

CITY OF MOBILE, ALABAMA

POPULAR ANNUAL
Financial Report

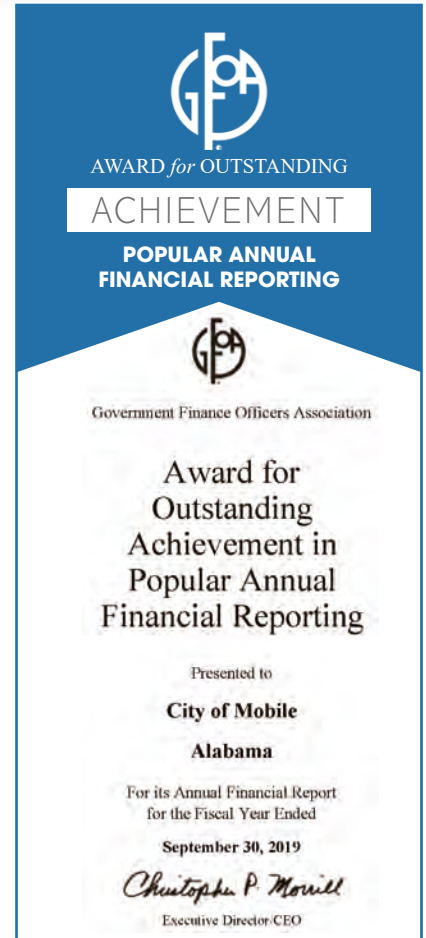


FOR THE FISCAL YEAR ENDED | SEPTEMBER 30, 2020



Table of Contents

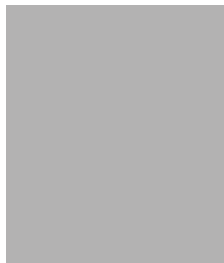
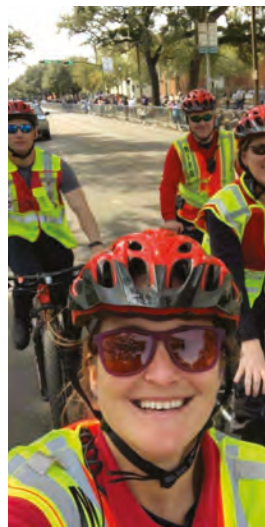
About this Report	2	City Finances (cont.)	
About the City		Assets	9
Quick Facts	3	Liabilities	10
City Government	4	General Fund	11
City Finances		Enterprise Funds	12
City Activities	5	Understanding Debt	13
Financial Highlights	6	Capital Improvements	14
Revenues	7	Accomplishments	15-16
Expenditures	8	Glossary	17
		Memorial	18



GFOA Award

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Mobile for its Popular Annual Financial Report for the fiscal year ended September 30, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

The Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe that the current report continues to conform to the popular annual financial reporting requirements and will be submitted to the GFOA to determine its eligibility for another award.



Pictures courtesy of the Mobile Fire-Rescue Department

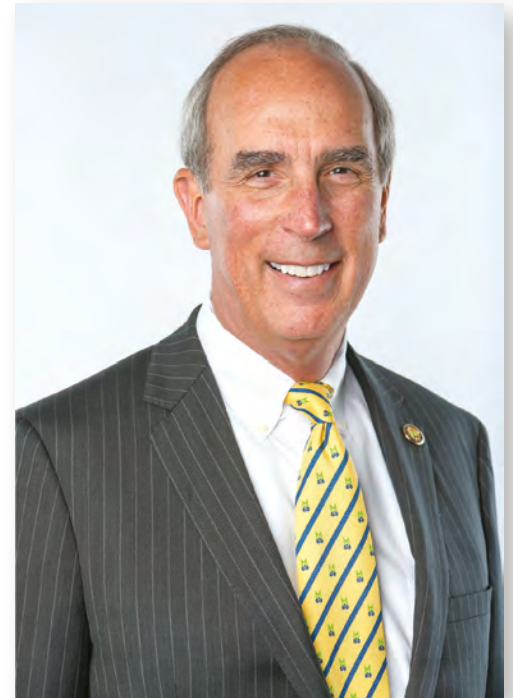
About This Report

We are pleased to present the **Popular Annual Financial Report (PAFR)** for the fiscal year ended September 30, 2020. The PAFR is presented as a means of increasing public understanding of City finances through user-friendly financial reporting. As you review our PAFR, we invite you to share any questions, concerns or recommendations.

The PAFR is written in a simplified manner that will summarize and communicate the City's financial condition at a high level. In addition to providing information on City finances and government operations, this report also helps demonstrate what makes Mobile a great place to live, work and play.

The PAFR summarizes some of the financial information contained in the **Comprehensive Annual Financial Report (CAFR)**. The CAFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and is independently audited by Wilkins Miller, LLC. The full CAFR is available online at www.cityofmobile.org.

The PAFR is unaudited and it does not include information on all of the City's Funds or Component Units. However, to the best of our knowledge, the information presented in the PAFR accurately represents the financial position and results of operations for the fiscal year.



William S. Stimpson
Mayor

The City's website **CityofMobile.org** is the best source for information about City financial data, department and agency information, notices of public meetings, city services, and much more. **CityofMobile.org** also provides access to a variety of options for interacting with the City online.



The screenshot shows the City of Mobile website interface. At the top, there is a navigation bar with links for CALENDAR OF EVENTS, DEPARTMENTS, MAPS, and CITY UPDATES. Below this is a large banner with the 'MOBILE ALABAMA' logo on the left and a secondary navigation bar with links for RESIDENTS, GOVERNMENT, BUSINESS, VISITORS, and SERVICES. Under the SERVICES link, there are two columns of service options. The first column, 'TOP REQUESTS', includes Services Overview, Trash and Garbage, Mapping, Forms and Applications, Frequently Asked Questions, Recycling Center, and Mobile 311. The second column, 'ONLINE PAYMENTS', includes Payment Center, Tax Payments, Ticket Payments, Permitting and Zoning, Alarm Permits Registration, and Pay Parking Tickets. A large green arrow with a blue outline points from the bottom right towards the 'ONLINE PAYMENTS' section.

Settled in 1702
Founded in January 1814

Established

Geography

Land 148.2 sq. miles
Water 40.3 sq. miles

Population² 188,720
Gender² Male 47.1%
Female 52.9%

Demographics

Diversity

51.5% Black and African American²
41.8% White (Non-Hispanic)²
2.5% Hispanic and Latino²
1.9% Asian²
2.3% Other and Multiple²

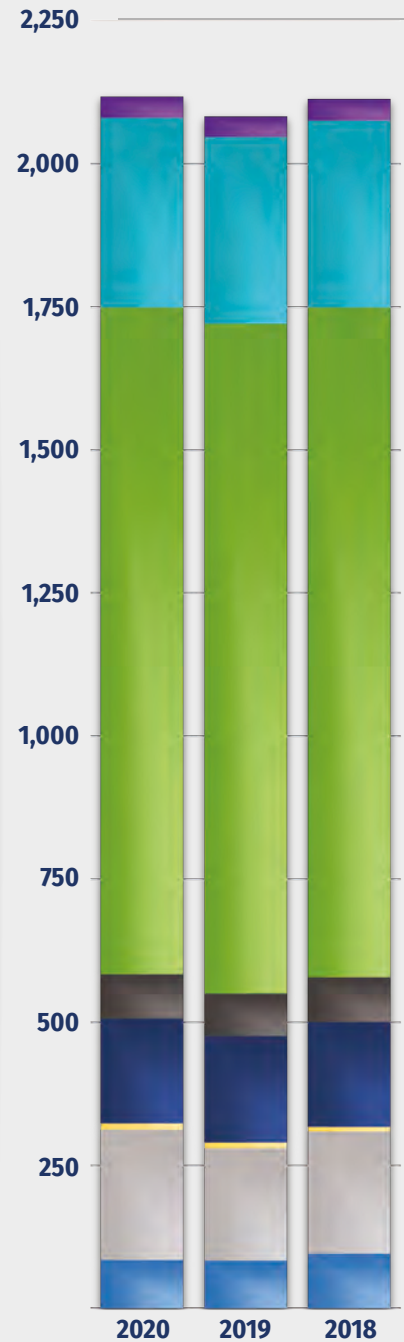
Median Household Income² \$42,321
Median Housing Value² \$123,600
Persons Per Household² 2.36
Unemployment Rate³ 9.6%

Economy

Education

88.9% High School Graduates²
29.4% Bachelor's Degree or Higher²

City Employees Full-Time Equivalents



¹ U.S. Census Bureau, Annual Estimates of Resident Population: April 1, 2010 to July 1, 2019, Metropolitan Statistical Area.

² U.S. Census Bureau, QuickFacts, Population Estimates, as of July 1, 2019.

³ U.S. Dept. of Labor, Bureau of Labor Statistics, Local Area Unemployment Statistics, Civilian labor force and unemployment by metropolitan area (Seasonally Adjusted), as of Sep. 2020.

See the Statistical Section of the CAFR at cityofmobile.org for more details.



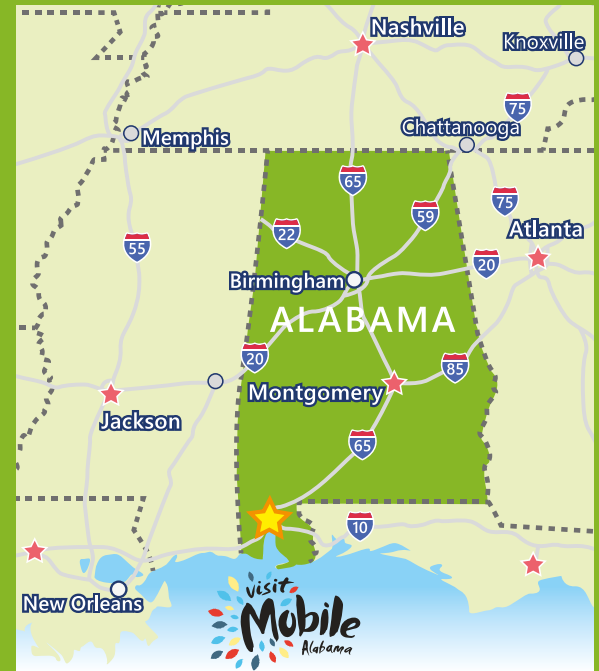
Left to Right:
Joel Daves, District 5
John C. Williams, District 4
Levon C. Manzie, District 2
William S. Stimpson, Mayor
Gina Gregory, District 7
Fredrick D. Richardson, Jr., District 1
Bess Rich, District 6
C.J. Small, District 3

The City operates under a Mayor and seven-member Council form of government, with the council members each 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.

Policy making and legislative authority are vested in a seven-member **City Council** which is, among other things, responsible for passing local ordinances, adopting budgets, appointing committees and board members of related organizations, and approving the appointment of executive directors of the City.

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.



**MOBILE IS THE
3RD**

LARGEST METRO AREA IN ALABAMA¹
WITH A POPULATION OF OVER 400,000

Governmental Activities

General Government
Culture & Recreation
Economic Development
Engineering, Development & Build Mobile
Finance
Public Safety
Public Works

The city's basic services are considered to be governmental activities and are primarily funded by taxes, licenses, and inter-governmental revenues such as grants. Governmental activities include functions like public safety, public works, culture and recreation, and general government. Detailed information on governmental activities can be found in the CAFR in the Government-Wide financial statements, the Governmental Fund financial statements, the General Fund Budget-to-Actual Schedule, and the combining Internal Service Fund financial statements.

Business-Type Activities

Azalea City Golf Course
Civic Center
Convention Center
Cruise Terminal
Emergency Medical Services
Mobile Tennis Center
Neighborhood Renewal Program
Parking Garage
Saenger Theater
WAVE Transit System

The City has certain activities which function more like a private business and are funded predominately by fees paid by external parties. Charges for these services are designed to cover the cost of operations, though some require additional subsidization by the City. Detailed financial information on these activities can be found in the CAFR in the Government-Wide financial statements and the Proprietary Fund financial statements, and the combining Non-Major Enterprise Fund financial statements.

Did You Know?

TAXES WITHIN THE CITY ARE SHARED

SALES TAXES



TOTAL 10 CENTS

PROPERTY TAXES



TOTAL 63.5 MILLS



What is the City of Mobile's financial structure?

In the Government-Wide financial statements, there are two main categories of activities: **Governmental Activities** and **Business-Type Activities**. The City uses fund accounting to maintain control over resources that have been segregated for specific activities or objectives. These funds can be divided into two main categories: Governmental and Proprietary.

Governmental funds account for the City's basic operations. Governmental funds include: General Fund, Capital Project Funds, Debt Service Funds, and Special Revenue Funds.

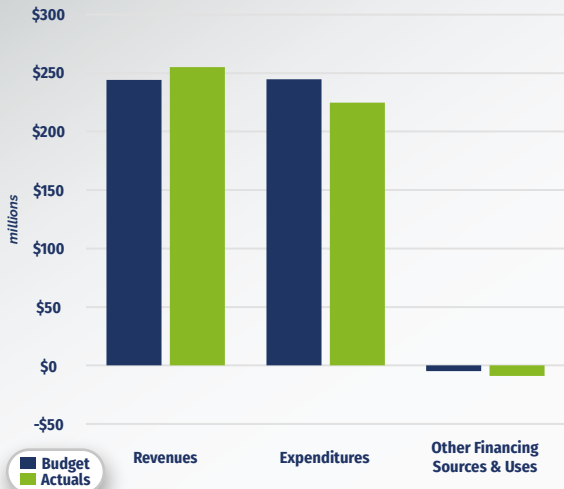
Proprietary Funds are used to account for activities which are similar to those found in the private sector. Proprietary funds include: Enterprise Funds and Internal Service Funds.

Governmental Activities = Governmental Funds + Internal Service Funds

Business-Type Activities = Enterprise Funds

Financial Highlights

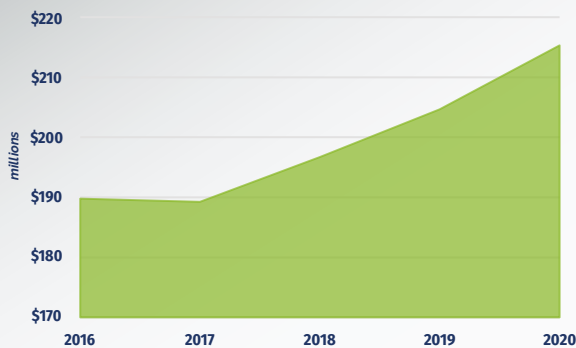
General Fund Budget to Actual Comparison



Net Position is the difference between total assets (what we own) including deferred outflows, and total liabilities (what we owe), including deferred inflows

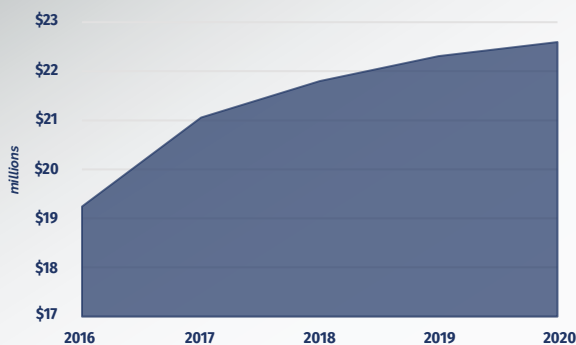
Governmental Activities Net Position (in millions)	2018	2019	2020
Assets	\$ 863	\$ 904	\$ 965
Deferred Outflows	51	56	93
Liabilities	629	564	609
Deferred Inflows	16	66	48
Net Position	269	330	401

Sales Taxes 5 Year Trend



Business-Type Activities Net Position (in millions)	2018	2019	2020
Assets	\$ 100	\$ 103	\$ 106
Deferred Outflows	4	4	5
Liabilities	16	13	13
Deferred Inflows	5	7	5
Net Position	83	87	93

Property Taxes 5 Year Trend



Government-Wide Net Position is the total of Governmental and Business-Type Activities

Government-Wide Net Position (in millions)	2018	2019	2020
Assets	\$ 963	\$ 1,007	\$ 1,071
Deferred Outflows	55	60	98
Liabilities	645	577	622
Deferred Inflows	21	73	53
Net Position	352	417	494

Where does the money come from?

COVID-19 Closed Facilities Find Alternate Uses



During the COVID-19 pandemic, several City facilities were closed to the public. In partnership with USA Health, the City is using the Civic Center as a drive-thru COVID-19 testing and vaccination site. This partnership has allowed the City to optimize the use of a closed facility and increase community access to needed services.

Government (City)-wide Revenues

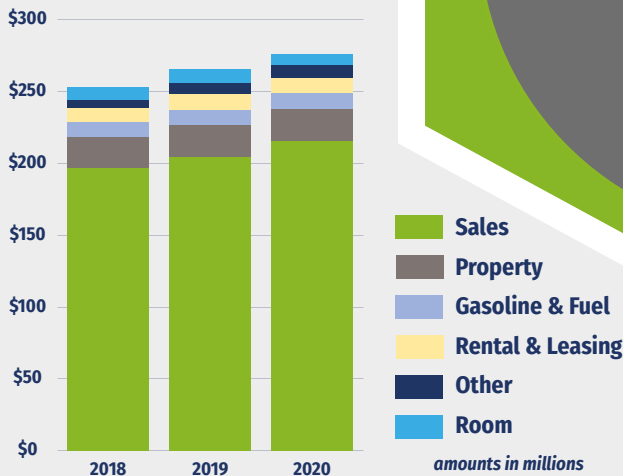
Taxes - Includes a variety of taxes. Sales taxes account for 78% of total taxes and 56% of total government-wide revenues. Taxes are considered General Revenues on the government-wide statements.

Charges for Services - Charges to the public for services including licenses and permits.

Grants and Contributions - Financial support and contributions received from other governments and organizations for either capital or operating purposes.

Other - Includes investment earnings and other general revenues.

Tax Revenues



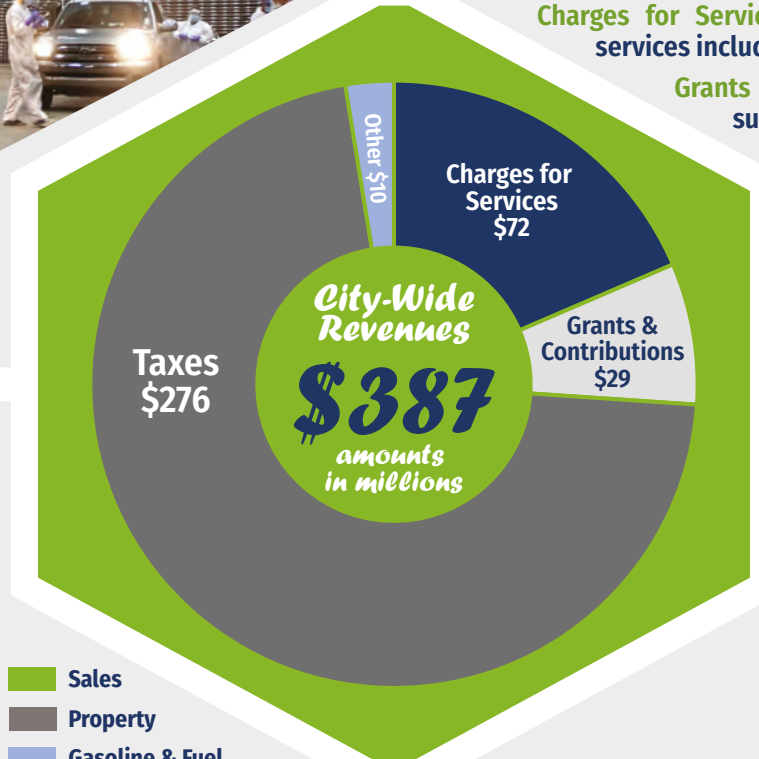
City-wide revenues increased \$20.0 million (5.4%) in FY 2020.

Taxes increased \$10.8 million (4.1%). This was primarily due to a \$10.7 million (5.2%) increase in sales tax revenues. However, lodging tax revenues decreased \$1.7 million (18.5%) primarily due to decreased room rentals during the COVID-19 pandemic.

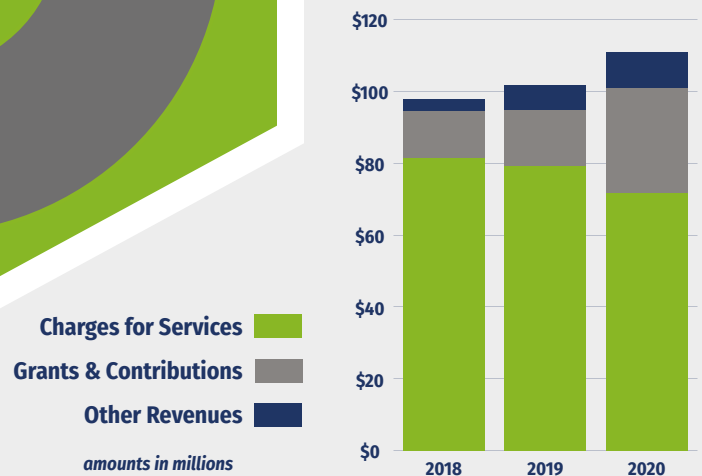
Charges for services decreased \$7.6 million (9.6%). Due to the COVID-19 pandemic and safer-at-home orders, many charges for services revenues decreased in FY 2020.

Grants and contributions increased \$13.5 million (86.8%).

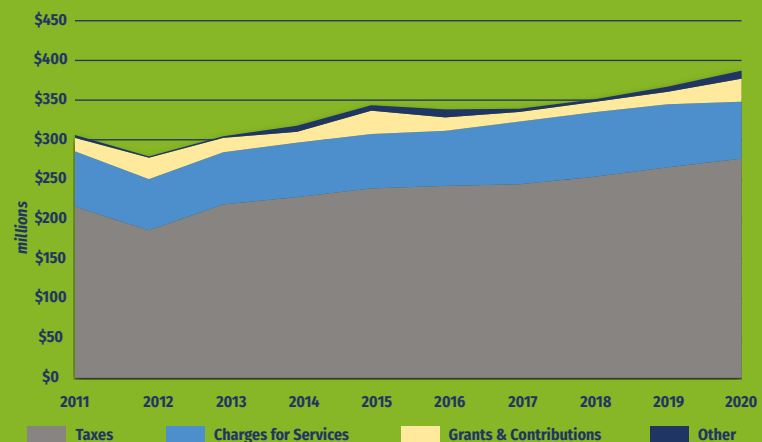
Other revenues increased \$3.3 million (49.7%).



Other Revenues

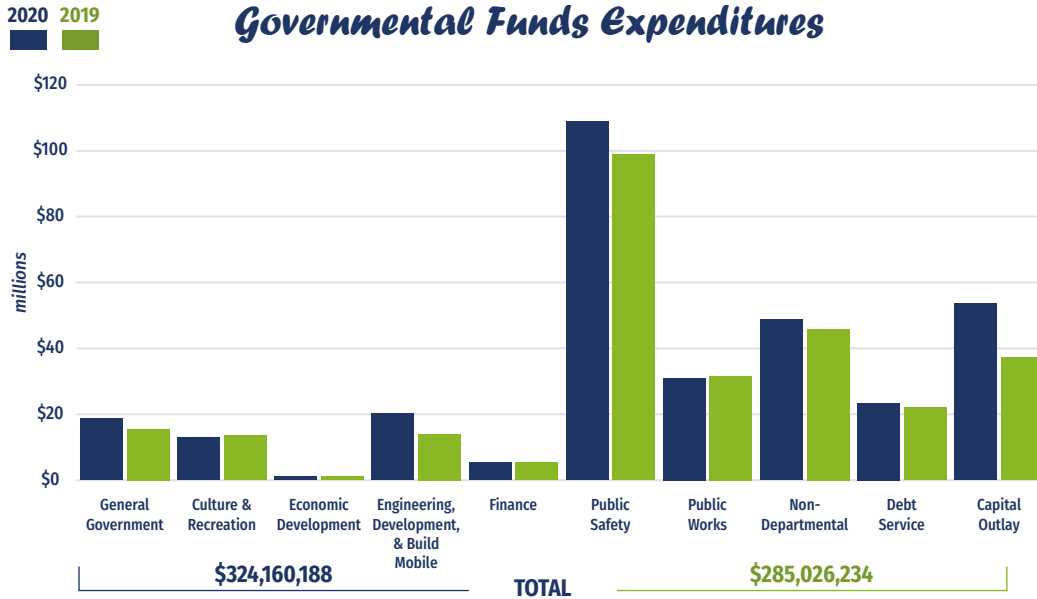


10-Year City-wide Revenues



Expenditures

Where does the money go?

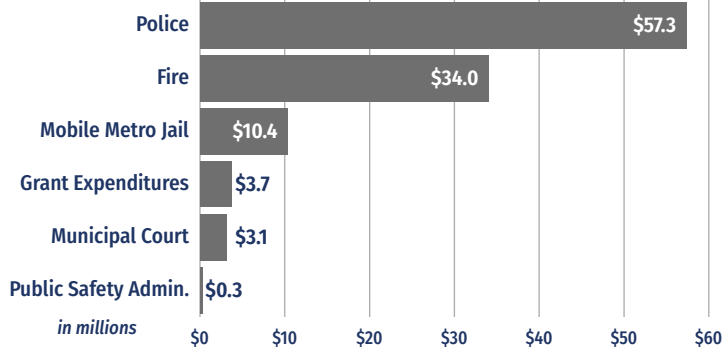


Expenditures in **Governmental Funds** increased \$39.1 million (13.7%) in FY 2020. Increases in Public Safety and Capital Outlay are primary factors in this increase.

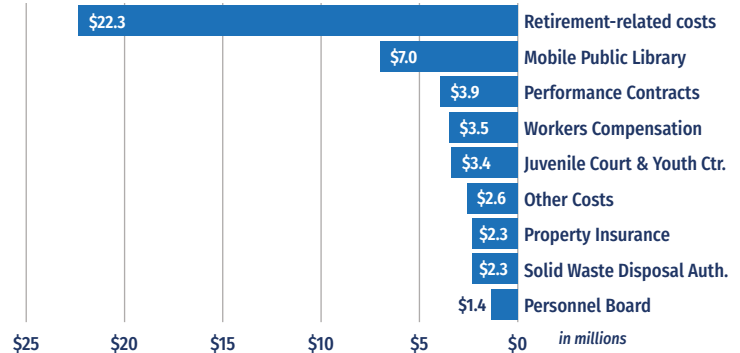
Public Safety expenditures increased \$10.1 million (10.2%) due to increases in charges to fund capital equipment purchases from Motor Pool, allocation of departmental fuel costs, and increased personnel costs primarily related to a cost-of-living adjustment.

Capital Outlay expenditures increased \$16.5 million (44.4%) primarily due to increased activity in the Capital Improvements Fund for planned multi-year capital projects.

Public Safety Expenditures by Category



Non-Departmental Expenditures by Category

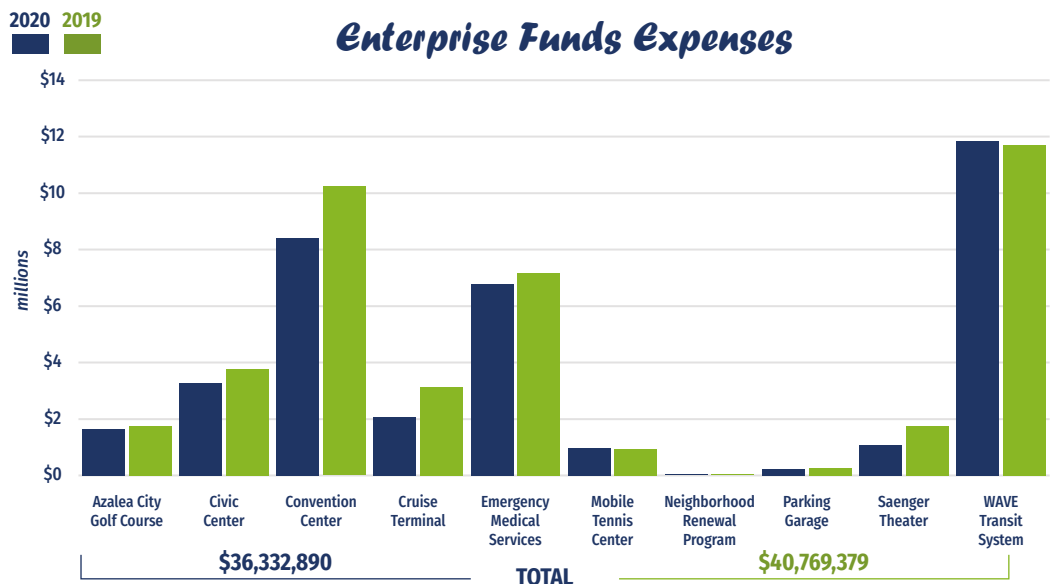


Expenses in **Enterprise Funds** decreased \$4.4 million (10.9%) in FY 2020. This change was driven primarily by decreases in the Civic Center, Convention Center, and the Cruise Terminal due to expenditure reductions from closed operations during the COVID-19 pandemic.

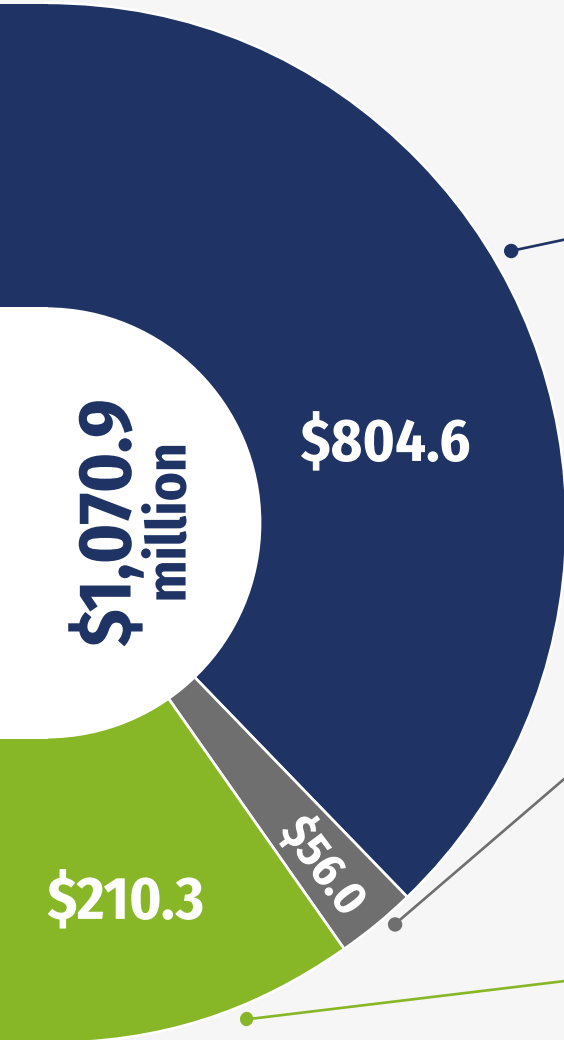
Civic Center expenses decreased \$0.5 million (13.2%).

Convention Center expenses decreased \$1.8 million (17.7%).

Cruise Terminal expenses decreased \$1.0 million (33.4%).



What Do We Own?



CAPITAL ASSETS

CAPITAL ASSETS include land, buildings, equipment, infrastructure, and improvements to those assets. These assets are used in operations and are expected to be used for more than 1 year. Capital assets are reported net of accumulated depreciation, which represents the total amount of asset costs that have been allocated to depreciation expense since the assets were put into service. See Note 7 in the CAFR for more details.

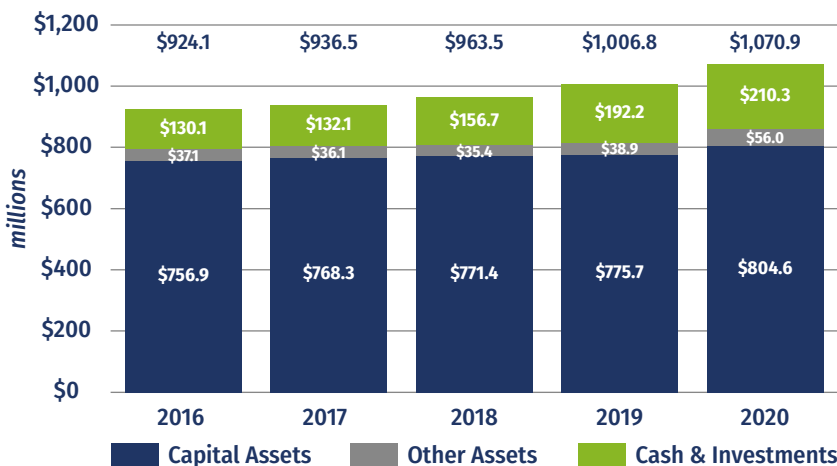
OTHER ASSETS

ACCOUNTS RECEIVABLE are amounts owed to the City as of the end of the fiscal year. These amounts are owed from taxpayers, customers, and other governments and totaled \$52.5 million. **OTHER ASSETS** include inventory and other prepaid expenses and totaled \$3.5 million. See note 4 in the CAFR for more details.

CASH & INVESTMENTS

CASH & INVESTMENTS represent the amounts of cash in City bank accounts, petty cash, and other amounts invested as of the end of the fiscal year. See Note 3 in the CAFR for more details.

City-Wide Assets 5-Year Comparison



Mardi Gras activities had to be significantly reduced for the 2021 season due to health concerns associated with the COVID-19 pandemic. However, Mardi Gras in Mobile will return in full force for 2022.

What Do We Owe?

BONDS & NOTES PAYABLE

In prior years, the City has issued debt in the form of **BONDS, WARRANTS AND NOTES PAYABLE** for the acquisition and construction of major capital facilities, economic development, and other large projects. These are repaid over time with added interest. See Note 8 & 9 in the CAFR for more details.

NET PENSION LIABILITY

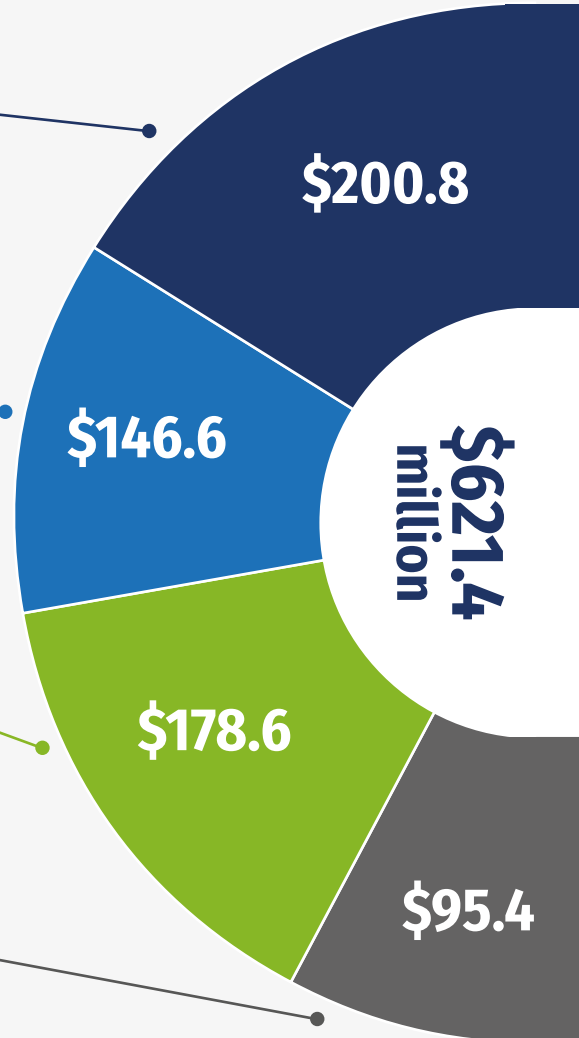
The City has 4 pension plans with active retirees. The **NET PENSION LIABILITY** is the total pension liability less assets set aside to fund benefits. See Note 10 in the CAFR for more details. Plans: Employees Retirement System of Alabama, Police and Firefighters Pension Plan, Transit Workers Pension Plan, and General Municipal Employees Pension Plan

OPEB LIABILITY

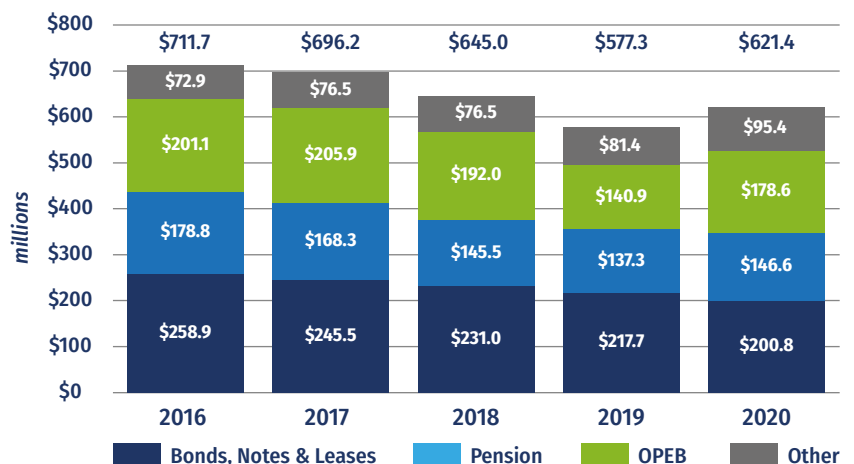
OTHER POST-EMPLOYMENT BENEFITS (OPEB) refers to the benefits, other than pensions, that a government employee receives as part of his or her package of retirement benefits. The City offers health and life insurance to retirees under the age of 65, along with a Medicare supplement plan for those above the age of 65. These benefits account for the OPEB liability. See Note 10 in the CAFR for more details.

OTHER LIABILITIES

OTHER LIABILITIES include accounts payable, payroll-related liabilities, insurance claims, legal liabilities, and liability for revenue received but not yet earned. See Note 8 & 14 in the CAFR for more details.



City-Wide Liabilities 5-Year Comparison



General Fund

FUND BALANCE

WHAT IS IT?
WHY IS IT IMPORTANT?
HOW HAS IT CHANGED?

FUND BALANCE is the excess of what the City owns (assets) over what the City owes (liabilities).

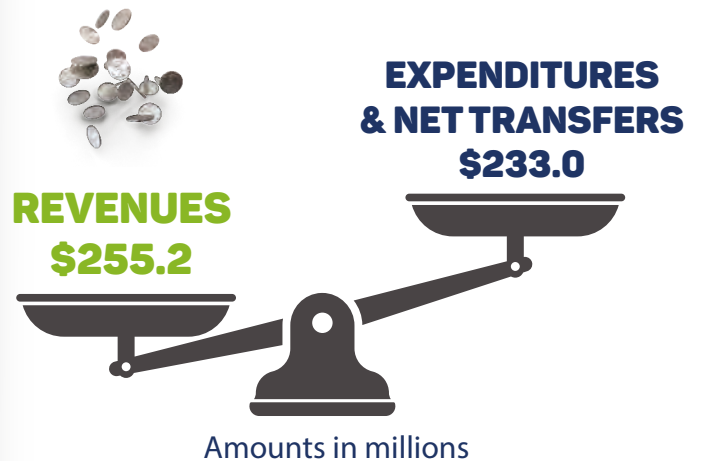
There is no single number in governmental accounting and financial reporting that attracts more attention than fund balance, especially in the General Fund. Maintenance of an adequate fund balance is important because it provides a financial “safety net” in the event of emergencies, economic downturns, or other unforeseen circumstances.

Fund balance is also a major factor considered by bond rating agencies when evaluating the City’s credit worthiness.

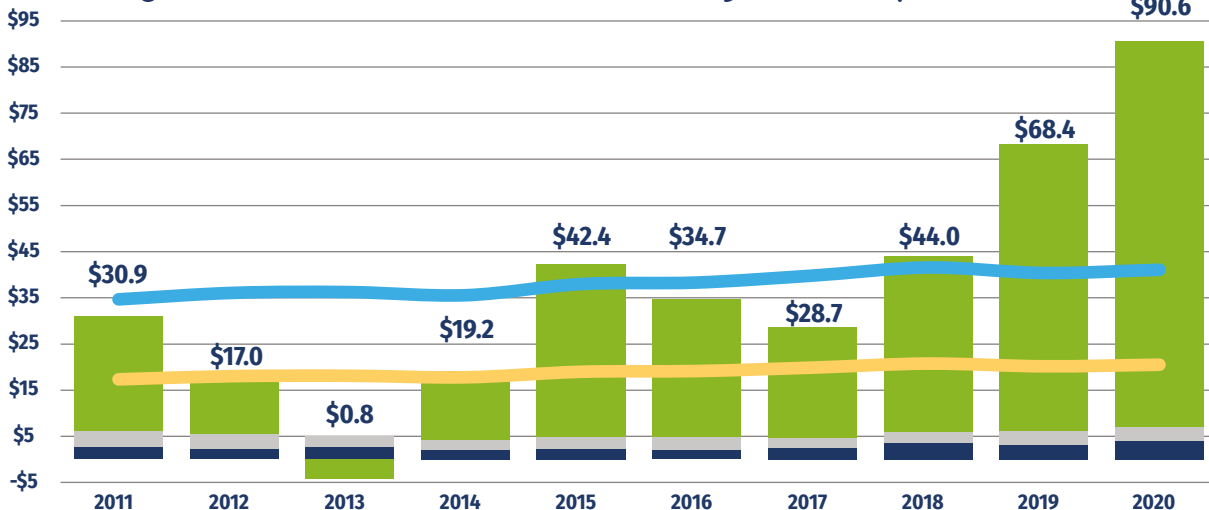
The **GENERAL FUND** is the City’s primary operating fund and accounts for the revenues and expenses associated with the main functions of the City such as police, fire, public works and parks and recreation.



2020 RESULTS



General Fund - Fund Balance 10 Year Comparison



- UNASSIGNED
- NONSPENDABLE
- ASSIGNED
- 1-MONTH RESERVE
- 2-MONTHS RESERVE



For comparison, 2011-2013 fund balance excludes the restricted fund balances reclassified to Special Revenue Funds in 2014.

See the General Fund financial statements and General Fund Budget-to-Actual schedule in the CAFR for more details.

ENTERPRISE FUNDS are those which operate similarly to a private-sector business. These funds report activities for which a fee is charged to external users for goods or services. The City has ten enterprise funds. Highlights for selected enterprise funds are discussed below.

WAVE TRANSIT SYSTEM

The WAVE Transit's operating deficit of \$11.3 million does not include federal grant revenue totaling \$7.9 million, which is considered non-operating revenue or a capital contribution. The WAVE was also subsidized by the General Fund and Capital Improvements Fund in the amount of \$5.4 million.

CONVENTION CENTER

The Convention Center's operating deficit of \$6.9 million does not include \$12.0 million of tax revenue, which is considered non-operating revenue. The Convention Center also transferred cash totaling a net of \$0.9 million out to other funds, primarily for debt service.

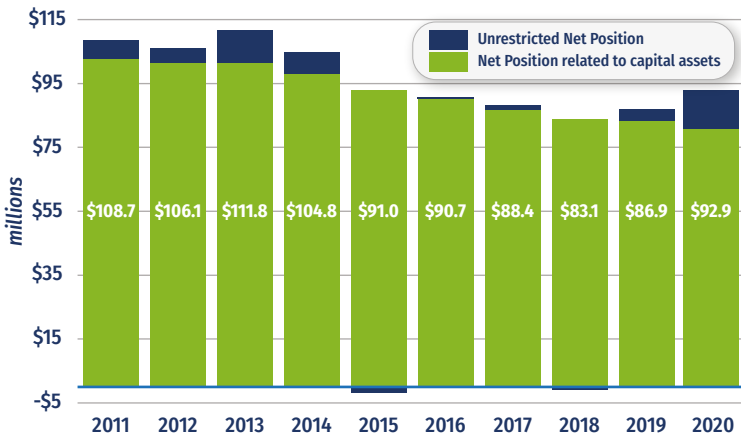
CRUISE TERMINAL

The Cruise Terminal primarily receives revenues from parking, wharfage fees, and facility rentals. Due to the COVID-19 pandemic, Carnival ceased operations from the Cruise Terminal in Spring 2020. As a result, the Cruise Terminal's FY 2020 revenue decreased by \$2.8 million (47.2%). However, through cost-saving measures, expenses were decreased by \$1.0 million (33.4%) from the prior year.

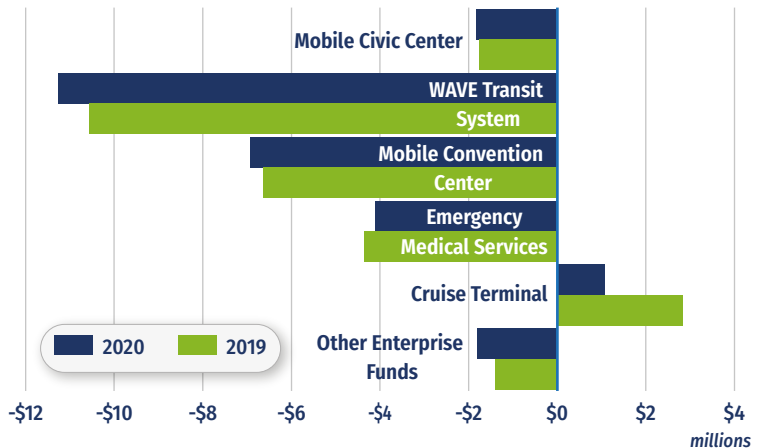
EMERGENCY MEDICAL SERVICES

The Emergency Medical Services fund is used to account for the Fire-Rescue Department's ambulance service. Fees for services are received from insurance companies, legal settlements, and patients. The EMS fund required subsidization by the General Fund in the amount of \$5.0 million in FY 2020.

Enterprise Funds Net Position



Enterprise Funds Operating Income (Loss)



Cruise Terminal



Convention Center



Saenger Theater

See the Proprietary Fund financial statements in the CAFR for more details.

The City's ten Enterprise Funds are: Mobile Civic Center, WAVE Transit System, Mobile Convention Center, Municipal Parking Garage, Emergency Medical Services, Alabama Cruise Terminal, Saenger Theater, Mobile Tennis Center, Azalea City Golf Course, and the Neighborhood Renewal Program.

UNDERSTANDING MUNICIPAL DEBT

Most people don't pay cash for major investments, like a home, but instead use debt to spread the cost of larger purchases over time. In prior years, the City has financed large expenditures by issuing debt. Like a household with finances in good shape, the City's debt is moderate.

State law limits the amount of qualifying general obligation debt that the City can issue to 20% of the assessed value of all taxable property within the City. The City's debt applicable to this limit is \$157 million, resulting in a legal debt margin (additional debt allowed under State law) of \$574 million.

CREDIT RATINGS

The City currently maintains a Aa2 Bond rating by Moody's Investor Services and a AA- Rating by Standard and Poor's. These high-quality municipal ratings save Mobile taxpayers money by allowing the City to repay investments at a low interest rate.

Periodically, ratings agencies evaluate Mobile for its overall debt burden, financial management, financial performance, and economic base and prospects.

Moody's	S&P	Rating Description	Moody's	S&P	Rating Description
Aaa	AAA	Highest grade, prime	B1	B+	Highly speculative
Aa1	AA+	High grade	B2	B	
Aa2	AA		B3	B-	
Aa3	AA-		Caa1	CCC+	Substantial risks
A1	A+	Upper medium grade	Caa2	CCC	Extremely speculative
A2	A		Caa3	CCC-	Default imminent
A3	A-		Ca	CC	with little prospect for recovery
Baa1	BBB+	Lower medium grade	C	C	
Baa2	BBB		C	D	In default
Baa3	BBB-				
Ba1	BB+	Non-investment grade speculative			
Ba2	BB				
Ba3	BB-				



SAVING THROUGH REFINANCING

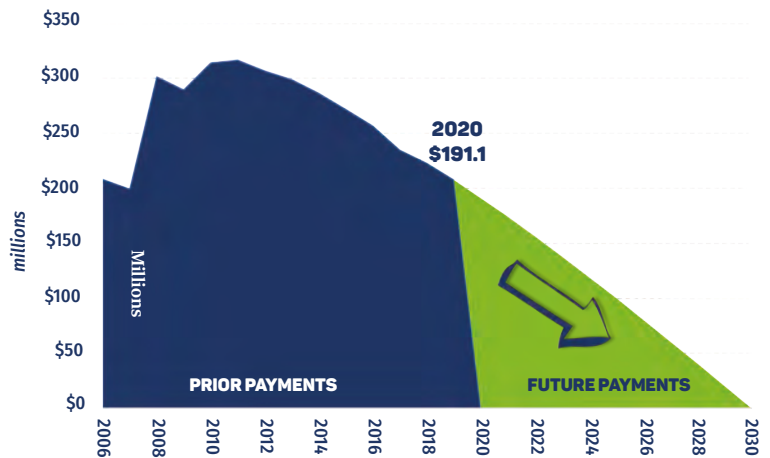
The City has continued to take advantage of lower interest rates when possible by refinancing existing debt. Full details of these transactions are disclosed in the CAFR.

In FY 2020, the City issued the 2020 Warrants debt refinancing transaction. The 2020 Warrants refinanced the 2009C Warrants resulting in approx. \$872 thousand in gross savings over the life of the debt.

Since FY 2016, City management has refinanced the majority of the outstanding debt. This has resulted in total gross debt savings of approximately \$29.6 million from FY 2016 to FY 2030.

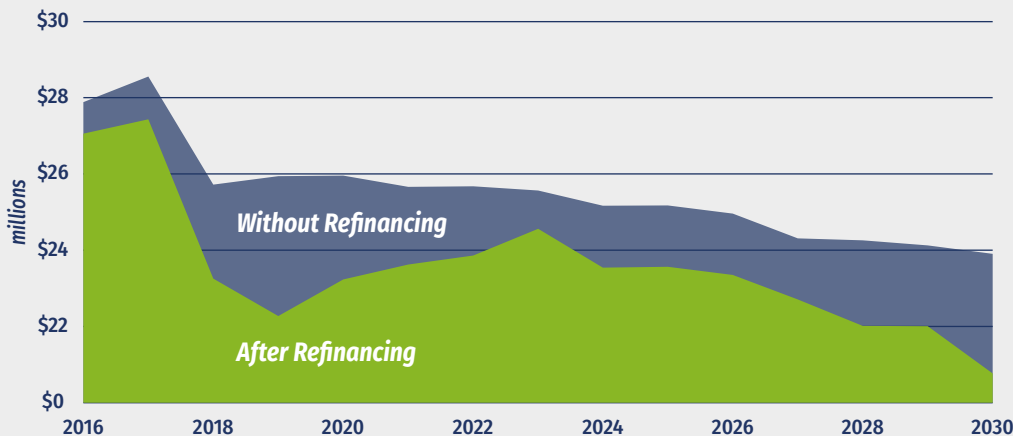
As illustrated in the chart below, existing general obligation debt will be paid in full by 2030. Since FY 2011, when the City's debt from bonds, leases, and notes payable reached \$317 million, the City has reduced its debt burden by \$126 million (down 40%).

BONDS, LEASES & NOTES PRINCIPAL REPAYMENT



Annual Debt Service - Before & After 5 Years of Refinancing

Total Principal & Interest Expense Fiscal Years 2016 through 2030



Each year, the City makes debt service payments for the principal and interest on the outstanding bonds, notes, and leases payable.

The chart to the left illustrates the total annual debt service payments from FY 2016 through FY 2030 to show the savings resulting from refinancing during FY 2016 through FY 2020.

Total Without Refinancing	Total After Refinancing	Total Savings 2016-2030
\$382.8 million	\$353.2 million	\$29.6 million

Capital Improvements

2020 CAPITAL IMPROVEMENTS FUND BUDGET

The FY 2020 adopted **Capital Improvements Fund Budget** was \$57 million. The amount allocated for debt service and transfers totaled \$22 million leaving \$35 million for other expenditures.

The majority of the funds available for capital improvements (\$21 million) are allocated via the Capital Infrastructure Improvements Program.

CAPITAL INFRASTRUCTURE IMPROVEMENTS PROGRAM

On November 18, 2014, the City implemented the **Capital Infrastructure Improvements Program** with money collected from a 1-cent sales tax increase. From the additional sales tax revenue collected, \$3 million was allocated to each of the City's 7 council districts, \$21 million in total, for district priority projects annually. The remainder of the revenue was allocated to various other capital needs.

FIRE TRAINING CENTER RENOVATIONS

Total Cost: \$1,050,000

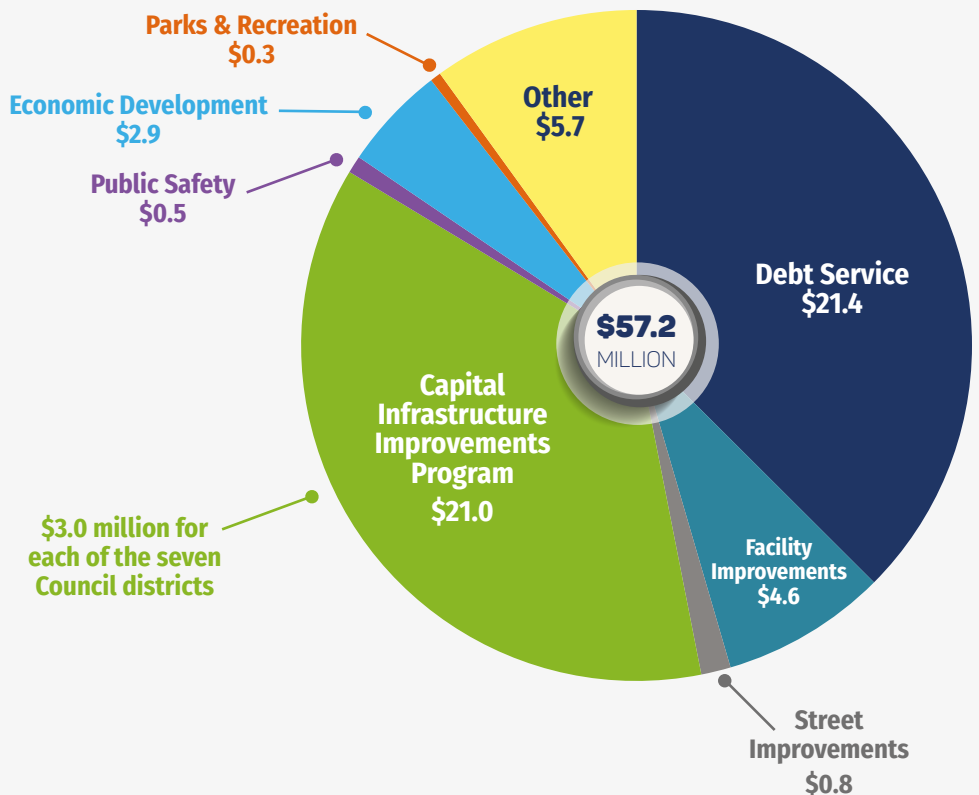


Little Flower Avenue

Street Improvements



2020 Capital Improvements Fund Budget by Category



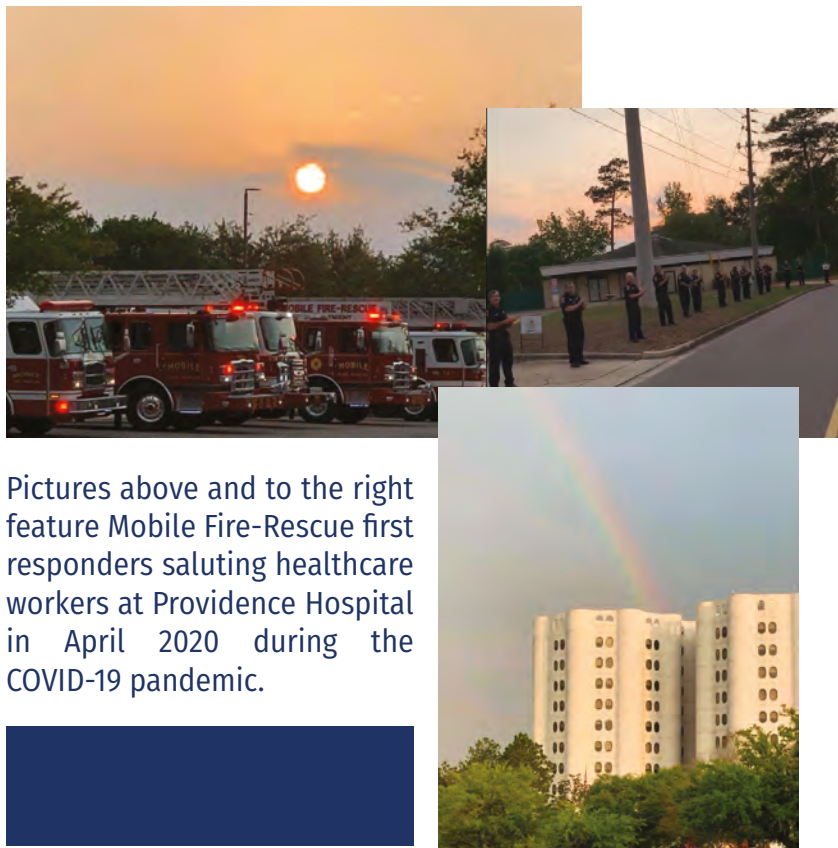
Accomplishments & Activities

James Seals Park AARP FitLot

Pictures below feature the Parks and Recreation Department's AARP FitLot ribbon cutting at James Seals Park in November 2019



Heroes Saluting Heroes



Pictures above and to the right feature Mobile Fire-Rescue first responders saluting healthcare workers at Providence Hospital in April 2020 during the COVID-19 pandemic.

Police Patrol Boat

The picture below features the City's new 34-foot patrol boat named "Guardian" which will be used to fight crime at the port, guard against terrorism and participate in search-and-rescue efforts. This \$367k police vessel was purchased with funds awarded by a FEMA grant.



Day of Service Cleanup

Pictures to the right and below feature one of the City's "Days of Service" where, led by Mayor Stimpson, City employees and volunteers pick up litter, clean parks, and survey dump sites.



Accomplishments & Activities

Dauphin Street Resurfacing

Taking advantage of reduced traffic due to stay-at-home orders related to the COVID-19 pandemic, the City worked hard to complete downtown resurfacing of Dauphin Street to minimize disruptions to businesses and traffic.



Parks & Recreation

Pictures below feature the patching and resurfacing of tennis, basketball, and pickleball courts. Staff also painted light poles, fencing, storage sheds, picnic tables, bleachers. Additionally, facilities were cleaned and sanitized. Much of this work was completed while facilities were closed due to the COVID-19 pandemic.



Mobile Museum of Art

Pictures below feature: educational video tour about clay for Mobile County Public Schools in collaboration with filmmaker Joseph Brennan and local potter Susie Bowman (left); and children playing with the giant lite-bright in the installation of “FOR CHILDREN 2020” in December 2019 (right).



FUND	<p>A fund is a grouping of related accounts used to maintain control over resources which have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.</p> <p>The funds of the City are divided into governmental and proprietary funds. Governmental funds include the general fund, capital projects funds, debt service funds, and special revenue funds.</p> <p>Proprietary funds are further divided into enterprise and internal service funds.</p>	<p>A proprietary fund is used to account for activities which are similar to those found in the private sector. These are typically financed through fees charged to external parties.</p>	PROPRIETARY FUNDS
	<p>Fund balance is the accumulated excess of revenues and other financing sources over expenditures and other financing uses. Fund balance can be further broken down as follows:</p> <p>Nonspendable – Amounts cannot be spent because (1) they are not spendable in form (such as inventory) or (2) they are legally required to be maintained intact.</p> <p>Restricted – Amounts with limitations imposed on their use either through enabling legislation adopted by the City or through restrictions imposed by external parties.</p> <p>Committed – Amounts which can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council.</p> <p>Assigned – Amounts with constraints on their use imposed by the City where those constraints do not meet the definition of restricted or committed.</p> <p>Unassigned – Amounts remaining available to commit or spend.</p>	<p>Component Units are legally separate organizations for which the City is financially accountable. This includes the Mobile Public Library, the Public Park & Recreation Board (Ladd-Peebles Stadium) and the Solid Waste Disposal Authority.</p> <p>Assets are what the City owns. They are reported on the balance sheet.</p> <p>Common assets include: cash, investments, inventory, land, buildings, infrastructure, and equipment.</p>	COMPONENT UNIT
	<p>Liabilities are what the City owes. They require future spending as a result of past transactions or events.</p> <p>Liabilities are reported on the balance sheet and are divided into current and long-term based on when they are expected to be paid.</p> <p>Common liabilities include: accounts payable, payroll, bonds and warrants, notes payable, and pension and other retirement costs.</p>	ASSETS	
FUND BALANCE	<p>Revenues are financial resources other than transfers and proceeds from debt issued.</p> <p>Common examples of revenue are taxes, licenses, charges for services, and investment income.</p>	<p>Liabilities are what the City owes. They require future spending as a result of past transactions or events.</p> <p>Liabilities are reported on the balance sheet and are divided into current and long-term based on when they are expected to be paid.</p> <p>Common liabilities include: accounts payable, payroll, bonds and warrants, notes payable, and pension and other retirement costs.</p>	LIABILITIES
	<p>Expenditures are reported in governmental funds and are decreases in resources (such as cash) which are not considered an other financing use.</p> <p>Expenses are reported in proprietary funds and on the government-wide statements. These are similar to expenditures reported in governmental funds.</p>	<p>Revenues are financial resources other than transfers and proceeds from debt issued.</p> <p>Common examples of revenue are taxes, licenses, charges for services, and investment income.</p>	REVENUES
GOVERNMENTAL FUNDS	<p>Governmental funds are those which are generally used to account for tax-supported activities.</p>	<p>Expenditures are reported in governmental funds and are decreases in resources (such as cash) which are not considered an other financing use.</p> <p>Expenses are reported in proprietary funds and on the government-wide statements. These are similar to expenditures reported in governmental funds.</p>	EXPENSES & EXPENDITURES
GENERAL FUND	<p>The general fund is the primary operating fund of the City which is used to account for the day-to-day operations of most City functions.</p>	<p>Operating income is the net amount of operating revenues less operating expenses. Operating expenses include costs of goods sold and costs of services provided to customers and the revenue generated from those sales and services. This is found in association with proprietary funds which includes enterprise and internal service funds.</p>	OPERATING INCOME
OTHER GOVERNMENTAL FUNDS	<p>CAPITAL PROJECT FUND</p> <p>A governmental fund created to account for financial resources to be used for the acquisition or construction of major capital facilities, infrastructure, or equipment.</p>	<p>Deferred inflows and deferred outflows are reported on the balance sheet but they are not assets or liabilities. They are also not revenues or expenses. However, the events associated with the deferred inflows and outflows have, in fact, already occurred. The thing that is being deferred is the recognition of those inflows and outflows as revenues and expenses. Recognition of revenues and expenses is deferred until the future fiscal year to which the inflows and outflows are related.</p>	DEFERRED INFLOWS & OUTFLOWS
	<p>DEBT SERVICE FUND</p> <p>A governmental fund created to account for the accumulation of funds for the payment of long-term debt principal and interest.</p>		
	<p>SPECIAL REVENUE FUND</p> <p>A governmental fund used to account for proceeds of specific revenue sources which have restraints on their use. These types of revenue sources include grants, certain State gas taxes and fuel inspection fees, tax-increment revenues, and equitable sharing. (forfeiture) revenues.</p>		

The City of Mobile lost an integral part of its team last year due to the death of Executive Director of Finance Paul Wesch in late December of 2020.

Prior to becoming finance director Paul was actively involved with volunteer organizations examining the City's budgeting and spending practices. After being appointed in 2013, Paul brought with him a deep grasp of the financial challenges Mobile was facing and a vision of how to address them. Paul, with the assistance of his dedicated staff, developed a financial vision for the City to include departmental involvement in the budgeting process, lowering the City's debt burden, and building financial reserves to sustain the City through challenging times.

The City of Mobile has come a long way over the past seven years in no small part to Wesch's contributions and stewardship. He was the architect of one of the most miraculous financial turnarounds in the history of the City of Mobile.

Paul Wesch will forever be missed by his co-workers and colleagues, but we will go forward knowing we are all better people for having worked alongside him. The City of Mobile is a better place because of his service. Rest well, Paul.



*Mayor Sandy Stimpson (left)
with Paul Wesch (right)*



Follow Us & Stay Connected!



Follow on YouTube
City of Mobile, AL



Facebook.com/
CityofMobile



@cityofmobileal



Twitter.com/
City_of_Mobile



Dial 311 or
(251) 208-5311



City of Mobile
P.O. Box 1827
Mobile, AL 36633

