	2,634,263	2,318,069	2,588,337
Cruise Terminal	5,957,076	6,307,190	5,312,115	141,063
Emergency Medical Services	2,830,979	9,974,678	3,696,227	3,882,158
Mobile Tennis Center	226,868	201,261	246,033	260,707
Neighborhood Renewal/Affordable Homes Program	25,921	28,198	11,181	100,278
Parking Garage	491,096	432,563	390,964	402,268
Saenger Theater	1,350,082	1,292,985	715,930	566,731
Wave Transit System	1,171,135	968,036	1,015,020	1,048,474
Operating grants and contributions	3,115,987	3,753,467	1,937,095	3,308,904
Capital grants and contributions	2,540,947	546,292	270,091	1,157,458
Total business-type activities program revenues	<u>24,569,985</u>	<u>29,450,322</u>	<u>19,067,158</u>	<u>17,099,520</u>
Total primary government program revenues	<u>\$ 94,953,625</u>	<u>\$ 94,590,893</u>	<u>\$ 85,128,166</u>	<u>\$ 86,217,920</u>
<b>Net (Expense) Revenue</b>				
Government activities	\$ (190,686,459)	\$ (196,082,837)	\$ (205,362,206)	\$ (202,203,389)
Business-type activities	(16,199,394)	(15,686,980)	(15,968,445)	(18,326,995)
Total primary government net expense	<u>\$ (206,885,853)</u>	<u>\$ (211,769,817)</u>	<u>\$ (221,330,651)</u>	<u>\$ (220,530,384)</u>

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 71,599,115	\$ 78,626,293	\$ 89,601,242	\$ 74,952,084	\$ 82,670,334	\$ 84,138,439
25,423,325	24,192,649	24,345,756	23,928,393	25,262,720	19,665,980
1,339,289	1,175,960	1,271,271	975,841	1,299,046	2,802,701
-	-	-	-	-	-
5,905,306	5,886,971	5,313,958	5,325,800	5,509,037	5,791,514
102,625,577	115,054,082	116,799,647	109,210,514	108,344,311	101,844,933
39,454,462	41,782,266	41,980,768	42,860,205	43,316,969	44,867,891
13,222,630	14,123,164	14,531,680	14,880,418	15,119,170	14,120,058
<u>259,569,704</u>	<u>280,841,385</u>	<u>293,844,322</u>	<u>272,133,255</u>	<u>281,521,587</u>	<u>273,231,516</u>
1,573,881	1,533,543	1,545,563	1,428,306	1,619,823	1,452,509
3,675,513	3,581,709	3,562,838	3,523,551	3,758,785	4,506,235
8,543,558	9,674,772	8,525,656	8,415,212	9,800,672	8,977,037
1,028,171	1,143,905	1,303,494	1,045,826	3,689,985	527,408
5,392,697	7,477,075	6,795,760	6,385,225	6,113,101	5,430,599
781,819	707,450	639,725	602,193	612,999	560,212
14,334	18,987	1,408	25,141	16,710	5,143
239,667	285,324	228,298	280,776	251,674	275,939
843,474	889,736	259,127	-	-	-
11,857,903	12,134,216	11,551,094	12,369,217	11,579,865	10,620,087
33,951,017	37,446,717	34,412,963	34,075,447	37,443,614	32,355,169
<u>\$ 293,520,721</u>	<u>\$ 318,288,102</u>	<u>\$ 328,257,285</u>	<u>\$ 306,208,702</u>	<u>\$ 318,965,201</u>	<u>\$ 305,586,685</u>
50,060,635	51,222,299	48,203,217	48,142,712	49,664,462	49,218,621
525,844	437,059	525,468	458,196	412,487	453,870
-	-	-	-	-	-
5,141,753	5,841,687	6,282,468	5,652,106	5,769,616	5,931,428
562,397	430,550	654,746	296,647	306,793	325,592
6,158,691	6,937,239	9,032,116	5,984,128	5,595,180	12,691,226
19,279,163	2,525,315	5,105,011	14,496,855	6,957,112	4,520,212
<u>81,728,483</u>	<u>67,394,149</u>	<u>69,803,026</u>	<u>75,030,644</u>	<u>68,705,650</u>	<u>73,140,949</u>
1,304,713	1,344,965	1,339,025	1,348,748	1,341,283	1,340,499
2,028,805	2,031,222	1,960,052	1,938,375	2,188,484	2,094,485
2,122,764	2,204,743	1,969,680	1,902,004	3,231,603	4,766,976
346,635	206,892	771,780	291,867	5,709,263	2,579,507
4,227,342	2,189,244	2,149,941	2,927,822	2,794,810	2,487,710
270,386	261,450	214,030	211,361	214,112	161,321
28,287	53,884	-	-	71,967	-
405,092	400,957	410,482	414,799	417,518	408,137
530,969	542,724	200,270	-	-	-
1,164,788	1,136,104	1,115,896	984,645	1,021,023	1,086,131
3,502,088	3,412,216	2,910,578	2,429,300	354,918	7,789,433
488,423	848,317	1,275,691	4,142,259	4,233,881	-
16,420,292	14,632,718	14,317,425	16,591,180	21,578,862	22,714,199
<u>\$ 98,148,775</u>	<u>\$ 82,026,867</u>	<u>\$ 84,120,451</u>	<u>\$ 91,621,824</u>	<u>\$ 90,284,512</u>	<u>\$ 95,855,148</u>
\$ (177,841,221)	\$ (213,447,236)	\$ (224,041,296)	\$ (197,102,611)	\$ (212,815,937)	\$ (200,090,567)
(17,530,725)	(22,813,999)	(20,095,538)	(17,484,267)	(15,864,752)	(9,640,970)
<u>\$ (195,371,946)</u>	<u>\$ (236,261,235)</u>	<u>\$ (244,136,834)</u>	<u>\$ (214,586,878)</u>	<u>\$ (228,680,689)</u>	<u>\$ (209,731,537)</u>

	Fiscal Year			
	2019	2018	2017	2016
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Real and personal property tax	22,310,001	21,800,271	21,054,534	19,241,503
Sales tax	194,772,154	186,851,875	179,364,687	179,817,467
Gasoline tax	10,475,804	10,497,553	10,535,475	10,471,152
Room tax	7,071,430	6,984,611	6,366,006	5,916,535
Beer and liquor tax	2,306,577	2,165,235	2,111,186	2,154,493
Rental and leasing tax	10,572,006	9,536,273	9,342,202	9,465,186
Cigarette stamp tax	1,370,651	1,429,212	1,727,163	1,701,496
Other tobacco tax	859,699	727,337	453,701	452,886
Financial excise tax	1,221,786	905,789	746,838	560,580
Other tax revenue	2,659,021	375,176	372,052	357,022
Grants and contributions not restricted to a specific program	-	-	-	-
Investment earnings	1,964,497	513,561	204,090	135,751
Other	4,660,755	2,667,025	3,723,468	9,633,119
Capital contributions	-	-	-	-
Transfers	(8,168,677)	1,390,034	(1,885,988)	(5,284,854)
Total governmental activities	<u>252,075,704</u>	<u>245,843,952</u>	<u>234,115,414</u>	<u>234,622,336</u>
Business-type activities:				
Sales tax	9,874,297	9,874,297	9,874,297	9,995,087
Room tax	1,903,676	1,903,676	1,903,676	1,965,763
Investment earnings	12,913	1,290	1,936	1,954
Other	-	-	32,941	340
Transfers	8,168,677	(1,390,034)	1,885,988	5,284,854
Total business-type activities	<u>19,959,563</u>	<u>10,389,229</u>	<u>13,698,838</u>	<u>17,247,998</u>
Total primary government	<u>\$ 272,035,267</u>	<u>\$ 256,233,181</u>	<u>\$ 247,814,252</u>	<u>\$ 251,870,334</u>
<b>Change in Net Position</b>				
Government activities	\$ 61,389,245	\$ 49,761,115	\$ 28,753,208	\$ 32,418,947
Business-type activities	3,760,169	(5,297,751)	(2,269,607)	(1,078,997)
Total primary government	<u>\$ 65,149,414</u>	<u>\$ 44,463,364</u>	<u>\$ 26,483,601</u>	<u>\$ 31,339,950</u>

Fiscal Year					
2015	2014	2013	2012	2011	2010
18,293,200	17,130,837	16,364,039	16,262,921	16,093,899	16,077,830
178,536,073	171,549,434	163,725,091	133,215,345	163,405,226	141,825,022
10,113,784	9,474,098	9,499,092	9,680,455	10,115,711	10,213,140
5,653,761	5,389,031	5,182,775	5,003,180	5,092,514	6,040,106
2,100,653	2,025,855	2,078,693	2,031,634	2,005,816	2,196,467
9,220,699	8,497,843	8,015,194	6,309,404	6,080,474	5,699,115
1,743,039	1,815,029	1,993,093	2,200,090	2,234,211	2,370,001
480,735	442,344	432,831	411,392	459,774	462,814
382,673	399,417	363,317	147,964	77,098	79,224
418,363	366,789	87,364	71,835	114,016	105,055
-	348,437	-	-	-	-
63,943	72,025	94,013	283,034	337,496	301,434
6,901,008	7,500,929	1,766,581	1,409,680	3,122,939	2,239,320
-	-	-	-	-	2,417,423
(3,885,039)	(4,969,603)	(15,212,065)	(4,206,588)	(3,686,887)	(6,780,507)
<u>230,022,892</u>	<u>220,042,465</u>	<u>194,390,018</u>	<u>172,820,346</u>	<u>205,452,287</u>	<u>183,246,444</u>
9,660,595	8,985,838	8,894,386	8,715,107	8,395,672	8,378,986
1,879,914	1,790,951	1,722,185	1,662,898	1,685,196	1,997,710
1,690	4,829	763	223	4,576	3,321
-	-	-	-	17,708	(9,704)
<u>3,885,039</u>	<u>4,969,603</u>	<u>15,212,065</u>	<u>4,206,588</u>	<u>3,686,887</u>	<u>6,780,507</u>
<u>15,427,238</u>	<u>15,751,221</u>	<u>25,829,399</u>	<u>14,584,816</u>	<u>13,790,039</u>	<u>17,150,820</u>
<u>\$ 245,450,130</u>	<u>\$ 235,793,686</u>	<u>\$ 220,219,417</u>	<u>\$ 187,405,162</u>	<u>\$ 219,242,326</u>	<u>\$ 200,397,264</u>
\$ 52,181,671	\$ 6,595,229	\$ (29,651,278)	\$ (24,282,265)	\$ (7,363,650)	\$ (16,844,123)
(2,103,487)	(7,062,778)	5,733,861	(2,899,451)	(2,074,713)	7,509,850
<u>\$ 50,078,184</u>	<u>\$ (467,549)</u>	<u>\$ (23,917,417)</u>	<u>\$ (27,181,716)</u>	<u>\$ (9,438,363)</u>	<u>\$ (9,334,273)</u>



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

	Fiscal Year			
	2019	2018	2017	2016
<b>General Fund</b>				
Reserved				
General Fund Encumbrances	\$ -	\$ -	\$ -	\$ -
Grants	-	-	-	-
Law Enforcement	-	-	-	-
Long-term receivables	-	-	-	-
Unreserved, reported in				
General Fund	-	-	-	-
Nonspendable				
Inventory	3,028,287	2,493,996	2,232,695	2,781,282
Prepaid items	15,616	15,616	19,164	10,000
Long-term receivables	-	-	-	-
Restricted				
Grants	-	-	-	-
Law Enforcement	-	-	-	-
Assigned				
Athletic Fund	75,592	89,048	60,817	64,832
Designated and Donated Funds	1,289,803	1,224,313	1,159,818	1,117,574
General Fund Encumbrances	1,827,618	2,247,767	1,276,727	964,058
Municipal Court	-	-	-	-
Unassigned	62,151,219	37,935,527	23,909,739	29,753,581
Total general fund	<u>68,388,135</u>	<u>44,006,267</u>	<u>28,658,960</u>	<u>34,691,327</u>
<b>All other governmental funds</b>				
Reserved				
Economic Development	-	-	-	-
Encumbrances	-	-	-	-
Road and Bridge Construction	-	-	-	-
Road and Bridge Repair	-	-	-	-
Unreserved, reported in				
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Restricted				
Capital Projects	6,613,232	6,719,870	5,847,704	6,762,073
Debt Service	1,016,179	153,275	126,125	131,469
Grants	6,609,463	6,618,812	5,894,771	5,632,013
Law Enforcement	668,188	671,583	750,303	168,455
Road and Bridge Construction	443,084	349,971	268,386	186,373
Road and Bridge Repair	2,536,513	2,013,442	2,301,816	2,356,683
Committed				
Capital Improvements Fund	-	-	-	-
Flood Management	84,914	84,054	84,012	83,970
Storm Water	761,966	2,090	-	-
Strategic Plan Fund	-	-	-	-
Tax Increment Program	12,353,462	12,964,945	11,645,923	9,709,410
Assigned				
Capital Improvements Fund	69,863,605	66,559,834	58,617,483	59,340,935
Economic Development	30,146	29,843	29,654	28,460
Municipal Court	1,649,511	1,622,628	1,435,698	1,465,380
Strategic Plan Fund	-	-	-	-
Unassigned	-	-	-	-
Total other governmental funds	<u>102,630,263</u>	<u>97,790,347</u>	<u>87,001,875</u>	<u>85,865,221</u>
Total governmental funds	<u>\$ 171,018,398</u>	<u>\$ 141,796,614</u>	<u>\$ 115,660,835</u>	<u>\$ 120,556,548</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					
2015	2014	2013	2012	2011	2010
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 823,219
-	-	-	-	-	2,472,910
-	-	-	-	-	779,310
-	-	-	-	-	1,360,000
-	-	-	-	-	8,444,256
2,602,208	2,301,354	2,241,159	2,389,694	2,244,640	-
10,000	10,000	10,000	10,000	10,000	-
-	-	-	865,000	1,125,000	-
-	-	1,993,528	2,169,963	3,826,585	-
-	-	475,460	678,883	720,801	-
67,643	51,475	67,165	55,037	78,452	-
1,018,844	931,962	871,274	918,911	1,038,806	-
1,238,624	1,008,876	924,907	875,537	898,836	-
-	-	970,725	505,817	788,521	-
37,421,124	14,926,335	(4,296,200)	11,371,036	24,722,193	-
42,358,443	19,230,002	3,258,018	19,839,878	35,453,834	13,879,695
-	-	-	-	-	4,379,895
-	-	-	-	-	8,215,670
-	-	-	-	-	166,524
-	-	-	-	-	1,933,945
-	-	-	-	-	64,892,359
-	-	-	-	-	3,494,130
11,237,290	13,874,911	17,425,661	21,696,088	32,088,514	-
382,829	719,022	221,605	4,516,268	3,986,450	-
1,897,365	1,930,590	-	-	-	-
336,459	384,466	-	-	-	-
110,735	56,852	291,265	264,644	230,890	-
1,460,134	1,058,928	582,849	2,860,505	2,240,173	-
-	-	-	3,672,116	-	-
83,928	83,886	83,844	83,802	83,760	-
-	-	-	-	-	-
-	-	-	81,402	-	-
10,365,142	8,497,657	7,078,953	7,269,987	5,662,283	-
33,049,858	34,231,012	35,653,503	22,312,616	23,539,946	-
27,043	31,777	37,390	36,028	34,268	-
1,348,629	1,250,286	-	-	-	-
10,154,041	9,026,591	8,577,907	6,422,154	6,893,258	-
-	(11,221)	(6,593)	-	(6,599)	-
70,453,453	71,134,757	69,946,384	69,215,610	74,752,943	83,082,523
\$ 112,811,896	\$ 90,364,759	\$ 73,204,402	\$ 89,055,488	\$ 110,206,777	\$ 96,962,218

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

	Fiscal Year			
	2019	2018	2017	2016
<b>REVENUES</b>				
Taxes	\$ 253,619,129	\$ 241,273,331	\$ 232,073,844	\$ 230,138,319
Licenses and permits	41,117,581	39,373,694	39,508,966	39,959,958
Intergovernmental	-	54,044	49,639	79,906
Charges for services	7,767,474	6,640,209	6,471,076	6,875,124
Fines and forfeitures	2,995,401	2,365,701	3,013,765	3,102,723
State and federal assistance	9,545,250	8,776,025	9,419,670	12,439,232
Investment income	1,964,497	513,563	204,091	138,428
Other revenue	4,482,822	2,842,577	2,994,613	9,718,968
Assessments	-	-	-	-
Total revenues	<u>321,492,154</u>	<u>301,839,144</u>	<u>293,735,664</u>	<u>302,452,658</u>
<b>EXPENDITURES</b>				
Current:				
General government	15,593,547	15,387,108	16,961,736	18,941,344
Culture and recreation	13,467,966	13,301,743	13,650,736	13,499,894
Economic development	1,079,241	794,389	961,702	939,655
Engineering, development & Build Mobile	14,053,800	13,157,307	15,182,785	13,456,972
Finance	5,331,326	5,385,038	5,315,082	5,052,016
Public safety	98,771,084	94,288,756	94,207,836	87,812,807
Public works	31,547,770	30,050,984	29,796,292	25,173,163
Non-departmental	45,986,566	49,413,177	46,774,160	43,683,515
Debt service:				
Administrative charges	15,541	13,146	32,785	71,203
Bond issuance costs	240,155	385,276	623,165	141,408
Interest	7,756,516	8,535,967	10,553,333	12,204,125
Principal retirement	14,513,000	14,718,000	16,629,465	14,935,138
Interest reimbursement	(500,068)	(746,881)	(248,168)	(248,425)
Capital outlay:				
Capital outlay	37,169,790	32,426,531	43,972,849	44,608,499
Total expenditures	<u>285,026,234</u>	<u>277,110,541</u>	<u>294,413,758</u>	<u>280,271,314</u>
Excess (deficiency) of revenues over expenditures	<u>36,465,920</u>	<u>24,728,603</u>	<u>(678,094)</u>	<u>22,181,344</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	51,103	7,722	433,754	29,921
Capital/refunding-related debt issued	24,350,000	57,705,000	86,775,000	39,402,000
Payment to refunding bond escrow agent	(27,337,395)	(57,858,848)	(95,724,264)	(39,260,592)
Premium (discount) on debt issued	3,223,002	539,124	9,572,429	-
Transfers in	40,933,304	41,734,459	46,987,427	85,940,776
Transfers out	(48,464,150)	(40,720,281)	(52,261,965)	(100,548,803)
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	<u>(7,244,136)</u>	<u>1,407,176</u>	<u>(4,217,619)</u>	<u>(14,436,698)</u>
Net change in fund balances	29,221,784	26,135,779	(4,895,713)	7,744,646
Fund balances - beginning	141,796,614	115,660,835	120,556,548	112,811,902
Adjustments to beginning net position	-	-	-	-
Fund balances - ending	<u>\$ 171,018,398</u>	<u>\$ 141,796,614</u>	<u>\$ 115,660,835</u>	<u>\$ 120,556,548</u>
Debt service as a percentage of noncapital expenditures	8.48%	8.92%	10.35%	11.06%

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 226,942,982	\$ 217,090,677	\$ 207,741,489	\$ 175,115,820	\$ 207,431,270	\$ 186,728,761
39,165,570	39,525,926	36,532,107	36,427,112	35,853,964	35,887,762
102,817	65,645	137,740	443,642	245,581	199,992
7,398,861	8,466,724	8,723,683	8,260,051	8,559,708	8,184,608
3,777,807	4,386,729	4,548,189	4,365,667	4,468,316	4,724,902
8,475,079	9,149,146	13,594,457	20,151,236	12,530,527	17,168,956
63,943	72,025	94,013	283,035	324,573	301,811
8,541,969	7,559,519	1,987,282	1,418,460	7,297,106	2,244,211
-	3,944	-	-	526	-
<u>294,469,028</u>	<u>286,320,335</u>	<u>273,358,960</u>	<u>246,465,023</u>	<u>276,711,571</u>	<u>255,441,003</u>
21,472,111	21,625,859	16,795,637	16,672,894	17,319,848	17,244,146
14,495,544	13,321,383	13,475,345	13,396,491	14,293,565	14,696,416
1,175,456	854,155	832,668	801,029	943,489	946,081
-	-	-	-	-	-
5,149,172	5,028,125	4,542,960	4,672,001	4,703,808	4,829,821
84,996,189	82,499,697	83,692,248	79,899,320	78,453,950	79,674,151
33,094,011	34,013,827	32,913,792	34,990,667	36,523,540	36,745,281
40,008,437	46,861,160	57,085,851	59,413,866	51,280,489	58,242,547
90,122	-	-	-	-	-
-	-	10,529	-	57,750	643,350
13,309,190	13,533,770	13,934,349	14,268,697	14,692,483	13,478,392
14,479,688	12,132,976	11,952,149	8,749,175	7,301,694	7,104,607
(746,147)	-	-	-	-	-
<u>29,059,563</u>	<u>23,893,432</u>	<u>33,359,798</u>	<u>21,907,267</u>	<u>32,327,433</u>	<u>22,269,823</u>
<u>256,583,336</u>	<u>253,764,384</u>	<u>268,595,326</u>	<u>254,771,407</u>	<u>257,898,049</u>	<u>255,874,615</u>
<u>37,885,692</u>	<u>32,555,951</u>	<u>4,763,634</u>	<u>(8,306,384)</u>	<u>18,813,522</u>	<u>(433,612)</u>
50,384	7,124	18,121	13,123	16,822	3,331
-	-	5,100,000	-	15,334,069	84,775,000
-	-	-	-	(10,657,242)	(58,207,259)
-	-	-	-	-	2,287,511
39,374,477	54,390,241	39,264,957	30,456,574	28,985,202	32,058,663
(54,863,410)	(69,792,959)	(61,044,043)	(43,314,602)	(39,249,373)	(42,116,454)
-	-	-	-	1,559	2,113
<u>(15,438,549)</u>	<u>(15,395,594)</u>	<u>(16,660,965)</u>	<u>(12,844,905)</u>	<u>(5,568,963)</u>	<u>18,802,905</u>
22,447,143	17,160,357	(11,897,331)	(21,151,289)	13,244,559	18,369,293
90,364,759	73,204,402	89,055,488	110,206,777	96,962,218	78,592,925
-	-	(3,953,755)	-	-	-
<u>\$ 112,811,902</u>	<u>\$ 90,364,759</u>	<u>\$ 73,204,402</u>	<u>\$ 89,055,488</u>	<u>\$ 110,206,777</u>	<u>\$ 96,962,218</u>
11.58%	10.99%	10.68%	10.31%	9.80%	8.82%

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

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales Tax</u>	<u>Motor Fuels Tax</u>	<u>Room Tax</u>	<u>Alcoholic Beverage Tax</u>
2019	\$ 22,310,001	\$ 194,772,154	\$ 10,475,804	\$ 7,071,430	\$ 2,306,577
2018	21,800,271	186,851,875	10,497,553	6,984,611	2,165,235
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

<u>Rental and Leasing Tax</u>	<u>Tobacco Tax</u>	<u>Financial Excise Tax</u>	<u>Other Taxes</u>	<u>Total</u>
\$ 10,572,006	\$ 2,230,350	\$ 1,221,786	\$ 2,659,021	\$ 253,619,129
9,536,273	2,156,549	905,789	375,176	241,273,332
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

**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>
2019	\$ 3,819	5.0%
2018	3,709	5.0%
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%

**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
2019	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2018	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
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%

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%	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%

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

Taxpayer	2019		2010	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Wal-Mart #866	1	2.57%	1	3.64%
Wal-Mart #991	2	2.35%	3	2.70%
Wal-Mart #853	3	2.29%	2	3.17%
Costco Wholesale #1192	4	2.19%		
Sams Wholesale Club	5	1.88%	4	2.42%
Lowe's Home Centers LLC	6	1.42%	9	1.19%
Lowe's of West Mobile # 549	7	1.24%	8	1.20%
Lowe's of Mobile #212	8	1.20%	10	1.18%
Home Depot #865	9	1.05%		
Best Buy	10	1.04%	6	1.39%
Target			5	1.51%
Wal-Mart #5174			7	1.24%
Totals		17.23%		19.64%

Source: City of Mobile Revenue Data

**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		Less:		Total	Estimated Actual Taxable Value	Assessed
	Residential Property	Commercial Property	Motor Vehicles	Other	Tax Exempt Real Property	Total Taxable Assessed Value	Direct Tax Rate		Value <sup>1</sup> as a Percentage of Actual Value
2019	\$ 593,028,380	\$1,575,900,720	\$ 266,181,900	\$ 484,226,860	\$ 71,890,680	\$ 2,847,447,180	7 mills	\$ 16,720,643,033	17.46%
2018	588,884,300	1,563,921,620	264,967,900	474,224,840	70,163,120	2,821,835,540	7 mills	16,546,851,700	17.48%
2017	580,403,320	1,492,664,200	278,917,000	425,021,480	68,186,400	2,708,819,600	7 mills	15,843,326,033	17.53%
2016	585,088,500	1,521,698,920	294,187,320	415,461,340	68,384,340	2,748,051,740	7 mills	13,296,813,733	21.18%
2015	549,530,640	1,325,990,140	273,833,900	415,303,220	63,448,440	2,501,209,460	7 mills	12,386,604,367	20.71%
2014	560,883,060	1,296,432,480	264,068,220	403,555,900	64,934,380	2,460,005,280	7 mills	12,248,615,700	20.61%
2013	573,073,000	1,186,268,840	246,207,860	377,729,020	65,237,120	2,318,041,600	7 mills	11,558,176,033	20.62%
2012	595,089,140	1,162,088,560	246,543,060	337,826,540	65,707,640	2,275,839,660	7 mills	11,745,392,267	19.94%
2011	617,121,080	1,161,670,420	242,401,100	325,864,220	69,067,800	2,277,989,020	7 mills	11,852,034,147	19.80%
2010	633,841,820	1,165,905,120	206,483,760	335,177,320	68,216,780	2,273,191,240	7 mills	12,058,815,266	19.42%

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.

**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 Total City Millage	Mobile County Total County Millage	Mobile County School District Total School Millage	
2019	7	16	29.5	52.5
2018	7	16	29.5	52.5
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

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	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Alabama Power Company	\$ 73,787,120	1	2.59%	\$ 267,855,220	1	5.20%
Kimberly-Clark Corporation	46,954,680	2	1.65%	34,471,760	6	5.78%
Shell Chemical Company	36,399,400	3	1.28%			
RPI Bel Air Mall LLC	24,363,960	4	0.86%			
UOP LLC	21,848,680	5	0.77%			
Spire Gulf Inc (form. Mobile Gas)	20,856,180	6	0.73%	33,696,000	7	5.74%
Mobile Paperboard Corp	10,914,380	7	0.38%			
Comcast of Alabama Inc	9,983,740	8	0.35%			
Cooper Marine & Timberlands	9,799,740	9	0.34%			
Campus Crest at Mobile LLC	9,791,160	10	0.34%			
ThyssenKruppp Steel				406,191,600	2	2.45%
Gulfstream Natural Gas				68,072,820	3	4.85%
Florida Gas Transmission Co				47,093,800	4	4.85%
Bell South Telecomm Inc				37,517,800	5	5.80%
Southeast Supply Header				30,000,000	8	4.85%
SSAB Alabama Inc				36,382,760	9	3.60%
Degussa Corporation				29,512,000	10	4.23%
<b>Totals</b>	<b>\$ 264,699,040</b>		<b>9.30%</b>	<b>\$ 990,793,760</b>		<b>3.67%</b>

Source: Mobile County Revenue Commissioner

Note: Principal property taxpayers presented for 2019 are those property taxpayers in the City of Mobile. Principal property taxpayers presented for 2010 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	Amount Collected within the Fiscal Year of the Levy	Percentage of Levy	Collection Subsequent Years	Total Amount Collected to Date	Percentage of Levy
2019	\$ 15,978,465	\$ 11,264,146	70.50	\$ -	\$ 11,264,146	70.50
2018	15,507,788	4,365,602	28.15	-	4,365,602	28.15
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

Source: Mobile County Revenue Commissioner

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

Fiscal Year	Governmental Activities				Business Type Activities		Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Limited Obligation Bonds	Notes Payable	Capital Leases	Capital Leases	Capital Leases			
2019	\$ 214,670,663	\$ -	\$ 2,985,000	\$ -	\$ -	\$ -	\$ 217,655,663	*	526
2018	229,342,047	-	1,635,000	-	-	-	230,977,047	1.46%	557
2017	243,512,416	-	2,010,000	-	-	-	245,522,416	1.60%	593
2016	251,195,546	4,670,000	2,495,000	492,519	-	-	258,853,065	1.76%	624
2015	270,283,046	5,925,000	2,950,000	1,473,283	-	-	280,631,329	1.87%	676
2014	272,617,145	6,505,000	3,380,000	2,424,244	-	-	284,926,389	2.09%	686
2013	282,547,567	7,050,000	3,785,000	3,346,323	184,751	-	296,913,641	2.18%	717
2012	298,261,879	7,570,000	4,170,000	4,240,411	362,090	-	314,604,380	2.32%	760
2011	298,290,945	8,070,000	4,730,000	5,287,794	532,314	-	316,911,053	2.35%	766
2010	300,138,191	8,545,000	1,360,000	3,641,054	695,707	-	314,379,952	2.38%	761

\* 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.

**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>
2019	\$ 214,670,663	\$ 1,016,179	\$ 213,654,484	1.28%	516
2018	229,342,047	153,181	229,188,866	1.39%	553
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

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, 2019**

<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	\$ 463,336,886	50%	\$ 231,668,443
Subtotal, overlapping debt			<u>231,668,443</u>
City of Mobile direct debt	217,655,663	100%	<u>217,655,663</u>
Total direct and overlapping debt			<u>\$ 449,324,106</u>

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

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

**CITY OF MOBILE, ALABAMA**

**Legal Debt Margin Information**

**Last 10 Fiscal Years**

	Fiscal Year			
	2019	2018	2017	2016
Debt Limit	\$ 583,867,572	\$ 578,399,732	\$ 555,401,200	\$ 563,287,216
Less: Total net debt applicable to limit	156,612,878	188,977,819	201,023,028	217,182,815
Legal debt margin	<u>\$ 427,254,694</u>	<u>\$ 389,421,913</u>	<u>\$ 354,378,172</u>	<u>\$ 346,104,401</u>
Total net debt applicable to the limit as a percentage of debt limit	26.8%	32.7%	36.2%	38.6%

Legal Debt Margin Calculation for Fiscal Year 2019:

Assessed value of real property, September 30, 2019	\$ 2,168,929,100
Assessed value of personal property, September 30, 2019	750,408,760
Total assessed value	<u>2,919,337,860</u>
Debt Limit (20% of total assessed value)	583,867,572
Less: Total net debt applicable to limit	<u>156,612,878</u>
Legal debt margin	<u>\$ 427,254,694</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. Amounts exclude general obligation warrants applicable to drainage improvements.

Fiscal Year					
2015	2014	2013	2012	2011	2010
\$ 512,931,580	\$ 504,987,932	\$ 476,702,224	\$ 468,309,460	\$ 469,411,364	\$ 468,281,604
<u>222,506,693</u>	<u>235,615,896</u>	<u>243,221,226</u>	<u>249,936,851</u>	<u>260,122,205</u>	<u>255,534,378</u>
<u>\$ 290,424,887</u>	<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>
43.4%	46.7%	51.0%	53.4%	55.4%	54.6%

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

Fiscal Year	Population	Personal Income (in millions)	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	Public School Enrollment	Unemployment Rate
2019	413,757	*	*	37.3	High School Graduate	55,126	3.0%
2018	414,328	15,823	38,243	37.3	High School Graduate	56,628	4.5%
2017	413,955	15,353	35,951	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%

\* Data not available

Source: Mobile Chamber of Commerce

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

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

Taxpayer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,500	1	4.22%	7,960	1	4.88%
USA School and Medical Facilities	6,000	2	3.18%	5,300	3	3.25%
Infirmiry Health Systems	5,750	3	3.05%	5,520	2	3.38%
Austal USA	4,000	4	2.12%	1,800	7	1.10%
City of Mobile	2,100	5	1.11%	2,200	5	1.35%
CPSI	2,000	6	1.06%			
County of Mobile	1,670	7	0.89%	1,570	8	0.96%
AM/NS Calvert	1,600	8	0.85%			
Providence	1,480	9	0.78%	2,030	6	1.24%
AltaPointe	1,450	10	0.77%			
Wal Mart				2,900	4	1.78%
ST Aerospace Mobile				1,400	9	0.86%
Spring Hill Medical Center				1,130	10	0.69%
Totals	<u>33,550</u>		<u>18.03%</u>	<u>31,810</u>		<u>19.49%</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									
	2019	2018*	2017	2016	2015	2014	2013	2012	2011	2010
General government	83	96	96	100	185	203	223	195	197	190
Culture and recreation	197	213	253	336	378	485	414	383	306	303
Economic development	10	8	27	14	12	13	12	12	13	14
Engineering, development, and Build Mobile	186	183	112	210	-	-	-	-	-	-
Finance	74	79	82	85	93	96	91	91	96	93
Public safety	1,097	1,093	1,206	1,242	1,333	1,399	1,288	1,546	1,374	1,327
Public works	323	325	520	423	540	541	569	564	581	576
Cruise Terminal	8	8	2	4	-	-	-	-	-	-
Firemedics	74	77	89	73	71	93	73	74	71	71
Golf course	17	18	13	19	20	26	22	26	21	20
Motor Pool	3	2	3	3	3	3	3	2	3	3
Tennis center	11	11	7	12	12	17	10	13	8	10
<b>Total</b>	<b>2,083</b>	<b>2,113</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>

Source: City Payroll Department

\*More accurate method of calculating FTE equivalents implemented in 2018.

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

Function	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Streets and Highways</b>										
Paved	1,272.1	1,272.2	1,271.7	1,268.1	1,267.7	1,267.7	1,267.7	1,267.2	1,264.4	1,263.3
Unimproved	15.4	15.5	15.5	18.9	18.9	18.9	19.6	19.8	21.8	21.8
Traffic Signals	312	310	310	316	317	316	316	315	453	431
Street Lights	6,500	5,835	5,528	5,200	5,200	5,200	5,200	5,200	5,200	4,922
<b>Public Safety</b>										
Police Precincts and Mini-Precincts	5	5	5	6	6	7	8	8	9	8
Fire Stations	20	20	20	20	20	21	21	21	20	20
<b>Culture and Recreation</b>										
Parks	77	69	69	69	68	68**	92	93	95	91
Parks Acreage	1,400	1,294	1,294	1,294	1,294	1,294	1,754	1,754	1,754	1,740
Swimming Pools	4	6	6	6	6	6	6	6	5	7
Wading Pools	6	9	9	9	9	9	6	5	*	*
Spray Grounds	5	5	5	5	4	3	3	3	*	*
Tennis Courts	95	93	93	93	93	93	93	97	92	97
Community Centers	18	18	18	18	14	14	14	15	15	17
Senior Centers	3	3	3	3	3	3	4	*	*	*
<b>Motor Pool</b>										
Sanitation Collection Trucks	28	27	27	30	35	36	37	38	37	36

\* 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	2019	2018	2017	2016
<b>General Government</b>				
Information Technology				
Buildings with computer equipment	202	197	194	194
Miles of fiber	192	188	185	185
Wireless sites	11	29	29	29
Computer user accounts	2,306	3,108	3,436	3,436
Email accounts	1,796	1,819	1,932	1,932
Voicemail accounts	1,649	1,479	1,482	1,482
Computers/printers supported	3,237	3,388	3,375	3,375
Servers supported	133	107	95	95
800Mhz subscribers	N/A	N/A	N/A	N/A
City phone extensions	1,688	2,791	2,802	2,802
Broadband Data Cards	192	171	70	70
Software Applications Supported	435	430	430	430
MIT Help Desk Cases	7,702	6,294	9,552	9,552
Cell Phones	376	388	485	485
Telecom Help Desk Requests	373	675	1,284	1,284
Mobile 311				
Calls	91,338	99,064	97,485	96,805
SROs created	52,133	55,396	54,594	57,886
<b>Culture and Recreation</b>				
Mobile Public Library				
Items circulated	1,553,075	1,554,685	1,603,430	1,659,247
Customer visits	1,089,704	1,108,338	1,251,244	1,375,573
<b>Engineering, development &amp; Build Mobile</b>				
Build Mobile				
Service request orders	9,494	11,721	13,677	18,808
Municipal offense tickets	1,023	1,192	1,215	1,369
Inspections/investigations	83,367	82,890	60,003	51,374
Plan reviews	2,765	2,797	2,833	2,729
Plan reviews - Right of Way	3,431	2,100	2,451	2,444
Complete nuisance abatement cases	214	173	118	84
Complete weed abatement cases	596	500	840	622
Removal of trees	183	400	456	524
Trimming removal	1,939	1,500	1,526	4,114
Stump removal	53	60	60	204
Mobile Historic Development Commission				
Applications reviewed	441	375	372	382
Certificates issued	373	368	316	349
Applications heard by review board	68	46	52	27
Applications denied	2	7	2	3



2015	2014	2013	2012	2011	2010
190	185	184	181	180	180
850	825	825	825	825	920
25	22	18	30	27	22
3,250	3,222	3,000	2,934	2,850	2,750
2,400	2,369	2,458	2,320	2,050	2,200
1,466	1,461	1,541	1,547	1,738	1,735
3,098	3,098	3,163	2,537	2,450	2,600
99	99	95	115	75	90
N/A	N/A	N/A	N/A	1,906	1,906
2,724	2,756	2,730	2,724	2,426	2,267
72	63	88	89	110	103
426	426	420	409	409	408
9,195	10,126	10,016	10,270	9,450	3,917
393	372	385	365	333	331
1,759	1,473	1,809	2,028	2,132	1,995
96,450	110,776	115,594	115,398	109,681	116,030
54,313	56,559	60,512	60,916	59,725	64,147
1,670,662	1,702,092	1,798,526	1,899,180	1,871,251	1,979,929
1,410,099	1,447,113	1,439,398	1,369,945	1,417,588	1,441,980
13,534	18,806	17,043	16,819	14,546	14,901
1,516	1,634	2,221	2,557	1,875	2,023
62,057	65,763	63,407	63,213	82,961	76,510
5,196	7,453	8,043	5,363	4,303	3,315
2,489	2,587	2,574	2,401	2,628	2,293
125	77	44	49	151	63
340	320	340	320	680	540
369	395	395	458	467	415
4,560	4,307	5,691	5,611	4,556	7,612
181	102	125	222	196	238
400	412	430	449	471	469
393	410	344	374	448	440
58	64	86	75	93	111
7	2	12	6	5	11

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

Function	2019	2018	2017	2016
<b>Public Safety</b>				
Mobile Police Department				
Crime Incidents:				
Murder (or Non-Neg Manslaughter)	32	29	45	44
Murder Domestic	4	7	6	*
Negligent Manslaughter	1	1	0	*
Forcible Rape	161	155	119	78
Carjacking	22	36	33	*
Robbery	280	352	439	459
Aggravated Assault	1,175	1,283	1,335	1,165
Burglary	2,228	2,820	3,142	2,621
Larceny	8,002	9,058	9,583	8,834
Vehicle Theft	914	1,345	1,380	850
Arson	16	35	71	*
Simple Assault	2,826	3,113	3,163	*
Sex Offenses	94	104	103	*
Narcotic Laws	1,590	1,120	1,024	*
Weapons Offence	504	506	434	*
Forgery-Counterfeiting	276	323	260	*
D.U.I.	349	291	298	*
All Other Offenses	24,942	29,762	30,160	*
Total Tickets				
Following too close	43	43	41	65
Run red light	930	651	763	820
Run stop sign	781	315	537	473
Speeding	3,806	5,170	5,816	7,320
Speeding in school zone	44	102	14	24
Mobile Fire Rescue Department				
Total calls answered	35,389	38,149	37,658	38,832
Inspections	2,915	1,481	795	812
Plans reviewed	1,586	943	428	771
Permits issued	984	857	517	846
Mobile Municipal Court				
Domestic violence cases	1,395	1,279	1,232	1,130
Environmental cases	1,437	1,167	1,472	1,765
Traffic cases	24,804	21,020	24,874	29,365
Criminal cases	5,972	4,882	5,318	5,495
<b>Finance</b>				
Human Resources				
Medical claims	176	194	205	207
Indemnity claims	31	28	25	31

2015	2014	2013	2012	2011	2010
23	26	29	27	25	20
1	4	0	3	7	2
0	2	0	1	0	0
136	146**	29	52	43	52
10	12	17	23	24	60
427	431	452	526	622	686
1,225	1,136	1,272	879	999	1,035
2,275	2,878	2,828	3,119	3,844	3,882
8,367	8,824	9,384	9,213	9,030	9,889
623	727	742	611	783	1,267
47	56	42	61	53	58
2,067	2,134	2,140	2,349	3,818	1,171
131	120	123	174	138	234
1,429	2,148	3,897	3,077	2,333	3,388
230	274	440	458	382	398
315	226	325	337	401	395
422	448	405	388	459	570
26,888	26,606	29,750	31,953	31,748	35,262
51	79	66	105	66	101
904	1,654	1,585	1,623	1,766	2,221
802	1,156	1,248	1,592	1,336	2,143
8,589	12,551	11,854	11,774	9,807	11,472
319	557	512	415	320	325
35,619	33,486	31,906	31,529	32,858	35,713
1,064	1,339	5,731	4,010	9,762	7,177
317	698	792	432	889	806
414	415	1,037	372	963	555
1,305	2,704	1,520	1,670	1,590	1,642
2,246	4,092	2,720	4,061	3,709	3,977
33,644	67,096	52,622	55,030	56,149	56,823
5,632	12,714	8,797	9,645	10,548	9,788
234	221	262	251	274	211
35	31	42	37	49	54

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

Function	2019	2018	2017	2016
<b>Public works</b>				
Flood control				
Debris removed (cubic yards)	12,830	2,838	1,076	9,620
Work on ditches (miles)	31	25	16	19
Administration				
Disciplinary actions processed	72	51	88	209
Claims/reports processed	51	74	153	171
Concrete and sidewalk repair				
Concrete poured	300	278	1,003	1,330
Repairs	500	546	253	480
Replacements	0	0	2	1
Right-of-way maintenance				
Material hauled (cubic yards)	26,094	25,163	20,474	19,952
Material used (cubic yards)	13,088	6,143	8,105	5,503
Repairs	239	281	200	179
Asphalt street repair				
Asphalt used (tons)	633	500	540	860
Repairs	10,163	8,388	10,018	13,325
Street Sweeping				
Miles sweeper swept	21,177	12,043	11,634	10,372
Debris removed (cubic yards)	16,486	10,599	12,091	13,715
Water used (gallons)	513,070	140,250	208,749	208,620
Dredge				
Material dredged/removed (cubic yards)	*	*	15,000	32,456
Storm drain and heavy equipment				
Drains cleaned	4,409	3,047	2,553	3,885
Material hauled (cubic yards)	2,870	1,920	1,520	615
Solid waste				
Waste removal (tons)	41,573	47,756	54,536	57,976
Other waste removal (tons)	14	108	141	436
Special events (tons)	528	217	314	400
Carcass removal	1,217	937	1,126	1,158
Trash division				
Trash picked up	188,486	190,315	200,816	199,331
Pay pile loads	937	604	1,034	1,104
Environmental Response Crew				
Collections (gallons)	901	951	1,709	1,447
Other Collections (yards)	0	0	0	0
Cleaned (feet)	8,415	7,010	5,190	5,251

\* Data not available

\*\* Method for reporting has changed.

Source: Various City Departments

2015	2014	2013	2012	2011	2010
10,153	6,582	5,642	6,000	6,645	240
16	13	17	18	13	28
208	171	191	225	379	385
153	122	189	118	111	103
1,341	1,743	3,198	1,575	2,452	2,919
378	595	500	451	650	520
2	3	5	10	8	39
16,765	27,609	28,985	33,200	23,568	37,880
4,304	14,265	17,700	13,165	5,590	9,220
54	156	157	277	214	207
727	1,112	1,071	1,233	1,088	1,466
14,382	18,096	16,725	21,711	14,451	19,087
11,324	19,252	31,003	26,336	15,902	17,400
14,460	17,944	19,142	16,947	15,716	14,807
144,123	211,500	242,500	269,640	220,750	276,397
17,272	23,147	29,508	7,920	13,745	24,344
1,686	3,884	2,797	3,423	4,186	4,224
1,275	2,730	7,824	3,481	4,176	15,744
55,413	53,125	52,615	54,269	54,513	56,306
414	318	305	291	110	93
350	345	330	315	240	199
1,200	3,650	3,617	3,610	3,947	4,986
192,281	164,200	171,260	173,820	189,960	191,300
778	680	542	349	570	600
1,772	1,499	1,215	2,954	734	1,240
0	0	0	0	0	0
6,478	25,928	29,666	27,852	28,080	35,665