

CITY OF MOBILE, ALABAMA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022



WILLIAM S. STIMPSON, MAYOR
ROBERT HOLT, EXECUTIVE DIRECTOR OF FINANCE
REBECCA B. CHRISTIAN, COMPTROLLER



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PART I: INTRODUCTORY SECTION





PART I: INTRODUCTORY SECTION



March 24, 2023

TO THE CITIZENS OF
THE CITY OF MOBILE, ALABAMA:

Enclosed is the Annual Comprehensive Financial Report (ACFR) of the City of Mobile, Alabama (the City) for the fiscal year ended September 30, 2022. The ACFR 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



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. The United States Census Bureau's 2020 Decennial Census reported that there were 187,041 people residing within the City limits of Mobile and that there were 414,809 people in Mobile County. Mobile is the fourth largest metropolitan statistical area in Alabama.

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

This report includes all funds of the City. The City provides a full range of services. These services include police and fire protection; the construction and maintenance of streets and infrastructure; and recreational activities and cultural events. The Mobile Public Library, the Public Parks and Recreation Board (Ladd - Peebles Sports and Entertainment Complex) 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.



www.mobile.org



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 the 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.



Pictured above: Cory Penn (District 1), Ben Reynolds (District 4), Gina Gregory (District 7), William S. Stimpson (Mayor), C.J. Small (District 3), William Carroll (District 2), Joel Daves (District 5), and Scott Jones (District 6).

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 PERFORMANCE AND CITY ECONOMY

Fiscal year 2022 began with a strong financial performance of sales tax in the General Fund. This is the City's largest source of revenue, and it continues to out-perform our budget. For the year, the General Fund's sales tax revenue (from the City and the police jurisdiction – see page 141) was \$196.2 million compared to our budget of \$175.7 million. General Fund sales tax revenue also exceeded FY 2021 by \$10.7 million reflecting a continuation of a healthy economy despite growing inflation that continued throughout much of the year.

Other revenue sources also exceeded our budget as well. One area that performed well above plan was business license revenue. Business licenses from all funds were \$45.9 million exceeding our budget by \$6.7 million and by \$6.7 million compared to 2021. This growth in business license revenue was a further indication that our economy remains healthy and growing and improved efficiency in the collection process.

Tourism remains a significant part of the City's economy. Lodging tax collections in 2022 exceeded the previous year by \$1.47 million and was the second record breaking year in the City's history. Total occupancy rates were down slightly from the previous year however, downtown occupancy improved by 15.2% with a return of more business travel to the City and the return of Mardi Gras as concerns over COVID lessened. The City has strong support for tourism by VISIT MOBILE and the City's Parks and Recreation Department.

In 2022, the City's General Fund spending also contributed to our strong performance for the year. Total General Fund expenditures (on a budgetary basis) were \$250.0 million vs. our amended budget of \$263.6 million (see pages 103-106). All operating departments outperformed their spending targets. This was in large part due to the challenges of fully staffing our key public safety and public works departments. However, this did contribute to maintaining our strong surplus position and our Moody's Aa and Standard and Poor's AA ratings.

Because of the strong financial position of the City, several contributions were made to City-wide projects financed from the general fund surplus. Most notable among these was \$30 million to support the new airport just minutes from downtown Mobile. The project is expected to be completed in 2025. Other investments from surplus in 2022 included \$5 million for a new soccer complex and aquatics center and \$11.5 million for major street renovations and park improvements throughout the City.

Despite the strong performance in the Fiscal Year, 2022 was a year that was under pressure throughout due to changing economic conditions. During much of the year, we witnessed growing inflation reaching the highest levels we have seen in 40 years. In addition, interest rates which for the previous 3 years had seen some of the lowest rates in recent history, started to increase to levels not seen since 2006. As the Federal Reserve began to increase rates to respond to the rising inflation, the economy in Mobile began to feel the effects of these changes. Some of the most significant changes were seen in housing and construction costs. As we entered 2023, we began to see some moderation in prices, but food, housing and motor fuel remained at high levels.



Through the 5th month of fiscal year 2023, we are seeing more positive results than expected. For the first five months of the year, we have again seen revenues exceed our budget and spending levels below our plan. Our General Fund surplus has increased through January due to the positive variances mentioned earlier. However, we expect the second half of the year to resemble past years and a slowing rate of sales tax growth.

Our current outlook for the remainder of the year remains positive. However, we need to remain cautious relative to inflation, Federal spending, and rising interest rates. We are optimistic that the current fiscal year will end positively and better than budgeted.

Alabama Port Authority

Since 2018, the Port of Mobile has been the fastest-growing container terminal in the United States with a growth rate of 61.2% in 2022. A recent economic impact report from CY 2021 showed that the Port of Mobile is responsible for \$85 billion in annual economic impact and generates 312,896 jobs across the State of Alabama.



The Port Authority will expand its container terminal capabilities to one million TEUs upon completing the Phase IV expansion in 2025. In addition to the terminal expansion and the harbor deepening and widening project, the Alabama Port Authority plans to develop logistics facilities in Mobile and open a new inland intermodal facility served by CSX in Montgomery, AL. These projects are set to begin operation in 2025 and will provide new advantages and opportunities for shippers.



Other planned investments include constructing a fly-over bridge to create on-dock rail access at the container terminal, modernizing general cargo piers, and developing an inland intermodal facility in North Alabama. These projects are funded through federal budget appropriations and grants championed by former Senator Richard Shelby.

The Port of Mobile is strategically located in the northern Gulf of Mexico with access to an international airport and two interstate systems, I-65 running north/south and I-10 running east/west. The intermodal container transfer facility (ICTF), which will be an on-dock facility by 2025, provides access to five Class I and four short-line railroads. From the ICTF in Mobile, containers can reach Chicago in three days.

The Alabama Port Authority serves all 67 counties in the state of Alabama and oversees the deep-water public port facilities at the Port of Mobile. In addition to interstate, air, and rail, the Port Authority's container, general cargo, and bulk facilities have immediate access to nearly 15,000 miles of inland waterways. Once the channel deepening and widening project is completed, the Port of Mobile will be the deepest container terminal in the Gulf of Mexico.



Austal USA

Shipbuilding has long been an active industry in Mobile dating back over 100 years. One of the most significant contributors to the shipbuilding industry and the Mobile economy has been the addition of Austal USA. Since opening its doors in 1999, the company has specialized in the manufacture of aluminum ships through assembly lines with modular construction efficiencies. The company has delivered 29 battle force ships to the U.S. Navy and has grown to employ nearly 3,000 people with plans for continued hiring over the next 18 months.



In 2022, the company made significant investments in its facility to build a state-of-the-art steel production line, providing future growth opportunities which will continue to propel the company, its network for suppliers, and the regional economy. Austal USA has contracts for the U.S. Navy Towing, Salvage and Rescue Ships, Auxiliary Floating Drydock Medium, and the U.S. Coast Guard’s Offshore Patrol Cutter – a contract valued at up to \$3.3 billion.

Augmenting Austal USA’s prime steel shipbuilding contracts, the company entered into agreements with General Dynamics Electric Boat and Huntington Ingalls Newport News Shipbuilding to construct submarine modules and aircraft carrier elevators, respectively.



Austal USA is similarly partnered with Saildrone, Inc. as the exclusive builder of Surveyor vehicles and continues to work closely with L3Harris and General Dynamics Mission Systems on the development of autonomous capabilities. With a construction contract for EPF 16, Expeditionary Medical Ships on the horizon, and design work for the Light Amphibious Warship, Next Generation Logistics Ships, and Large Unmanned Surface Vessel, the Austal USA shipyard is well positioned to provide more economic opportunity to Mobile and its citizens.



SSAB

SSAB is one of the largest producers of steel plate and coil in North America, with two company divisions located in the Mobile area. SSAB Americas’ corporate headquarters is located in Mobile, AL with employees at both the RSA Battle House Tower in downtown Mobile and just north of Mobile at the site of its Axis mill. SSAB Special Steels operates the steel mill in Axis, Alabama. More than 70 people work for SSAB Americas in Mobile, while the Special Steels mill in Axis employs more than 650 full time workers.



SSAB specializes in the production of high-quality steel for use in the energy, construction, agriculture, and transportation industries. SSAB is one of Alabama’s largest steel scrap recyclers. Its products are 100 % recyclable and are produced using 97 % recycled content. The Axis mill is one of the world’s most advanced steel mills and currently expanding its production capabilities to include a new quenched and tempered line for commercial use high-strength steel.

Last year, SSAB entered into a key supply agreement with Austal USA to provide high quality plate for the U.S. Navy’s steel-hulled towing, salvage, and rescue ships. In addition, SSAB steel can be found in applications across the U.S., including railcars, football stadiums, roller coasters and wind towers.

Airbus USA

Airbus has been a long-time resident of Mobile and a key contributor to its economic growth. It is currently home to three Airbus business units including U.S. Space and Defense at the Mobile Regional Airport, and the Airbus Engineering Center Mobile and the U.S. Manufacturing Facility both at Brookley Aeroplex. The manufacturing facility is one of the largest business units in Mobile employing nearly 1600 people, 90% residing in coastal Alabama. Airbus builds two commercial aircraft programs, the A220, a 108-160 passenger single-aisle aircraft, and the high-demand A320/A321 mid-range single-aisle aircraft that can accommodate between 125-240 passengers.





Airbus has a backlog of nearly 6000 A320/A321 planes worldwide. Airbus established its commercial line in Mobile in 2013 and has already delivered nearly 350 aircraft from this Mobile facility. Airbus' Mobile location is the largest Airbus commercial aerospace manufacturing facility outside of Europe.

In early 2022, Airbus announced it was doubling the rate of production, doubling its footprint at the Aeroplex, and doubling its workforce. The company will reach nearly

2800 employees in 2025 and quadruple its aircraft production rate from its original 2013 production rate making this facility one of the largest commercial jetliner producers in the world. Airbus has certainly been and continues to be one of the leading industrial businesses in the City of Mobile and the Region.

South Alabama Logistics Park (SALP)

Last year we included in our report an introduction of the South Alabama Logistics Park (SALP), a new economic development project that began in 2021. Its goal was to build multiple sites on 1,300 acres of land to attract new businesses to the Mobile area with multiple local, national, and international firms. The SALP site would allow businesses to take advantage of the City’s access to North-South and East-West interstate transportation, its 5 class 1 railroads and the Port of Mobile. Since that time the project has made significant progress toward its goal of attracting new business to the region and becoming one of the key distribution points in the Mobile area.

At the end of 2022, SALP had completed its primary road and initial infrastructure and is now officially open. They have completed their first 200,000 square foot facility allowing the initial tenants to move in and begin staffing their organizations. In addition, a second 151,000 square foot structure is now under construction by Averitt, a major regional transportation firm headquartered in Cookeville, TN. Finally, SALP has begun construction of their second 165,000 square foot building and they have begun planning for a third 185,000 square foot facility which should break ground this year.

By the end of this year there will be five new companies open and operating in SALP with total investment approaching \$100 million. This significant investment and progress only represents 5% of the long-term projected size of the park. Overall, progress is on schedule with a goal of becoming a world class distribution center serving the Southeast as well as Mid Atlantic and Midwest States.



EDUCATION AND CULTURE

Mobile is home to the University of South Alabama which is currently educating nearly 14,000 students in more than 125 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 USA Health’s the employment of approximately 3,900 clinical and nonclinical staff. USA Health is also a training ground for future physicians and healthcare professionals.



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

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



Mobile Museum of Art

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.

GulfQuest National Maritime Museum

GulfQuest 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. GulfQuest’s Ocean Planet Theater is pictured to the right.



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** (pictured below) and many others.



*USS Alabama Battleship
Memorial Park*

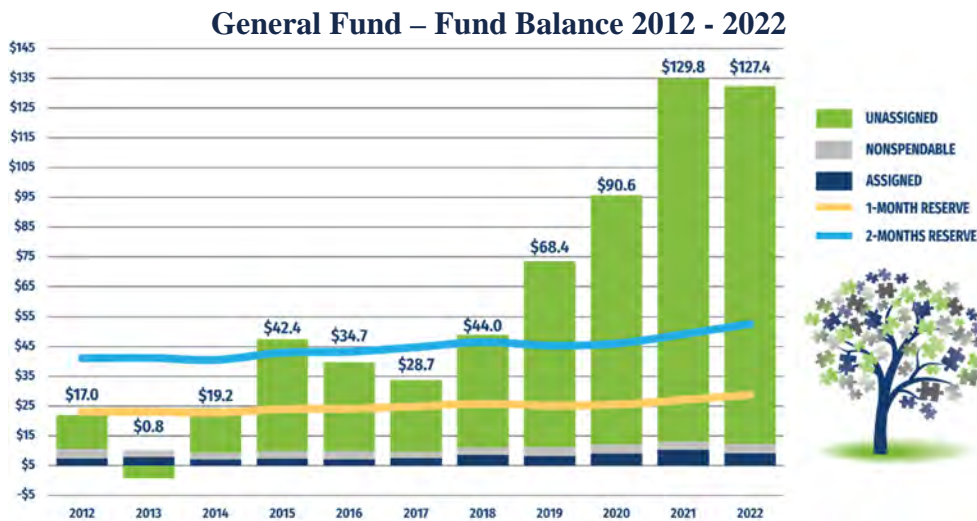
Mobile is home to the oldest annual **Mardi Gras** celebration in the United States. For weeks each year, the streets of downtown Mobile are filled with the sights and sounds of live marching bands, brilliant-colored floats and crowds of parade goers that is Mardi Gras in Mobile.



RELEVANT FINANCIAL POLICIES

In order to ensure future stability in its credit ratings, the City administration adopted a reserve policy for its General Fund in order to maintain a two-month minimum reserve. 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 balance indicated by this policy for fiscal year 2022 is approximately \$50 million, a level that was exceeded.



City management is responsible for establishing and maintaining internal controls 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 and are maintained by our Grants Management team, a division of City Accounting and Finance.

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's maintenance of a two-month General Fund reserve and conservative spending growth has allowed City management the flexibility to make more responsible choices in investments.

The City is self-insured for claims and judgments, general liability, and general automobile liability. These liabilities were estimated to be approximately \$594,650, reduced by \$150,000 pre-funded with the third-party claims administrator, at September 30, 2022. 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 \$21.2 million at September 30, 2022, and are accounted for in the Government-wide financial statements.

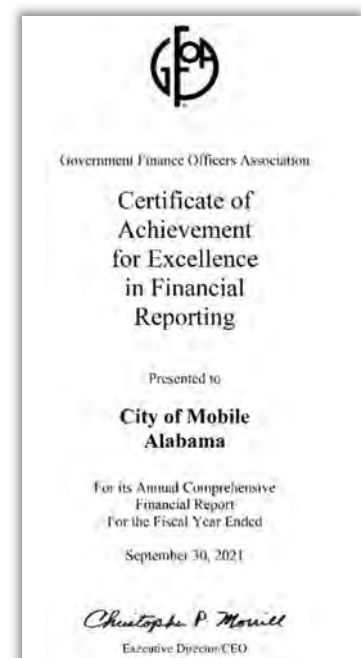
The liability for employee health insurance claims of approximately \$2.1 million is reported in the Employee Health Plan Fund (Internal Service Fund).

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.

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, 2021 annual comprehensive 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 annual comprehensive 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 annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. Our sincere appreciation is also extended to our independent auditors, Wilkins Miller, LLC, for their cooperation and technical guidance.

Sincerely,



Robert Holt
Executive Director of Finance



Rebecca B. Christian, CPA, CGMA
Comptroller





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Mobile
Alabama**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

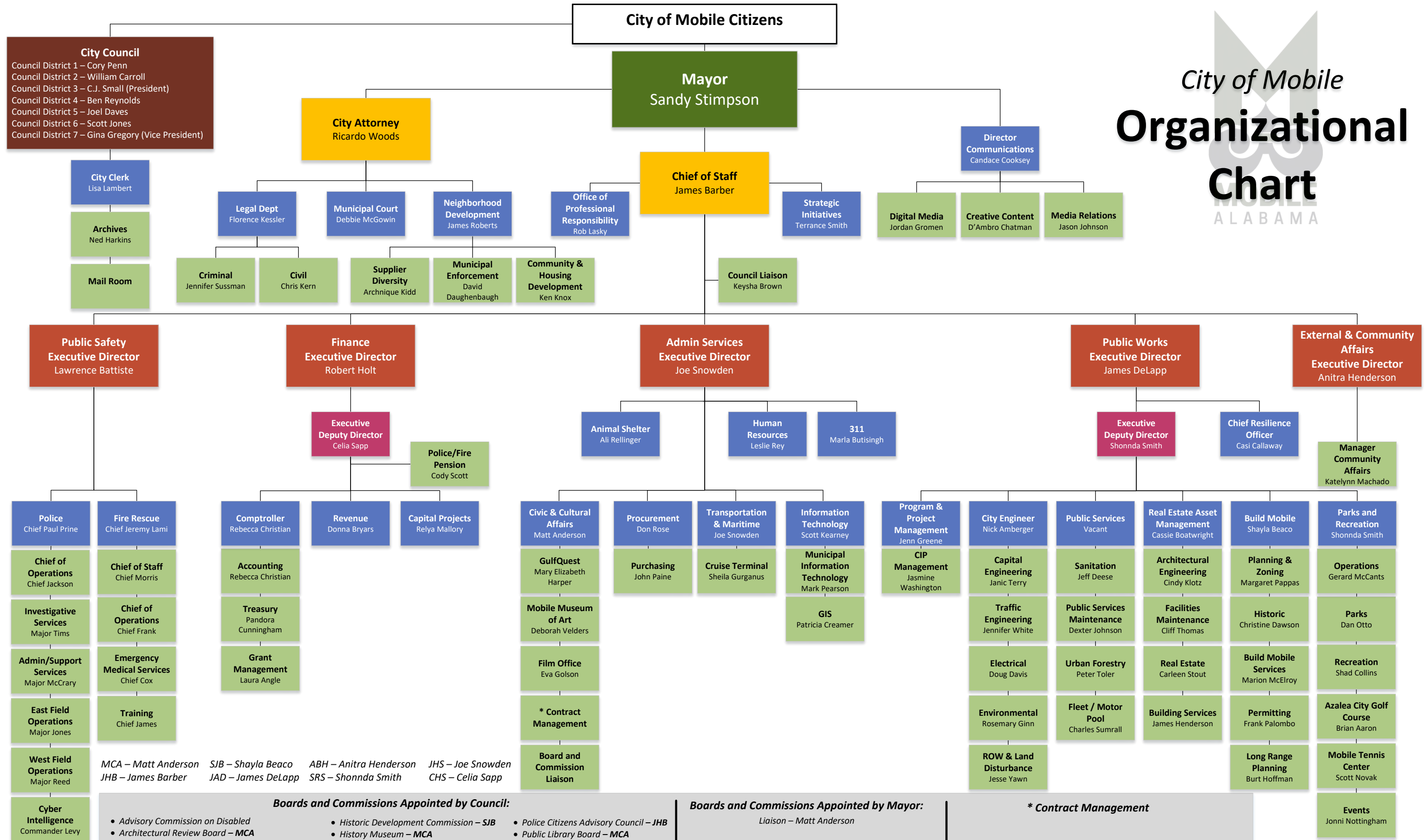
September 30, 2021

Christopher P. Morill

Executive Director/CEO

City of Mobile Organizational Chart

ALABAMA



MCA – Matt Anderson SJB – Shayla Beaco ABH – Anitra Henderson JHS – Joe Snowden
 JHB – James Barber JAD – James DeLapp SRS – Shonnda Smith CHS – Celia Sapp

- Boards and Commissions Appointed by Council:**
- Advisory Commission on Disabled
 - Architectural Review Board – MCA
 - Board of Adjustment – MCA
 - Citizens' Budget and Finance Advisory Comm. – CHS
 - Citizens' Park and Recreation Advisory Comm. – SRS
 - Codes Advisory Comm. – SJB
 - Commercial Development Authority
 - Historic Development Commission – SJB
 - History Museum – MCA
 - Human Relations Commission – ABH
 - Keep Mobile Beautiful
 - Ladd-Peebles Stadium Board – MCA
 - MAWSS – JAD
 - Old Dauphin Way Review Board – SJB
 - Police Citizens Advisory Council – JHB
 - Public Library Board – MCA
 - Solid Waste Authority – JAD/RW
 - Keep Mobile Beautiful
 - Tree Commission - MCA
 - Visit Mobile – JHS
 - Youth Council – ABH

- Boards and Commissions Appointed by Mayor:**
- Liaison – Matt Anderson
- Mobile Housing Authority: 5 of 5 appointments
 - Industrial Development Board: 8 of 8 appointments
 - Mobile Airport Authority: 5 of 5 appointments
 - Mobile Planning Commission: 10 of 11 appointments
 - Metropolitan Planning Organization: 2 of 16 appointments

- * Contract Management**
- Civic Center – JHS
 - Convention Center – JHS
 - Downtown Mobile Alliance – MCA
 - Downtown Parking – JHS
 - Explorem – MCA
 - History Museum – MCA
 - Mobile Sports Authority – MCA
 - Saenger – JHS
 - Visit Mobile – JHS
 - WAVE Transit – JHS

February 19, 2022

 William S. Stimpson - Mayor



William S. Stimpson
Mayor

City Council



District 3
C.J. Small
President



District 7
Gina Gregory
Vice-President



District 1
Cory Penn



District 2
William Carroll



District 4
Ben Reynolds



District 5
Joel Daves

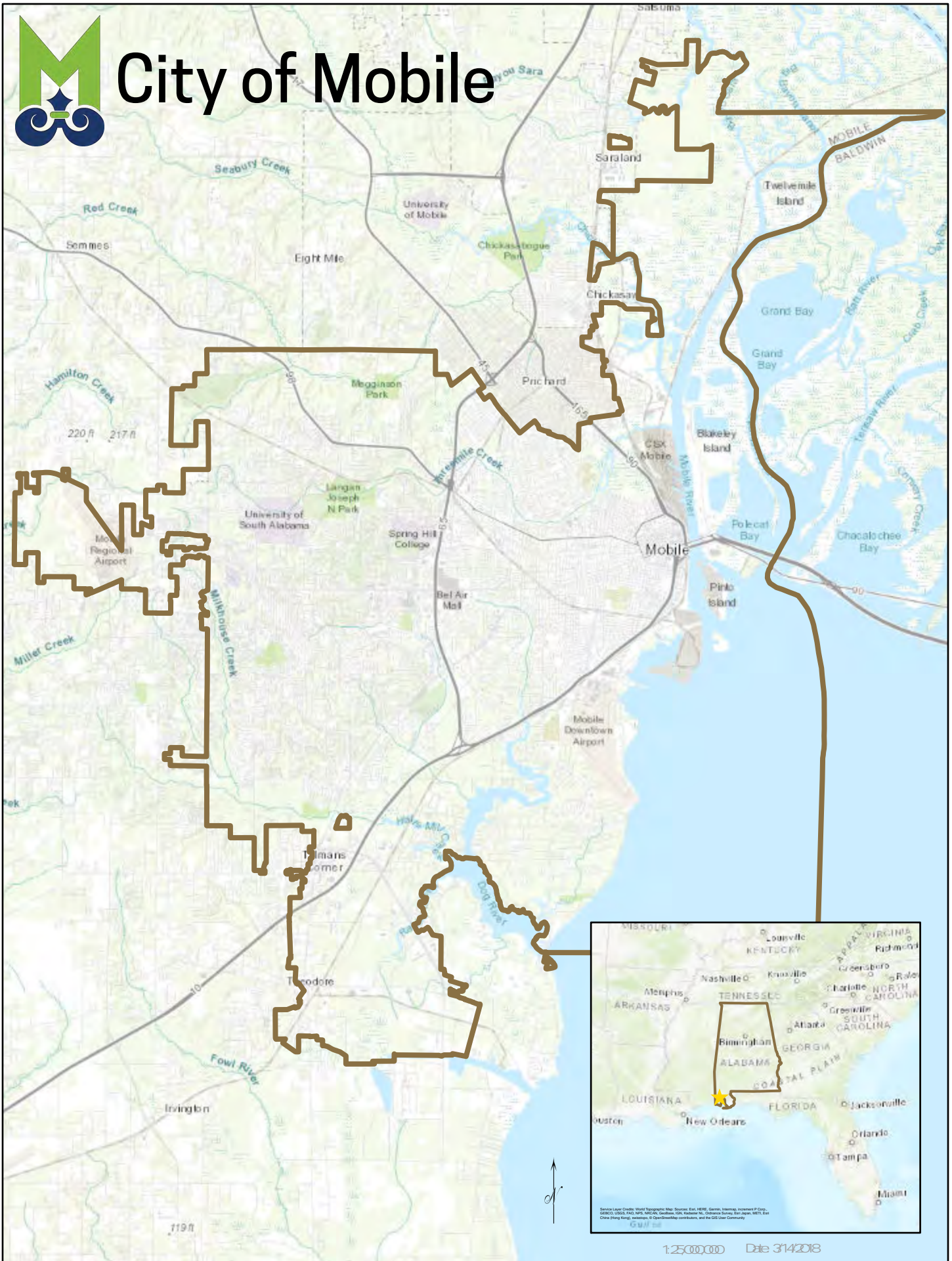


District 6
Scott Jones





City of Mobile



1:250,000 Date 3/14/2018

PART II: FINANCIAL SECTION





PART II: FINANCIAL SECTION



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 Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 as of September 30, 2022, 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.

We did not audit the financial statements of WAVE Transit System and the Mobile Public Library which represent 1.65 percent and 0.48 percent, respectively, of the assets, 2.11 percent and 0.22 percent, respectively, of the net position, and 1.68 percent and 2.06 percent, respectively, of the revenues of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for WAVE Transit System and the Mobile Public Library, is based solely on the reports of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Mobile, Alabama, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Wilkins Miller LLC

Certified Public Accountants + Advisors

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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 and other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Financial Statements and Other Supplementary Information, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other auditors. In our opinion, based on our audit 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.

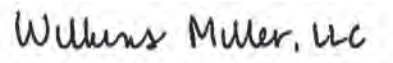
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical section, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2023 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 solely 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 performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wilkins Miller, LLC". The signature is written in a cursive, slightly slanted style.

Mobile, Alabama
March 24, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS





MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT’S DISCUSSION AND ANALYSIS

This section of the City of Mobile’s Annual Comprehensive Financial Report (ACFR) presents City management’s discussion and analysis of the City’s financial performance during the fiscal year that ended on September 30, 2022 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 ACFR.

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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 \$759.5 million (net position). Of this amount, the City had \$697.5 million in net investment in capital assets, \$46.3 million in restricted net position, and \$15.7 million in unrestricted net position,

of \$2.4 million (1.9%) from the prior year. While this is a reduction in fund balance, primarily due to large transfers to fund capital projects (see budget amendments on page 106), the fund significantly outperformed the budget due to unbudgeted growth in tax revenues as described in the prior paragraph along with unbudgeted cost savings across cost centers.

CHANGE IN NET POSITION

The City’s total net position increased \$127.1 million, or 20.1% because of this year’s operations. Net position of governmental activities increased \$126.6 million, or 23.2%, and net position of business-type activities increased \$0.5 million, or 0.6%.

MAJOR REVENUE SOURCES

Sales and use tax, the City’s single largest revenue source, increased \$13.4 million or 5.7% from the prior year primarily due to economic growth over the prior year.

GOVERNMENTAL FUNDS

At the close of the current fiscal year, the City’s governmental funds reported a combined fund balance of \$302.8 million. This was an increase of \$38.4 million or 14.5% from the prior year. This increase is largely the result of \$26.4 million in unbudgeted tax revenues received and expenditure budget savings of \$13.6 million in the General Fund. Total governmental fund revenues decreased \$7.9 million (1.9%) while total expenditures increased \$17.4 million (5.0%) from the prior year.

OTHER SIGNIFICANT EVENTS

In May 2021, the City received its first of two allocations of funding awarded under the American Rescue Plan Act. This initial receipt totaling \$29.1 million was followed by a second allocation of the same amount in May 2022. The unspent portion of these funds are shown as unearned revenue in the American Rescue Plan Grants Fund on the Governmental Funds Balance Sheet.

Uses of the funds are restricted by the provisions of the Act and guidance issued by the U.S. Department of Treasury. Additional information on the City’s planned uses of the ARP funds can be found online at https://www.cityofmobile.org/people-first-plan/.

At the end of the current fiscal year, total fund balance for the General Fund was \$127.4 million, a decrease



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, cost centers 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.



ANNUAL COMPREHENSIVE 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 Sports and Entertainment Complex), 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 U.S. Department of Justice and the U.S. 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 39.

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 103.

	GOVERNMENT-WIDE STATEMENTS	FUND STATEMENTS	
		GOVERNMENTAL FUNDS	PROPRIETARY FUNDS
SCOPE	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
REQUIRED FINANCIAL STATEMENTS	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
ACCOUNTING BASIS AND MEASUREMENT FOCUS	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
TYPE OF ASSET/ LIABILITY	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term
TYPE OF INFLOW/ OUTFLOW	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 cost centers 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 cost centers 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 cost centers included.



ECONOMIC DEVELOPMENT

Economic development programs invest public resources to create opportunities and outreach for citizens. Community engagement, the film office, and special events are some of the cost centers 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, tax and license collections, budgeting, grants 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. Municipal court is 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.

MUNICIPAL 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 \$759.6 million. This is a \$127.1 million increase over last year's net position. The following table provides a summary of the City's net position.

CITY OF MOBILE, ALABAMA
Net Position
September 30, 2022 and 2021
 (amounts expressed in thousands)

	Governmental		Business-Type		Total		Amount Change	% Change
	2022	2021	2022	2021	2022	2021		
Assets								
Current and other assets	\$407,475	\$333,703	17,135	\$18,295	\$424,610	\$351,998	\$72,612	20.63%
Net pension asset	-	-	-	88	-	88	(88)	(100.00%)
Capital assets(net)	799,985	759,965	80,915	80,081	880,900	840,046	40,854	4.86%
Total assets	1,207,460	1,093,668	98,050	98,464	1,305,510	1,192,132	113,378	9.51%
Total deferred outflows	91,600	99,105	6,092	4,323	97,692	103,428	(5,736)	(5.55%)
Total assets and deferred outflows	1,299,060	1,192,773	104,142	102,787	1,403,202	1,295,560	107,642	8.31%
Liabilities								
Current and other liabilities	115,104	90,232	5,358	4,338	120,462	94,570	25,892	27.38%
Long-term liabilities	427,806	490,162	4,748	5,410	432,554	495,572	(63,018)	(12.72%)
Total liabilities	542,910	580,394	10,106	9,748	553,016	590,142	(37,126)	(6.29%)
Total deferred inflows	82,999	65,785	7,629	7,165	90,628	72,950	17,678	24.23%
Total liabilities and deferred inflows	625,909	646,179	17,735	16,913	643,644	663,092	(19,448)	(2.93%)
Net Position								
Net investment in capital assets	616,626	576,332	80,915	80,081	697,541	656,413	41,128	6.27%
Restricted	46,312	38,477	-	-	46,312	38,477	7,835	20.36%
Unrestricted	10,213	(68,215)	5,492	5,793	15,705	(62,422)	78,127	(125.16%)
Total net position	\$673,151	\$546,594	\$86,407	\$85,874	\$759,558	\$632,468	\$127,090	20.09%



NET POSITION

NET INVESTMENT IN CAPITAL ASSETS

The largest portion of the City's net position (91.8%) 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.

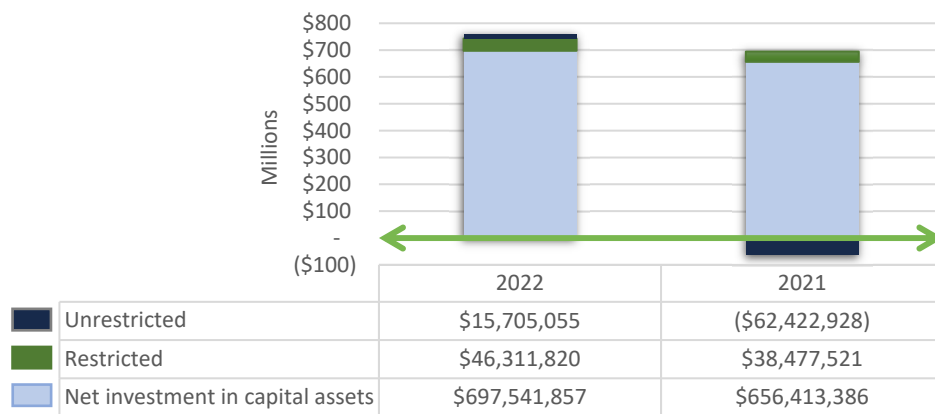
RESTRICTED

An additional portion of the City's net position (6.1%) 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 is \$15.7 million for governmental activities. The City’s unrestricted net position is affected by 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 \$173.3 million as actuarially determined. An additional \$63.2 million 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 \$236.5 million.

The unrestricted net position for business-type activities has a balance of \$5.5 million which is a \$0.3 million decrease from the prior year.



CITY OF MOBILE, ALABAMA
Changes in Net Position
For the years ended September 30, 2022 and 2021
(amounts expressed in thousands)

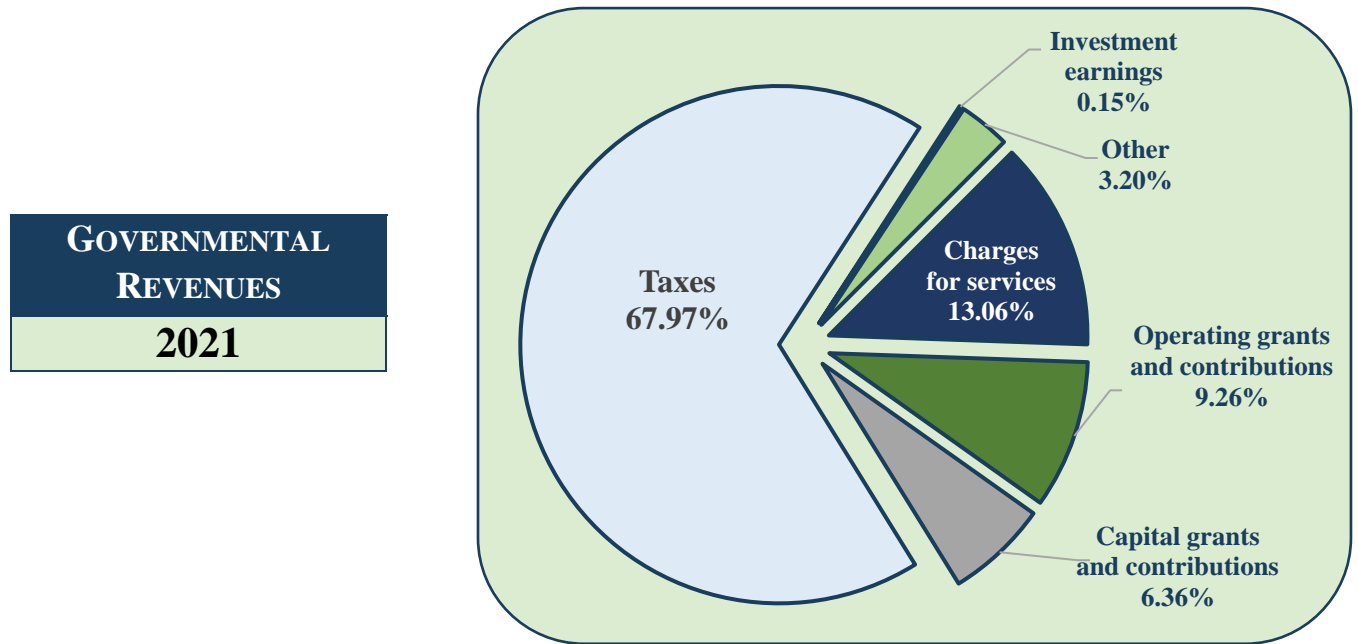
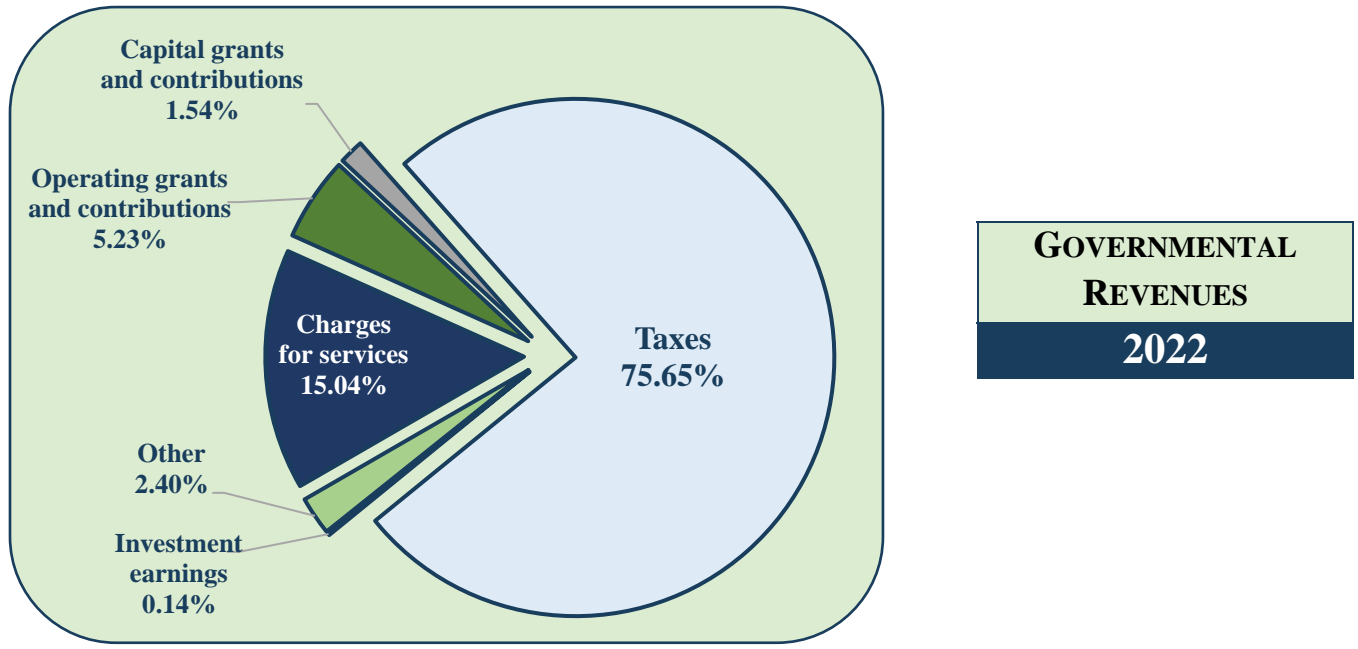
	Governmental		Business-Type		Total		Amount Change	% Change
	2022	2021	2022	2021	2022	2021		
REVENUES								
Program revenues								
Charges for services	\$63,954	\$58,767	\$17,673	\$8,835	\$81,627	\$67,602	\$14,025	20.75%
Operating grants and contributions	22,243	41,693	4,976	5,532	27,219	47,225	(20,006)	(42.36%)
Capital grants and contributions	6,545	28,612	3,084	2,642	9,629	31,254	(21,625)	(69.19%)
General revenues								
Taxes	321,880	305,951	11,594	11,594	333,474	317,545	15,929	5.02%
Investment earnings	609	682	10	11	619	693	(74)	(10.68%)
Other	10,215	14,417	38	29	10,253	14,446	(4,193)	(29.03%)
Total revenues	425,446	450,122	37,375	28,643	462,821	478,765	(15,944)	(3.33%)
EXPENSES								
Governmental activities								
General government	86,497	87,542	-	-	86,497	87,542	(1,045)	(1.19%)
Culture and recreation	25,652	23,475	-	-	25,652	23,475	2,177	9.27%
Economic development	1,543	1,425	-	-	1,543	1,425	118	8.28%
Engineering, development and Build Mobile	17,735	20,846	-	-	17,735	20,846	(3,111)	(14.92%)
Finance	4,486	6,399	-	-	4,486	6,399	(1,913)	(29.90%)
Public safety	114,040	120,262	-	-	114,040	120,262	(6,222)	(5.17%)
Public works	37,058	37,777	-	-	37,058	37,777	(719)	(1.90%)
Interest on long-term debt	5,388	5,929	-	-	5,388	5,929	(541)	(9.12%)
Business-Type activities								
Azalea City Golf Course	-	-	1,850	1,788	1,850	1,788	62	3.47%
Civic Center	-	-	3,982	3,047	3,982	3,047	935	30.69%
Convention Center	-	-	10,141	9,021	10,141	9,021	1,120	12.42%
Cruise Terminal	-	-	2,052	1,523	2,052	1,523	529	34.73%
Emergency Medical Services	-	-	7,717	7,504	7,717	7,504	213	2.84%
Mobile Tennis Center	-	-	1,393	1,330	1,393	1,330	63	4.74%
Neighborhood Renewal Program	-	-	15	11	15	11	4	36.36%
Parking Garage	-	-	243	247	243	247	(4)	(1.62%)
Saenger Theater	-	-	2,342	1,113	2,342	1,113	1,229	110.42%
WAVE Transit System	-	-	13,597	11,402	13,597	11,402	2,195	19.25%
Total expenses	292,399	303,655	43,332	36,986	335,731	340,641	(4,910)	(1.44%)
Change in net position before transfers	133,047	146,467	(5,957)	(8,343)	127,090	138,124	(11,034)	(7.99%)
Transfers	(6,490)	(1,300)	6,490	1,300	-	-	-	-
Change in net position	126,557	145,167	533	(7,043)	127,090	138,124	(11,034)	(7.99%)
Net position - beginning	546,594	401,427	85,874	92,917	632,468	494,344	138,124	27.94%
Net position - ending	\$673,151	\$546,594	\$86,407	\$85,874	\$759,558	\$632,468	\$127,090	20.09%

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



GOVERNMENTAL REVENUES

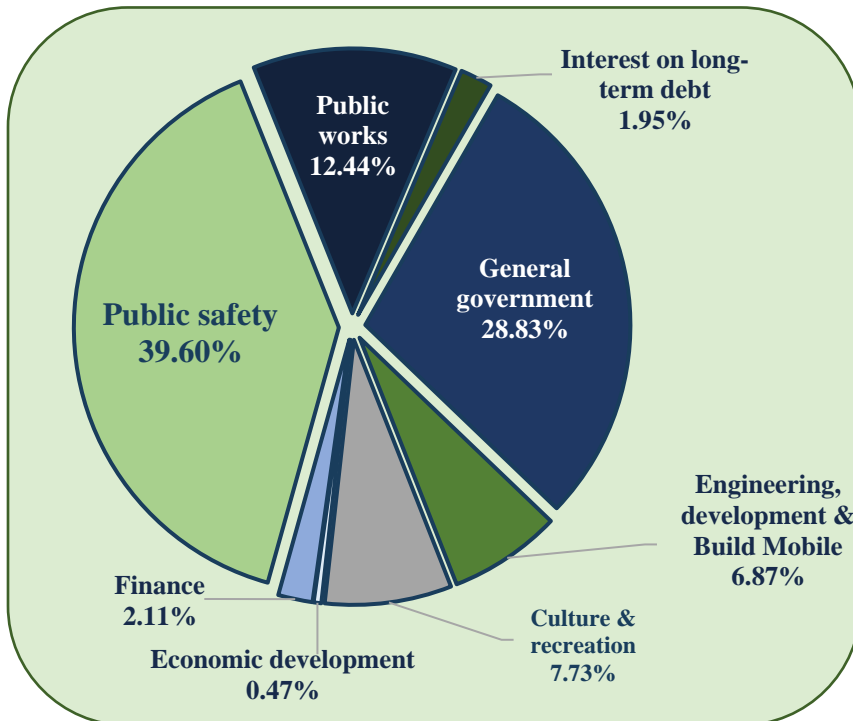
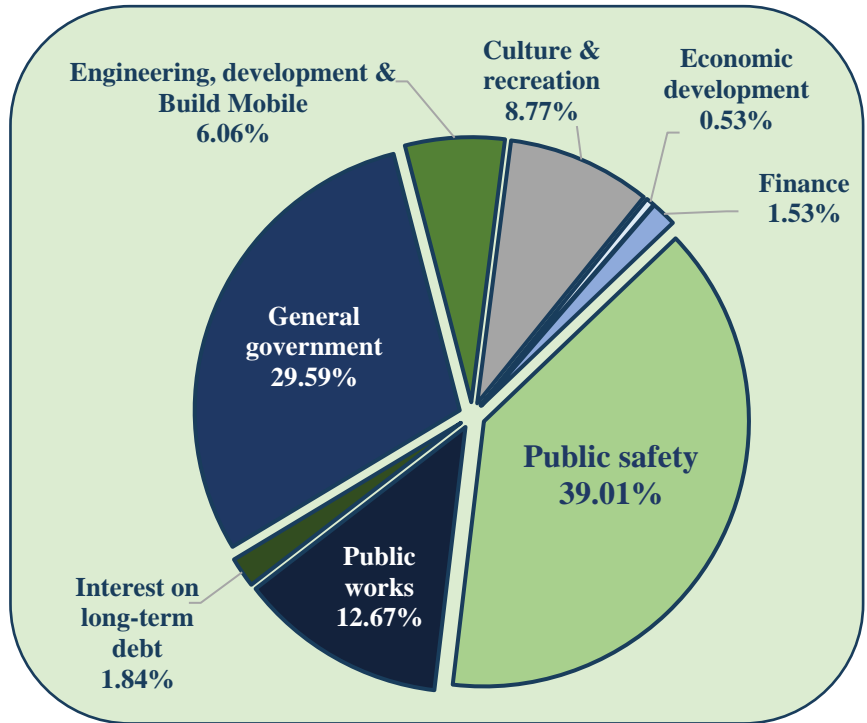
As graphically portrayed below, the City is heavily reliant on taxes to support governmental operations. Taxes provided 75.65% and 67.97% of the City's total governmental revenues in fiscal years 2022 and 2021, respectively.



GOVERNMENTAL FUNCTIONAL EXPENSES

As graphically portrayed below, the City's largest category of governmental functional expenses is public safety which includes police, fire, jail, and municipal court expenses. Public safety accounted for 39.01% and 39.60% of the City's total governmental functional expenses in fiscal years 2022 and 2021, respectively.

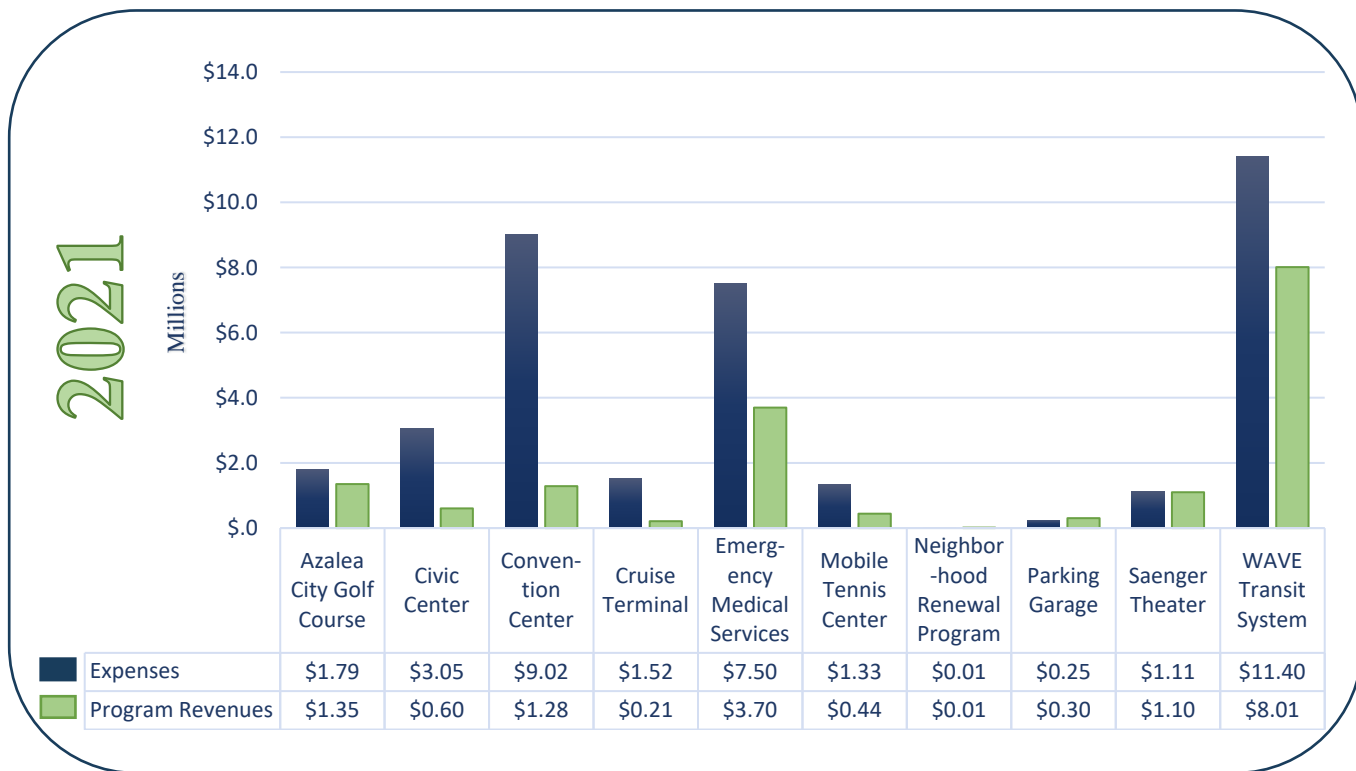
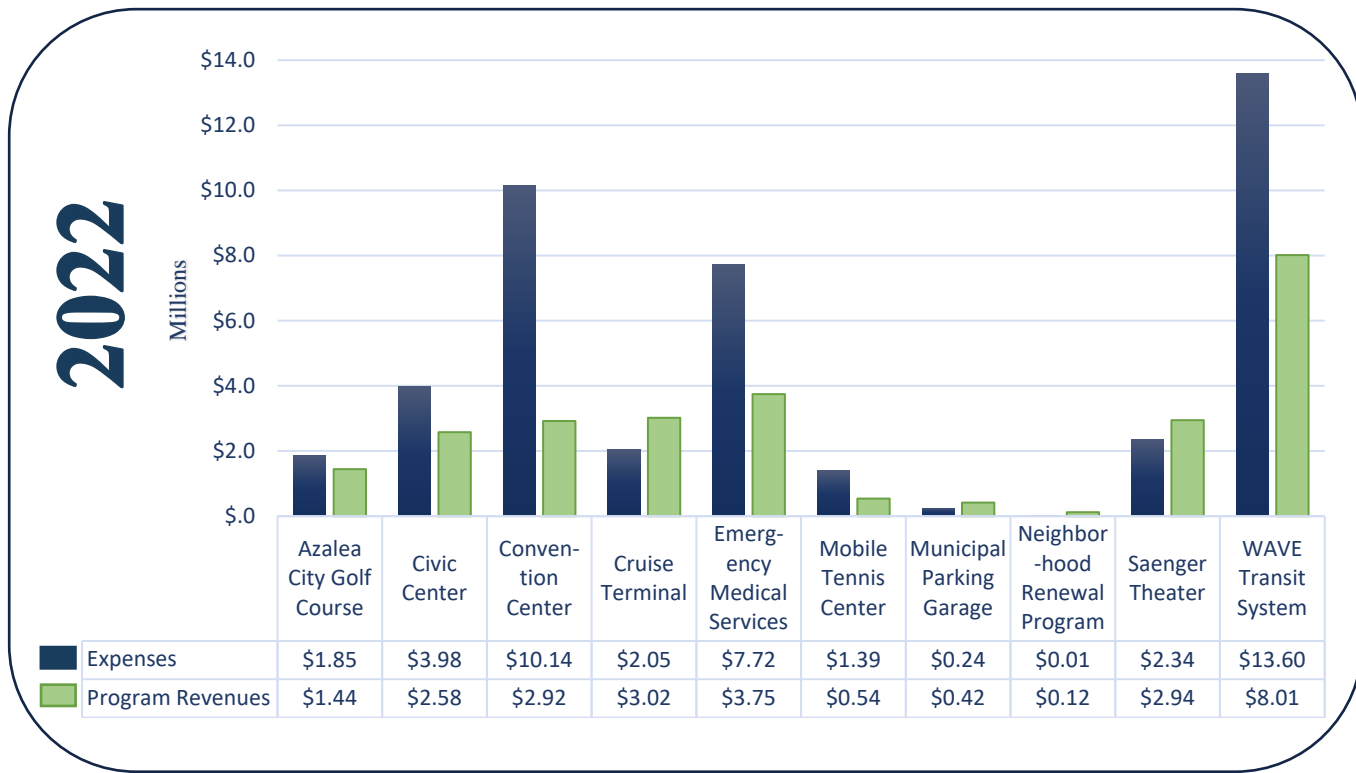
2022



2021



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



STATEMENT OF ACTIVITIES COMPARISON

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by \$126.6 million. The key elements of this change are as follows:

- Excess expenses over program revenues for governmental activities amounted to \$199.7 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$0.6 million which was a decrease of \$0.1 million from the prior year.
- Tax revenues amounted to \$321.9 million which was an increase of 15.9 million (5.2%) over the prior year and was due primarily to increased sales taxes.
- Other revenue amounted to \$10.2 million.
- Net transfers out of governmental activities totaled \$6.5 million.

Governmental activity total revenues decreased \$24.7 million (5.5%) while expenses decreased \$11.3 million (3.7%) from the prior year. The decrease in revenues resulted from: the increase in tax revenues described above, a \$19.4 million decrease in operating grants and contributions, a \$22.1 million decrease in capital grants and contributions.

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 \$0.5 million. Business-type activities are shown comparing costs to revenues generated by related services. The cruise terminal, municipal parking garage, and neighborhood renewal program business-type activities are self-supporting with user charges and other operating revenues designed to recover costs.

The civic center, WAVE transit, convention center, emergency medical services, golf course, tennis center, and Saenger theater provided services with user charges and other operating revenues that did not recover costs in the current year. The civic center, WAVE transit, convention center, emergency medical services, tennis center, and golf course required subsidization by the City.

The convention center receives a portion of the room and sales tax to help cover its expenses. However, in the current year, the convention center decreased business-type net position by \$3.4 million, primarily due to a \$7.2 million operating loss.

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 \$302.8 million, of which \$120.1 million is unassigned.

The nonspendable fund balance is \$3.1 million and stems from inventory and prepaid expenses. Restricted fund balance is \$23.9 million and comprises funds



with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$22.5 million and comprises funds with constraints imposed by formal action of the City Council. Finally, assigned fund balance is \$133.2 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 \$38.4 million increase from the prior year. This is due to a \$2.4 million decrease in the fund balance of the General Fund, an increase of \$33.3 million in the Capital Improvements Fund, and a \$7.5 million increase in nonmajor governmental funds.

The decrease in the General Fund was due to intentional transfers of fund balance to the Capital Improvements Fund for certain capital projects. The increase in the Capital Improvements Fund relates primarily due to transfers into the fund from the

General Fund to facilitate certain capital projects including the downtown airport aviation project, county soccer complex, aquatics center, and other various projects.

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 decreased by approximately \$2.4 million. See General Fund Budgetary Highlights and the preceding section for more information.

The Capital Improvements Fund has an ending fund balance of \$128.0 million which includes a net increase of \$33.3 million. See the discussion above for the primary causes of the change.

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 \$0.5 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 cost center to other cost centers 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 \$11.1 million from the prior year, primarily due to increases in funding for the motor pool and a transfer of \$2.5 million into the motor pool from the capital improvements fund.



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 \$63.8 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 \$26.4 million. See prior discussion related to governmental activities for additional information.
- Departmental expenditures were under budget by \$13.9 million. This was due primarily to cost savings in departments and cost centers during the year.
- Non-departmental expenditures, which include mandated activities, joint ventures, agencies, employee cost, and state and federal projects, etc., were over budget by \$0.3 million.
- Total revenues were approximately \$33.4 million over budget while total expenditures were \$13.6 million under budget.

CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

As of September 30, 2022, the City's net investment in capital assets for governmental and business-type activities was \$616.7 million and \$80.9 million, respectively, a total increase of \$41.2 million from 2021 for the City as a whole.

The City's Capital Improvements Fund had commitments for capital expenditures totaling \$57.5 million at year end. See Note 7 for additional information about changes in capital assets during the fiscal year.

CITY OF MOBILE, ALABAMA
Comparative Statement of Capital Assets
September 30, 2022 and 2021
 (amounts expressed in thousands)

	Governmental		Business-Type		Total		Amount Change	% Change
	2022	2021	2022	2021	2022	2021		
Non-depreciable capital assets								
Land	\$ 46,700	\$ 44,633	\$11,544	\$10,995	\$58,244	\$55,628	\$2,616	4.70%
Construction-in-progress	117,162	111,706	-	-	117,162	111,706	5,456	4.88%
Intangible assets	5,204	4,928	-	-	5,204	4,928	276	5.60%
Total non-depreciable capital assets	169,066	161,267	11,544	10,995	180,610	172,262	8,348	4.85%
Depreciable capital assets								
Buildings	144,133	143,746	126,458	126,442	270,591	270,188	403	0.15%
Improvements	159,608	146,215	18,186	18,390	177,794	164,605	13,189	8.01%
Vehicular	97,259	88,677	16,284	13,228	113,543	101,905	11,638	11.42%
Other equipment	51,619	49,438	5,926	5,608	57,545	55,046	2,499	4.54%
Right-to-use lease asset	18,953	-	-	-	18,953	-	18,953	100.00%
Infrastructure	611,758	592,468	-	-	611,758	592,468	19,290	3.26%
Total depreciable capital assets	1,083,330	1,020,544	166,854	163,668	1,250,184	1,184,212	65,972	5.57%
Less: accumulated depreciation	452,411	421,846	97,482	94,582	549,893	516,428	33,465	6.48%
Total depreciable capital assets, net	630,919	598,698	69,372	69,086	700,291	667,784	32,507	4.87%
Total capital assets, net	\$799,985	\$759,965	\$80,916	\$80,081	\$880,901	\$840,046	\$40,855	4.86%



LONG-TERM DEBT

As of September 30, 2022, the City had \$164.2 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 \$17.7 million. Interest payments on long-term debt totaled \$5.4 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 AA for S&P Global Ratings 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, 2022, the City's permissible debt limit exceeded actual debt by approximately \$691.3 million.

**CITY OF MOBILE, ALABAMA
Outstanding Long-Term Debt
September 30, 2022 and 2021
(amounts expressed in thousands)**

	Governmental		Business-Type		Total		Amount Change	% Change
	2022	2021	2022	2021	2022	2021		
Bonds and warrants, net	\$163,252	\$181,270	\$ -	\$ -	\$163,252	\$181,270	(\$18,018)	(9.94%)
Notes payable	975	1,660	-	-	975	1,660	(685)	(41.27%)
Total long-term debt	\$164,227	\$182,930	\$ -	\$ -	\$164,227	\$182,930	(\$18,703)	(10.22%)

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.



BASIC FINANCIAL STATEMENTS





BASIC FINANCIAL STATEMENTS

CITY OF MOBILE, ALABAMA
Statement of Net Position
September 30, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Current assets:				
Cash, equity in pooled cash and investments	\$ 343,049,330	\$ 14,792,557	\$ 357,841,887	\$ 5,271,591
Restricted cash	83,098	-	83,098	42,133
Receivables, net	56,730,831	3,737,206	60,468,037	3,725,327
Leases receivable	2,012,589	-	2,012,589	-
Internal balances	1,912,180	(1,912,180)	-	-
Inventory & prepaid expenses	3,687,516	517,593	4,205,109	115,041
Total current assets	<u>407,475,544</u>	<u>17,135,176</u>	<u>424,610,720</u>	<u>9,154,092</u>
Noncurrent assets:				
Net pension asset	-	-	-	23,674
Non-depreciable capital assets	169,065,946	11,543,942	180,609,888	1,493,428
Depreciable capital assets, net	630,919,227	69,371,509	700,290,736	1,240,205
Total noncurrent assets	<u>799,985,173</u>	<u>80,915,451</u>	<u>880,900,624</u>	<u>2,757,307</u>
Total assets	<u>1,207,460,717</u>	<u>98,050,627</u>	<u>1,305,511,344</u>	<u>11,911,399</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts on refundings	1,651,522	-	1,651,522	-
Deferred pension outflows	44,394,542	6,091,570	50,486,112	863,922
Deferred OPEB outflows	45,553,566	-	45,553,566	-
Total deferred outflows of resources	<u>91,599,630</u>	<u>6,091,570</u>	<u>97,691,200</u>	<u>863,922</u>
Total assets and deferred outflows of resources	<u>1,299,060,347</u>	<u>104,142,197</u>	<u>1,403,202,544</u>	<u>12,775,321</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	29,587,167	2,360,362	31,947,529	805,483
Pension employer contributions payable	14,567,941	687,048	15,254,989	-
Unearned revenue	43,376,432	2,185,137	45,561,569	6,500
Bonds and warrants payable, current portion	18,314,000	-	18,314,000	-
Notes payable, current portion	585,000	-	585,000	-
Leases payable, current portion	1,530,295	-	1,530,295	-
Compensated absences, current portion	2,390,815	125,136	2,515,951	41,859
Insurance claims, current portion	4,689,651	-	4,689,651	-
Landfill postclosure liability, current portion	63,106	-	63,106	-
Total current liabilities	<u>115,104,407</u>	<u>5,357,683</u>	<u>120,462,090</u>	<u>853,842</u>
Noncurrent liabilities:				
Bonds and warrants payable, long-term portion	144,937,886	-	144,937,886	-
Notes payable, long-term portion	390,000	-	390,000	-
Leases payable, long-term portion	16,034,637	-	16,034,637	379,542
Compensated absences, long-term portion	10,705,681	395,526	11,101,207	411,559
Self-insured liability - legal, long-term portion	444,650	-	444,650	2,800,000
Insurance claims, long-term portion	18,596,611	-	18,596,611	-
Landfill postclosure liability, long-term portion	277,760	-	277,760	-
Net pension liability	63,164,471	4,352,438	67,516,909	2,216,125
Postemployment benefits	173,253,850	-	173,253,850	-
Total noncurrent liabilities	<u>427,805,546</u>	<u>4,747,964</u>	<u>432,553,510</u>	<u>5,807,226</u>
Total liabilities	<u>542,909,953</u>	<u>10,105,647</u>	<u>553,015,600</u>	<u>6,661,068</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	-	3,150,510	3,150,510	-
Deferred lease inflows	1,994,740	-	1,994,740	-
Deferred pension inflows	40,875,036	4,478,529	45,353,565	1,883,886
Deferred OPEB inflows	40,129,397	-	40,129,397	-
Total deferred inflows of resources	<u>82,999,173</u>	<u>7,629,039</u>	<u>90,628,212</u>	<u>1,883,886</u>
Total liabilities and deferred inflows of resources	<u>625,909,126</u>	<u>17,734,686</u>	<u>643,643,812</u>	<u>8,544,954</u>
NET POSITION				
Net investment in capital assets	616,626,406	80,915,451	697,541,857	2,733,633
Restricted for:				
Capital projects	13,647,479	-	13,647,479	-
Debt service	502,186	-	502,186	-
Economic development	17,672,910	-	17,672,910	-
Grant programs	8,419,470	-	8,419,470	42,133
Law enforcement	1,310,080	-	1,310,080	-
Storm water management	4,759,695	-	4,759,695	-
Unrestricted	10,212,995	5,492,060	15,705,055	1,454,601
Total net position	<u>\$ 673,151,221</u>	<u>\$ 86,407,511</u>	<u>\$ 759,558,732</u>	<u>\$ 4,230,367</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Statement of Activities
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 86,497,165	\$ 56,441,103	\$ 16,267,146	\$ -
Culture and recreation	25,651,845	577,091	1,334	-
Economic development	1,543,352	-	-	1,705,096
Engineering, development & Build Mobile	17,735,162	2,005,357	2,806,227	1,835,026
Finance	4,485,879	-	-	-
Public safety	114,040,474	4,928,677	3,168,870	-
Public works	37,057,606	1,600	-	3,004,391
Interest on long-term debt	5,387,739	-	-	-
Total governmental activities	<u>292,399,222</u>	<u>63,953,828</u>	<u>22,243,577</u>	<u>6,544,513</u>
Business-type activities:				
Azalea City Golf Course	1,849,610	1,444,043	-	-
Civic Center	3,982,165	2,575,103	-	-
Convention Center	10,140,779	2,919,508	-	-
Cruise Terminal	2,051,951	3,017,803	-	-
Emergency Medical Services	7,717,031	3,746,742	-	-
Mobile Tennis Center	1,392,622	538,843	-	-
Municipal Parking Garage	243,594	415,527	-	-
Neighborhood Renewal Program	14,659	118,788	-	-
Saenger Theater	2,342,446	2,246,922	696,952	-
Wave Transit System	13,596,862	649,651	4,278,939	3,084,250
Total business-type activities	<u>43,331,719</u>	<u>17,672,930</u>	<u>4,975,891</u>	<u>3,084,250</u>
Total primary government	<u>\$ 335,730,941</u>	<u>\$ 81,626,758</u>	<u>\$ 27,219,468</u>	<u>\$ 9,628,763</u>
Component units:				
Solid Waste Disposal Authority	\$ 5,270,901	\$ -	\$ 2,577,498	\$ -
Mobile Public Library	9,241,750	274,800	492,878	524
Public Park and Recreation Board	903,893	283,367	-	-
Total component units	<u>\$ 15,416,544</u>	<u>\$ 558,167</u>	<u>\$ 3,070,376</u>	<u>\$ 524</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 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
\$ (13,788,916)	\$ -	\$ (13,788,916)	\$ -
(25,073,420)	-	(25,073,420)	-
161,744	-	161,744	-
(11,088,552)	-	(11,088,552)	-
(4,485,879)	-	(4,485,879)	-
(105,942,927)	-	(105,942,927)	-
(34,051,615)	-	(34,051,615)	-
(5,387,739)	-	(5,387,739)	-
(199,657,304)	-	(199,657,304)	-
-	(405,567)	(405,567)	-
-	(1,407,062)	(1,407,062)	-
-	(7,221,271)	(7,221,271)	-
-	965,852	965,852	-
-	(3,970,289)	(3,970,289)	-
-	(853,779)	(853,779)	-
-	171,933	171,933	-
-	104,129	104,129	-
-	601,428	601,428	-
-	(5,584,022)	(5,584,022)	-
-	(17,598,648)	(17,598,648)	-
(199,657,304)	(17,598,648)	(217,255,952)	-
-	-	-	(2,693,403)
-	-	-	(8,473,548)
-	-	-	(620,526)
-	-	-	(11,787,477)
27,821,791	-	27,821,791	-
250,038,158	10,140,903	260,179,061	-
11,363,449	-	11,363,449	-
9,538,882	1,453,172	10,992,054	-
2,755,220	-	2,755,220	-
12,039,128	-	12,039,128	-
1,307,756	-	1,307,756	-
1,079,491	-	1,079,491	-
2,575,806	-	2,575,806	-
3,360,551	-	3,360,551	-
-	-	-	769,409
609,259	10,045	619,304	(183,860)
10,214,861	38,233	10,253,094	3,700,000
-	-	-	8,853,580
(6,490,092)	6,490,092	-	-
326,214,260	18,132,445	344,346,705	13,139,129
126,556,956	533,797	127,090,753	1,351,652
546,594,265	85,873,714	632,467,979	2,878,715
\$ 673,151,221	\$ 86,407,511	\$ 759,558,732	\$ 4,230,367

GOVERNMENTAL FUNDS



GOVERNMENTAL FUNDS

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

**General Fund
Capital Improvements Fund
American Rescue Plan Grants**



CITY OF MOBILE, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2022

	General Fund	Capital Improvements Fund	American Rescue Plan Grants	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash, equity in pooled cash and investments	\$ 113,490,099	\$ 118,885,452	\$ 42,265,525	\$ 45,262,704	\$ 319,903,780
Restricted cash - capital purchases	-	-	-	83,098	83,098
Receivables, net	29,433,329	13,335,842	-	13,591,200	56,360,371
Due from other funds	3,890,671	100,843	-	-	3,991,514
Inventory & prepaids	3,139,789	-	547,727	-	3,687,516
Total assets	<u>\$ 149,953,888</u>	<u>\$ 132,322,137</u>	<u>\$ 42,813,252</u>	<u>\$ 58,937,002</u>	<u>\$ 384,026,279</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 12,321,594	\$ 4,363,949	\$ 1,425,261	\$ 7,983,682	\$ 26,094,486
Pension employer contributions payable	7,161,779	-	1,572	204,828	7,368,179
Unearned revenue	493,910	-	41,386,419	1,496,102	43,376,431
Due to other funds	262,489	-	-	1,816,846	2,079,335
Compensated absences - terminated employees	398,469	-	-	-	398,469
Insurance claims payable	435,609	-	-	-	435,609
Escrowed funds liability	1,478,741	-	-	-	1,478,741
Total liabilities	<u>22,552,591</u>	<u>4,363,949</u>	<u>42,813,252</u>	<u>11,501,458</u>	<u>81,231,250</u>
FUND BALANCES (DEFICITS)					
Nonspendable	3,139,789	-	-	-	3,139,789
Restricted	-	-	-	23,877,343	23,877,343
Committed	-	-	-	22,518,071	22,518,071
Assigned	4,171,787	127,958,188	-	1,040,130	133,170,105
Unassigned	120,089,721	-	-	-	120,089,721
Total fund balances (deficits)	<u>127,401,297</u>	<u>127,958,188</u>	<u>-</u>	<u>47,435,544</u>	<u>302,795,029</u>
Total liabilities and fund balances (deficits)	<u>\$ 149,953,888</u>	<u>\$ 132,322,137</u>	<u>\$ 42,813,252</u>	<u>\$ 58,937,002</u>	<u>\$ 384,026,279</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Reconciliation of Balance Sheet
to the Statement of Net Position
September 30, 2022

Fund balances of governmental funds		\$ 302,795,029
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.</p>		
Capital assets - governmental activities	\$ 1,157,262,059	
Less accumulated depreciation	<u>(395,221,007)</u>	762,041,052
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Bonds and warrants payable	(163,251,886)	
Notes payable	(975,000)	
Deferred amounts on refundings	<u>1,651,522</u>	(162,575,364)
<p>Other long-term items not reported in governmental funds:</p>		
Accrued interest payable	(739,186)	
Pension employer contributions payable	(7,197,678)	
Compensated absences	(12,698,026)	
Insurance claims payable	(20,774,653)	
Landfill postclosure liability	(340,866)	
Lease liability	(17,564,932)	
Deferred lease inflows	(1,994,740)	
Lease receivable	2,012,589	
Net pension liability	(63,164,471)	
Deferred pension outflows	44,394,542	
Deferred pension inflows	(40,875,036)	
Total OPEB liability	(173,253,850)	
Deferred OPEB inflows	(40,129,397)	
Deferred OPEB outflows	<u>45,553,566</u>	(286,772,138)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities.</p>		
		57,662,642
Net position of governmental activities		<u>\$ 673,151,221</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2022

	General Fund	Capital Improvements Fund	American Rescue Plan Grants	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 258,351,145	\$ 48,452,518	\$ -	\$ 15,076,569	\$ 321,880,232
Licenses and permits	45,220,824	1,530,676	-	-	46,751,500
Intergovernmental	158,692	-	-	-	158,692
Charges for services	7,450,349	16,656	-	2,533	7,469,538
Fines and forfeitures	1,492,873	-	-	603,931	2,096,804
State and federal assistance	-	480,120	6,155,067	21,222,218	27,857,405
Investment income	587,893	-	-	21,365	609,258
Other revenue	495,974	9,641,705	-	244,820	10,382,499
Total revenues	<u>313,757,750</u>	<u>60,121,675</u>	<u>6,155,067</u>	<u>37,171,436</u>	<u>417,205,928</u>
EXPENDITURES					
Current:					
General government	17,526,892	-	6,155,067	6,011,518	29,693,477
Culture and recreation	14,687,600	-	-	1,334	14,688,934
Economic development	1,525,738	-	-	-	1,525,738
Engineering, development & build Mobile	14,673,012	-	-	6,961,038	21,634,050
Finance	4,481,659	-	-	-	4,481,659
Public safety	113,276,997	-	-	4,491,549	117,768,546
Public works	31,096,306	-	-	7,067,644	38,163,950
Non-departmental	53,873,932	-	-	-	53,873,932
Debt service:					
Administrative charges	-	14,850	-	23	14,873
Interest	2,818	-	-	6,184,904	6,187,722
Principal retirement	115,000	-	-	17,557,000	17,672,000
Capital outlay	-	60,928,750	-	926,317	61,855,067
Total expenditures	<u>251,259,954</u>	<u>60,943,600</u>	<u>6,155,067</u>	<u>49,201,327</u>	<u>367,559,948</u>
Excess (deficiency) of revenues over expenditures	<u>62,497,796</u>	<u>(821,925)</u>	<u>-</u>	<u>(12,029,891)</u>	<u>49,645,980</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from disposal of assets	17,872	-	-	-	17,872
Transfers in	687,403	60,501,984	-	25,885,250	87,074,637
Transfers out	(65,634,007)	(26,362,342)	-	(6,316,742)	(98,313,091)
Total other financing sources (uses)	<u>(64,928,732)</u>	<u>34,139,642</u>	<u>-</u>	<u>19,568,508</u>	<u>(11,220,582)</u>
Net change in fund balances	<u>(2,430,936)</u>	<u>33,317,717</u>	<u>-</u>	<u>7,538,617</u>	<u>38,425,398</u>
Fund balances - beginning	129,832,233	94,640,471	-	39,896,927	264,369,631
Fund balances - ending	<u>\$ 127,401,297</u>	<u>\$ 127,958,188</u>	<u>\$ -</u>	<u>\$ 47,435,544</u>	<u>\$ 302,795,029</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, 2022

Net change in fund balances - total governmental funds	\$ 38,425,398
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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	\$ 46,416,660	
Less depreciation expense	(27,503,274)	
Contributions of capital assets are not reported as income in governmental funds	668,015	
Capital assets transferred from (to) business-type activities	(498,122)	
Gain (loss) on disposal of capital assets	<u>(164,599)</u>	
		18,918,680

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	16,987,000	
Principal payments - notes payable	685,000	
Amortization of deferred amounts on refundings	(285,338)	
Amortization of current year bond premium	<u>1,030,798</u>	
		18,417,460

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	(529,114)	
Change in long-term insurance claims	2,467,733	
Change in landfill post-closure liability	60,678	
Change in accrued interest	69,397	
Change in right-to-use lease asset	1,387,621	
Change in lease liability	43,701	
Change in deferred lease inflows	(25,853)	
Change in pension employer contributions payable	3,342,413	
Change in net pension liability	63,035,760	
Change in deferred pension inflows	(33,081,374)	
Change in deferred pension outflows	(10,982,644)	
Change in total OPEB liability	(7,631,537)	
Change in deferred OPEB inflows	17,862,288	
Change in deferred OPEB outflows	3,762,264	
Change in long-term notes receivable	<u>(115,000)</u>	
		39,666,333

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.

11,129,085

Change in net position of governmental activities	<u>\$ 126,556,956</u>
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See Accompanying Notes to the Financial Statements

PROPRIETARY FUNDS



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.

Civic Center
WAVE Transit System
Convention Center
Emergency Medical Services



CITY OF MOBILE, ALABAMA
Statement of Net Position
Proprietary Funds
September 30, 2022

	Business-Type Activities		
	Civic Center	Wave Transit System	Convention Center
ASSETS			
Current assets:			
Cash, equity in pooled cash and investments	\$ 1,086,658	\$ 117,425	\$ 6,515,224
Receivables, net	220,997	11,063	1,172,109
Due from other funds	-	262,489	-
Inventory & prepaids	68,486	208,740	70,863
Total current assets	<u>1,376,141</u>	<u>599,717</u>	<u>7,758,196</u>
Noncurrent assets:			
Non-depreciable capital assets	224,350	2,966,587	4,999,575
Depreciable capital assets, net	4,369,707	18,164,405	27,457,344
Total noncurrent assets	<u>4,594,057</u>	<u>21,130,992</u>	<u>32,456,919</u>
Total assets	<u>5,970,198</u>	<u>21,730,709</u>	<u>40,215,115</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	-	3,247,254	-
Total deferred outflows of resources	<u>-</u>	<u>3,247,254</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>5,970,198</u>	<u>24,977,963</u>	<u>40,215,115</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	314,556	575,455	519,902
Pension employer contributions payable	-	-	-
Unearned revenue	837,455	2,250	124,388
Due to other funds	-	2,174,669	-
Compensated absences - terminated employees	-	125,136	-
Insurance claims payable	-	-	-
Total current liabilities	<u>1,152,011</u>	<u>2,877,510</u>	<u>644,290</u>
Noncurrent liabilities:			
Compensated absences - terminated employees	-	395,526	-
Self-insured legal liability	-	-	-
Net pension liability	-	3,202,379	-
Total noncurrent liabilities	<u>-</u>	<u>3,597,905</u>	<u>-</u>
Total liabilities	<u>1,152,011</u>	<u>6,475,415</u>	<u>644,290</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement receipts	-	-	-
Deferred pension inflows	-	2,348,497	-
Total deferred inflows of resources	<u>-</u>	<u>2,348,497</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>1,152,011</u>	<u>8,823,912</u>	<u>644,290</u>
NET POSITION			
Net investment in capital assets	4,594,057	21,130,992	32,456,919
Unrestricted	224,130	(4,976,941)	7,113,906
Total net position	<u>\$ 4,818,187</u>	<u>\$ 16,154,051</u>	<u>\$ 39,570,825</u>

See Accompanying Notes to the Financial Statements

Business-Type Activities			Governmental
Emergency Medical Services	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ -	\$ 7,073,250	\$ 14,792,557	\$ 23,145,549
2,059,354	273,683	3,737,206	370,460
-	-	262,489	-
-	169,504	517,593	-
<u>2,059,354</u>	<u>7,516,437</u>	<u>19,309,845</u>	<u>23,516,009</u>
-	3,353,430	11,543,942	2,352,766
741,425	18,638,628	69,371,509	35,591,353
<u>741,425</u>	<u>21,992,058</u>	<u>80,915,451</u>	<u>37,944,119</u>
<u>2,800,779</u>	<u>29,508,495</u>	<u>100,225,296</u>	<u>61,460,128</u>
2,844,316	-	6,091,570	-
<u>2,844,316</u>	<u>-</u>	<u>6,091,570</u>	<u>-</u>
<u>5,645,095</u>	<u>29,508,495</u>	<u>106,316,866</u>	<u>61,460,128</u>
180,637	769,812	2,360,362	1,274,753
661,282	25,766	687,048	2,083
1,738	1,219,306	2,185,137	-
-	-	2,174,669	-
-	-	125,136	-
-	-	-	2,076,000
<u>843,657</u>	<u>2,014,884</u>	<u>7,532,352</u>	<u>3,352,836</u>
-	-	395,526	-
-	-	-	444,650
<u>1,150,059</u>	<u>-</u>	<u>4,352,438</u>	<u>-</u>
<u>1,150,059</u>	<u>-</u>	<u>4,747,964</u>	<u>444,650</u>
<u>1,993,716</u>	<u>2,014,884</u>	<u>12,280,316</u>	<u>3,797,486</u>
-	3,150,510	3,150,510	-
<u>2,130,032</u>	<u>-</u>	<u>4,478,529</u>	<u>-</u>
<u>2,130,032</u>	<u>3,150,510</u>	<u>7,629,039</u>	<u>-</u>
<u>4,123,748</u>	<u>5,165,394</u>	<u>19,909,355</u>	<u>3,797,486</u>
741,425	21,992,058	80,915,451	37,944,119
779,922	2,351,043	5,492,060	19,718,523
<u>\$ 1,521,347</u>	<u>\$ 24,343,101</u>	<u>\$ 86,407,511</u>	<u>\$ 57,662,642</u>

CITY OF MOBILE, ALABAMA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2022

	Business-Type Activities		
	Civic Center	Wave Transit System	Convention Center
OPERATING REVENUES			
Charges for services	\$ 869,316	\$ 569,842	\$ 942,473
Internal charges	-	-	-
Employee contributions	-	-	-
Facility rent	493,416	-	618,900
Sales revenue	-	-	-
Parking fees	426,912	-	126,040
Concessions	495,335	-	1,148,785
Other revenue	290,124	79,809	83,310
Total operating revenues	<u>2,575,103</u>	<u>649,651</u>	<u>2,919,508</u>
OPERATING EXPENSES			
Personnel services	2,503,042	8,183,293	3,139,157
Commodities	116,221	1,812,960	889,832
Utilities	666,915	157,432	612,756
Professional and technical	286,519	677,288	992,432
Maintenance and repairs	10,333	-	90,525
Printing and reproduction	5,469	-	1,243
Insurance payments	61,694	683,670	121,262
Event expenses	19,040	-	104,462
Cost of goods sold	-	-	-
Increase (decrease) in provision for self-insurance loss	-	-	-
Other charges	73,263	220,130	2,821,713
Depreciation	182,156	1,862,089	1,367,397
Total operating expenses	<u>3,924,652</u>	<u>13,596,862</u>	<u>10,140,779</u>
Operating income (loss)	<u>(1,349,549)</u>	<u>(12,947,211)</u>	<u>(7,221,271)</u>
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	-	11,594,075
State and federal assistance	-	4,278,939	-
Investment income	-	7,704	-
Damaged vehicles reimbursement	-	-	-
Gain (loss) from disposal of assets	(57,513)	12,905	19,884
Transfer of capital assets	-	-	371,000
Total nonoperating revenues (expenses)	<u>(57,513)</u>	<u>4,299,548</u>	<u>11,984,959</u>
Income (loss) before contributions and transfers	<u>(1,407,062)</u>	<u>(8,647,663)</u>	<u>4,763,688</u>
Capital grants and contributions	-	3,084,250	-
Transfers in	1,360,104	6,168,477	503,544
Transfers out	-	-	(8,627,877)
Change in net position	<u>(46,958)</u>	<u>605,064</u>	<u>(3,360,645)</u>
Total net position - beginning	4,865,145	15,548,987	42,931,470
Total net position - ending	<u>\$ 4,818,187</u>	<u>\$ 16,154,051</u>	<u>\$ 39,570,825</u>

See Accompanying Notes to the Financial Statements

Business-Type Activities			Governmental
Emergency Medical Services	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 3,730,345	\$ 3,847,493	\$ 9,959,469	\$ 1,471,669
-	-	-	36,921,127
-	-	-	6,927,790
-	867,344	1,979,660	-
-	487,314	487,314	-
-	1,712,741	2,265,693	-
-	392,855	2,036,975	-
16,397	474,179	943,819	27,819
<u>3,746,742</u>	<u>7,781,926</u>	<u>17,672,930</u>	<u>45,348,405</u>
5,099,957	4,037,451	22,962,900	172,257
708,484	382,007	3,909,504	3,073,608
40,586	551,425	2,029,114	39,373
289,746	686,157	2,932,142	1,807,206
130,378	162,755	393,991	-
54	13,467	20,233	5,430
-	110,061	976,687	26,798,208
-	-	123,502	-
-	259,499	259,499	-
-	-	-	42,352
1,362,550	733,137	5,210,793	1,094,035
85,276	958,923	4,455,841	6,537,256
<u>7,717,031</u>	<u>7,894,882</u>	<u>43,274,206</u>	<u>39,569,725</u>
<u>(3,970,289)</u>	<u>(112,956)</u>	<u>(25,601,276)</u>	<u>5,778,680</u>
-	-	11,594,075	-
-	696,952	4,975,891	-
-	2,341	10,045	-
-	-	-	120,786
-	5,444	(19,280)	(16,866)
-	-	371,000	127,122
-	<u>704,737</u>	<u>16,931,731</u>	<u>231,042</u>
<u>(3,970,289)</u>	<u>591,781</u>	<u>(8,669,545)</u>	<u>6,009,722</u>
-	-	3,084,250	-
5,491,961	1,222,883	14,746,969	5,119,363
-	-	(8,627,877)	-
<u>1,521,672</u>	<u>1,814,664</u>	<u>533,797</u>	<u>11,129,085</u>
<u>(325)</u>	<u>22,528,437</u>	<u>85,873,714</u>	<u>46,533,557</u>
<u>\$ 1,521,347</u>	<u>\$ 24,343,101</u>	<u>\$ 86,407,511</u>	<u>\$ 57,662,642</u>

CITY OF MOBILE, ALABAMA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2022

	Business-Type Activities		
	Civic Center	Wave Transit System	Convention Center
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 869,312	\$ 645,076	\$ 942,473
Cash received from sales revenue	-	-	-
Cash received from internal billings	-	-	-
Cash received from employee contributions	-	-	-
Cash received from facility & other rent	431,872	-	547,692
Cash received from parking fees	426,912	-	126,040
Cash received from concessions	495,335	-	1,148,785
Cash received from miscellaneous	323,128	-	83,310
Cash payments for operating expenses	(1,270,716)	(3,575,045)	(5,535,794)
Cash payments for insurance claims	-	-	-
Cash payments for internal services	(31,199)	-	(23,473)
Cash payments to employees for services	(2,519,492)	(8,229,407)	(3,118,239)
Net cash provided (used) by operating activities	<u>(1,274,848)</u>	<u>(11,159,376)</u>	<u>(5,829,206)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes	-	-	11,489,506
Non-capital grants and contributions	-	4,278,939	-
Transfers in from other funds	1,360,104	6,783,042	503,544
Transfers out to other funds	-	-	(8,627,877)
Federal subsidy	-	-	-
Net cash provided (used) by noncapital financing activities	<u>1,360,104</u>	<u>11,061,981</u>	<u>3,365,173</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(4,554,763)	(79,821)
Proceeds from sale of capital assets	-	20,828	19,884
Reimbursement for damaged vehicles	-	-	-
Capital grants and contributions	-	4,554,763	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>20,828</u>	<u>(59,937)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	7,704	-
Net cash provided (used) by investing activities	<u>-</u>	<u>7,704</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>85,256</u>	<u>(68,863)</u>	<u>(2,523,970)</u>
Balances - beginning of year	1,001,402	186,288	9,039,194
Balances - end of the year	<u>\$ 1,086,658</u>	<u>\$ 117,425</u>	<u>\$ 6,515,224</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ (1,349,549)	\$ (12,947,211)	\$ (7,221,271)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	182,156	1,862,089	1,367,397
Non-cash items included in operating income	-	(398,188)	-
Non-capital financing cash flow included in operating income	-	-	-
Changes in assets and liabilities:			
Accounts payable	(48,873)	288,824	103,777
Accounts receivable	(61,544)	(4,575)	(10,655)
Self-insurance liability	-	-	-
Insurance claims payable	-	-	-
Compensated absences	-	29,533	-
Inventory and prepaids	(13,592)	(22,488)	(28,819)
Salary and benefits payable	(16,450)	32,640	20,918
Advance collections	33,004	-	(60,553)
Net cash provided (used) by operating activities	<u>\$ (1,274,848)</u>	<u>\$ (11,159,376)</u>	<u>\$ (5,829,206)</u>

See Accompanying Notes to the Financial Statements

Business-Type Activities			Governmental
Emergency Medical Services	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 3,938,758	\$ 3,918,050	\$ 10,313,669	\$ 1,747,115
-	368,526	368,526	-
-	-	-	36,921,127
-	-	-	6,927,790
-	760,252	1,739,816	-
-	1,712,741	2,265,693	-
-	392,855	2,036,975	-
-	819,954	1,226,392	-
(1,532,685)	(2,453,376)	(14,367,616)	(6,856,634)
-	-	-	(27,099,497)
(1,650,624)	(217,090)	(1,922,386)	-
(5,955,263)	(3,875,975)	(23,698,376)	(176,214)
(5,199,814)	1,425,937	(22,037,307)	11,463,687
-	-	11,489,506	-
-	696,952	4,975,891	-
5,491,961	1,222,883	15,361,534	5,119,363
-	-	(8,627,877)	-
-	-	-	27,819
5,491,961	1,919,835	23,199,054	5,147,182
(292,147)	(59,872)	(4,986,603)	(9,039,335)
-	7,388	48,100	463,709
-	-	-	120,786
-	-	4,554,763	-
(292,147)	(52,484)	(383,740)	(8,454,840)
-	2,341	10,045	-
-	2,341	10,045	-
-	3,295,629	788,052	8,156,029
-	3,777,621	14,004,505	14,989,520
\$ -	\$ 7,073,250	\$ 14,792,557	\$ 23,145,549
\$ (3,970,289)	\$ (112,956)	\$ (25,601,276)	\$ 5,778,680
85,276	958,923	4,455,841	6,537,256
(1,407,218)	-	(1,805,406)	-
-	-	-	(27,819)
(14,230)	452,532	782,030	(1,138,271)
191,685	(68,037)	46,874	275,446
-	-	-	76,452
-	-	-	(34,100)
-	-	29,533	-
-	(22,567)	(87,466)	-
(85,369)	(40,203)	(88,464)	(3,957)
331	258,245	231,027	-
\$ (5,199,814)	\$ 1,425,937	\$ (22,037,307)	\$ 11,463,687

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.

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



CITY OF MOBILE, ALABAMA
Statement of Net Position
Component Units
September 30, 2022

	Solid Waste Disposal Authority	Mobile Public Library	Public Park and Recreation Board	Total Component Units
ASSETS				
Current assets:				
Cash, equity in pooled cash and investments	\$ -	\$ 5,226,601	\$ 44,990	\$ 5,271,591
Restricted cash	-	-	42,133	42,133
Receivables, net	3,700,000	25,327	-	3,725,327
Inventory & prepaid expenses	-	113,213	1,828	115,041
Total current assets	<u>3,700,000</u>	<u>5,365,141</u>	<u>88,951</u>	<u>9,154,092</u>
Noncurrent assets:				
Net pension asset	-	-	23,674	23,674
Non-depreciable capital assets	248,225	-	1,245,203	1,493,428
Depreciable capital assets, net	-	583,969	276,694	860,663
Right-to-use lease asset, net	-	379,542	-	379,542
Total noncurrent assets	<u>248,225</u>	<u>963,511</u>	<u>1,545,571</u>	<u>2,757,307</u>
Total assets	<u>3,948,225</u>	<u>6,328,652</u>	<u>1,634,522</u>	<u>11,911,399</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	-	857,932	5,990	863,922
Total deferred outflows of resources	<u>-</u>	<u>857,932</u>	<u>5,990</u>	<u>863,922</u>
Total assets and deferred outflows of resources	<u>3,948,225</u>	<u>7,186,584</u>	<u>1,640,512</u>	<u>12,775,321</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	210,422	584,678	10,383	805,483
Unearned revenue	-	-	6,500	6,500
Compensated absences, current portion	-	41,859	-	41,859
Total current liabilities	<u>210,422</u>	<u>626,537</u>	<u>16,883</u>	<u>853,842</u>
Noncurrent liabilities:				
Lease obligations, long-term portion	-	379,542	-	379,542
Compensated absences, long-term portion	-	411,559	-	411,559
Self-insured liability - legal, long-term portion	2,800,000	-	-	2,800,000
Net pension liability	-	2,216,125	-	2,216,125
Total noncurrent liabilities	<u>2,800,000</u>	<u>3,007,226</u>	<u>-</u>	<u>5,807,226</u>
Total liabilities	<u>3,010,422</u>	<u>3,633,763</u>	<u>16,883</u>	<u>6,661,068</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	-	1,859,492	24,394	1,883,886
Total deferred inflows of resources	<u>-</u>	<u>1,859,492</u>	<u>24,394</u>	<u>1,883,886</u>
Total liabilities and deferred inflows of resources	<u>3,010,422</u>	<u>5,493,255</u>	<u>41,277</u>	<u>8,544,954</u>
NET POSITION				
Net investment in capital assets	248,225	963,511	1,521,897	2,733,633
Restricted for:				
Grant programs	-	-	42,133	42,133
Unrestricted	689,578	729,818	35,205	1,454,601
Total net position	<u>\$ 937,803</u>	<u>\$ 1,693,329</u>	<u>\$ 1,599,235</u>	<u>\$ 4,230,367</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Statement of Activities
Component Units
For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Solid Waste Disposal Authority				
Public works	\$ 5,270,901	\$ -	\$ 2,577,498	\$ -
Total Solid Waste Disposal Authority	5,270,901	-	2,577,498	-
Mobile Public Library				
Culture and recreation	9,241,750	274,800	492,878	524
Total Mobile Public Library	9,241,750	274,800	492,878	524
Public Park and Recreation Board				
Culture and recreation	903,893	283,367	-	-
Total Public Park and Recreation Board	903,893	283,367	-	-
Total component units	<u>\$ 15,416,544</u>	<u>\$ 558,167</u>	<u>\$ 3,070,376</u>	<u>\$ 524</u>

General revenues:

- Grants and contributions not restricted to specific programs
- Investment income
- Other
- Payments from local governments
- Total general revenues
- 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			
Solid Waste Disposal Authority	Mobile Public Library	Public Park and Recreation Board	Total Component Units
\$ (2,693,403)	\$ -	\$ -	\$ (2,693,403)
(2,693,403)	-	-	(2,693,403)
-	(8,473,548)	-	(8,473,548)
-	(8,473,548)	-	(8,473,548)
-	-	(620,526)	(620,526)
-	-	(620,526)	(620,526)
(2,693,403)	(8,473,548)	(620,526)	(11,787,477)
-	419,409	350,000	769,409
-	(184,118)	258	(183,860)
3,700,000	-	-	3,700,000
-	8,853,580	-	8,853,580
3,700,000	9,088,871	350,258	13,139,129
1,006,597	615,323	(270,268)	1,351,652
(68,794)	1,078,006	1,869,503	2,878,715
\$ 937,803	\$ 1,693,329	\$ 1,599,235	\$ 4,230,367

FIDUCIARY FUNDS



Custodial Funds, a type of Fiduciary Fund, are used to account for funds held by the City which were not derived from City revenues or taxes and are held for the benefit of organizations or other governments that are not part of the City's financial reporting entity. The City's custodial activity in fiscal year 2022 did not relate to pension or investment trust funds.

**Custodial Funds
Alabama Big Ten Mayors Association**

CITY OF MOBILE, ALABAMA
Statement of Net Position
Fiduciary Fund
September 30, 2022

	<u>Custodial Fund</u>
ASSETS	
Total assets	<u>\$ -</u>
LIABILITIES	
Total liabilities	<u>-</u>
NET POSITION	
Total net position	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Statement of Changes in Net Position
Fiduciary Fund
For the Year Ended September 30, 2022

	Custodial Fund
ADDITIONS	
Revenues	
Private contributions	\$ 110,534
Total revenues	110,534
Total additions	110,534
 DEDUCTIONS	
Other charges	110,534
Total deductions	110,534
Net increase (decrease) in fiduciary net position	-
Net position - beginning	-
Net position - ending	\$ -

See Accompanying Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS





NOTES TO THE FINANCIAL STATEMENTS

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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 Governmental 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 emphasis 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 using the economic resources measurement focus and full accrual basis of accounting, 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 is also presented using the economic resources measurement focus and full accrual basis of accounting and 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 and contributions column includes operating-specific and discretionary (either operating or capital) grants while the capital grants and contributions column reflects grants restricted for capital purposes.

The governmental fund financial statements are presented using a current financial resources measurement focus and on the 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 activities 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 activities column.

This reporting model provides information 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. This fund is budgeted annually to fund projects which are typically expended over multiple fiscal years. Therefore, the budgeted appropriations for this fund do not lapse at the fiscal year end.
- **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.



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. None of the Debt Service Funds are considered major governmental funds. 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.
- 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.
- 2020 General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2020.



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. Special Revenue Funds used by the City are as follows:

- American Rescue Plan Grants - This fund is considered a major governmental fund and is used to account for activities funded by federal grants received which are funded by the American Rescue Plan Act of 2021. This fund does not have a legally adopted annual budget. Therefore, a budgetary comparison schedule is not presented.
- 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 Gasoline Tax (Maintenance) - This fund accounts for tax revenues to be used to pay for street resurfacing.
- Five-cent Gasoline Tax (Roadway Maintenance) - This fund accounts for tax revenues to be used to pay the cost of construction, improvement, maintenance and supervision of highways, bridges and streets, including the retirement of bonds for the payment of which such revenues have been or may hereafter be pledged.
- Seven-cent Gasoline Tax (Roadway Maintenance) - This fund accounts for 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.
- Rebuild Alabama Fund – This fund is used to account for motor fuel tax revenues established by State statute which are required to be used for the maintenance, improvement, replacement, and construction of roads and bridges.
- 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.
- Revitalizing Broad Street Grants - This fund is used to account for activities funded by federal, state, local, and private grants received which are related to the Revitalizing Broad Street project.



- Restore Act Grants - This fund is used to account for activities funded by federal grants received which are funded by the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RESTORE) Act.
- Hurricane Sally Grants - This fund is used to account for activities funded by federal, state, local, and private grants received which are related to the Hurricane Sally disaster in September 2020.
- Hurricane Zeta Grants - This fund is used to account for activities funded by federal, state, local, and private grants received which are related to the Hurricane Zeta disaster in October 2020.
- 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.
- 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.
- Emergency Medical Services (Firemedics) - This major enterprise fund is used to account for the operations of the firemedics division of the Mobile Fire-Rescue Department 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.
- Cruise Terminal – This 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.



- 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.
- Municipal 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.
- 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 most of its revenues from course and cart rentals, sales, and memberships.
- 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 Plan 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, state-shared revenues, and federal and state assistance. 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 is an internal cash and investment pool which 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 reported at their most recent sales prices. 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 (See Note 5). In proprietary funds, they are reported as "transfers in" and "transfers out" after "income before contributions and transfers." The government-wide statements eliminate interfund transfers and receivables/payables as reported within the segregated governmental activities and business-type activities columns. Only transfers and receivables/payables between the two columns appear in the government-wide financial statements, 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 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 other than buildings	20 years
Infrastructure (Drainage, Streets, Bridges, Sidewalks and Docking)	50 years
Infrastructure (Utilities and Landscaping)	25 years
Other equipment	5-10 years
Vehicular equipment	3-15 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 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 and warrants 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.

In the governmental funds, bond discounts, premiums and issuance costs are treated as period costs in the year of issue. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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 statement of net position classified as current and noncurrent. 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 "net investment in capital assets" or "restricted."

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:

- Nonspendable 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 nonspendable 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 Annual Comprehensive 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. 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. 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 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. 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 were postponed for eighteen months under the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, and are now effective for reporting periods beginning after June 15, 2021 (originally December 15, 2019) and were implemented in the Fiscal Year Ending September 30, 2022 (see Note 9).



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 were postponed for one year under the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, and are effective for reporting periods beginning after December 15, 2020 (originally December 15, 2019). These requirements were implemented in the 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 plan. The Statement also addresses the applicability of GASB Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, and Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, to reporting assets accumulated for postemployment benefits.

Statement No. 92 also addresses the applicability of certain requirements of GASB Statement 84, *Fiduciary Activities*, 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 (effective the current fiscal year).

The requirements as described below were postponed for one year under the provisions of GASB Statement No. 95 and were effective for periods beginning after June 15, 2021 (originally June 15, 2020). These requirements were implemented in the Fiscal Year Ending September 30, 2022.

- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74,
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities,
- The requirements related to the measurement of liabilities (and assets, if any) associated with asset retirement obligations in a government acquisition.



GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

Issued June 2020, this Statement changes how a primary government would treat certain factors for financial accountability consideration within the scope of potential component unit determination, changes the applicability of the financial burden criterion in paragraph 7 of GASB Statement No. 84, and changes the provisions for accounting and reporting for Internal Revenue Code Section 457 deferred compensation plans.

The requirements in paragraph 4 applying to defined contribution pensions, defined contribution OPEB plans and other employee benefit plans and paragraph 5 of the Statement are effective immediately (effective for the prior fiscal year). The requirements in paragraphs 6 – 9 and all other requirements of the Statement were effective for fiscal years beginning after June 15, 2021 (Fiscal Year Ending September 30, 2022).

GASB Statement No. 99, Omnibus 2022

Issued April 2022, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, and terminology updates related to Statement 53, *Accounting and Financial Reporting for Derivative Instruments*, and Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, are effective upon issuance (Fiscal Year Ending September 30, 2022).
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter (Fiscal Year Ending September 30, 2023).
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53, *Accounting and Financial Reporting for Derivative Instruments*, are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter (Fiscal Year Ending September 30, 2024).

Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2022:

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 were postponed for one year under the provisions of GASB Statement No. 95 and are now effective for reporting periods beginning after December 15, 2021 (originally December 15, 2020). These requirements will be implemented in the Fiscal Year Ending September 30, 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Issued March 2020, this Statement is intended to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPP's) and providing guidance for accounting and financial reporting for availability payment arrangements (APA's). The Statement establishes the definitions of PPP's and APA's and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions including requiring governments to report assets and liabilities related to PPP's consistently and disclose important information about PPP transactions. The Statement also provides clarifying guidance on how certain aspects of the structure of APA's should be accounted for. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 (Fiscal Year Ending September 30, 2023).

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*

Issued May 2020, this Statement is intended to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, or later. The provisions of GASB Statements No. 83, 84, 88, 89, 90, 91, 92, 93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 are postponed for one year. The provisions of GASB Statement No. 87 and Implementation Guide 2019-3 are postponed by eighteen months.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

Issued May 2020, this Statement provides guidance on accounting and financial reporting for subscription-based information technology arrangements (SBITA's) for governments. The Statement defines SBITA's, establishes that SBITA's result in intangible assets and corresponding subscription liabilities, provides capitalization criteria for outlays other than subscription payments including SBITA implementation costs, and requires certain note disclosures. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 (Fiscal Year Ending September 30, 2023).

GASB Statement No. 99, *Omnibus 2022*

Issued April 2022, the objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance (Fiscal Year Ending September 30, 2022).
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter (Fiscal Year Ending September 30, 2023).



- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter (Fiscal Year Ending September 30, 2024).

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62

Issued June 2022, primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for reporting periods beginning after June 15, 2023 (Fiscal Year Ending September 30, 2024).

GASB Statement No. 101, Compensated Absences

Issued June 2022, primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2023 (Fiscal Year Ending September 30, 2025).

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, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, 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. Complete financial statements 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 Sports and Entertainment Complex)** - The City appropriates funds to the Public Park and Recreation Board (the 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 Sports and Entertainment Complex (formerly Ladd-Peebles Stadium) to third parties. Complete financial statements of the Public Park and Recreation Board can be obtained directly from their administrative offices as provided below.

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

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

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

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 does it 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 History Museum of Mobile. 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, 2022. 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 \$649,348 to Mobile County Emergency Management Agency during the fiscal year ended September 30, 2022. 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 Agency 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 \$1,318,579 to the Mobile County Personnel Board during the fiscal year ended September 30, 2022. 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.
- Mobile Metro Jail** – The City entered into an agreement with Mobile County to share the costs of a joint jail facility. The City has agreed to pay 35% of the operational costs of the joint jail facility. The City contributed \$11,151,595 to Mobile County during the fiscal year ended September 30, 2022 for the Mobile Metro Jail.
- 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, 2022, the City contributed \$3,236,859 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.
- South Alabama Regional Planning Commission** – Act No. 1126, Acts of Alabama 1969, as amended by Act No. 692, Acts of Alabama 1973, and Act No. 85-757, Acts of Alabama, established the South Alabama Regional Planning Commission on September 13, 1969. The Commission is comprised of 32 representative members of the Baldwin, Escambia, and Mobile County Commissions and the municipalities therein. The Board members, including the Mayor of the City of Mobile, are appointed by each of the various participating agencies. During the year ended September 30, 2022, the City contributed \$384,531 to the South Alabama Regional Planning Commission, including \$53,000 of performance contract funding. Funding is provided by the 32 member governments, including Mobile County and the City of Mobile, as well as various grants from the federal government and the State of Alabama.

Fiduciary Funds

During the year ended September 30, 2022, the City held custodial funds for the Alabama Big Ten Mayors Association which was funded through contributions from participating member cities. As of the year end, all custodial funds had been disbursed and no remaining assets were on hand. This activity qualifies as custodial funds under GASB Statement No. 84 *Fiduciary Activities*, and are shown on the fiduciary fund statements.

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, 2022. At year-end, the carrying amount of the City's cash and cash equivalent deposits was \$309,226,418 and the bank balance was \$311,223,886. Of the total bank balance, \$2,750,000 was covered by Federal Depository Insurance and \$308,354,432 was covered under the SAFE program. The City also held investments totaling \$48,698,567 detailed further on the following page.

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, 2022, 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	\$ 24,327,772	\$ 9,200,292	\$ 2,160,242	\$ 35,688,306
US Government Mortgage Backed Securities	513,333	-	-	513,333
Federal Agency	2,443,709	425,579	-	2,869,288
Certificates of Deposit	-	466,487	-	466,487
Repurchase Agreement	9,161,153	-	-	9,161,153
Total Fair Value*	\$ 36,445,967	\$ 10,092,358	\$ 2,160,242	\$ 48,698,567

Fair Value of Financial Instruments

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*, 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, 2022:

Investment Category	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
US Treasury	\$ -	\$ 35,688,306	\$ -	\$ 35,688,306
US Government Mortgage Backed Securities		513,333		513,333
Federal Agency	-	2,869,288	-	2,869,288
Certificates of Deposit	-	466,487	-	466,487
Repurchase Agreement	-	9,161,153	-	9,161,153
Total Fair Value	\$ -	\$ 48,698,567	\$ -	\$ 48,698,567

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, 2021.

- US Treasury, US Government Mortgage Backed Securities, 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, 2022, 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, 2022, consist of the following:

	Governmental Activities	Business-Type Activities	Total Primary Government
Receivables			
Taxes	\$ 35,090,389	\$ 1,102,980	\$ 36,193,369
Customers and other	3,645,615	2,715,176	6,360,791
Other governmental units	19,992,635	-	19,992,635
Gross receivables	<u>58,728,639</u>	<u>3,818,156</u>	<u>62,546,795</u>
Allowance for uncollectibles	(1,997,808)	(80,950)	(2,078,758)
Net receivables	<u>\$ 56,730,831</u>	<u>\$ 3,737,206</u>	<u>\$ 60,468,037</u>

Substantially all receivables are due in fiscal year 2023.

(Notes continue on the following page)



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, 2022, are as detailed in the following schedule:

	Transfers In	Transfers Out
Major Governmental Funds		
General Fund		
Capital Improvements Fund	\$ -	\$ 48,236,507
Other Governmental Funds	687,403	531,167
Internal Service Funds	-	2,619,363
Mobile Convention Center	-	503,544
Mobile Civic Center	-	1,360,104
WAVE Transit	-	5,668,477
Emergency Medical Services	-	5,491,961
Other Enterprise Funds	-	1,222,883
Total General Fund	<u>687,403</u>	<u>65,634,006</u>
Capital Improvements Fund		
General Fund	48,236,507	-
Other Governmental Funds	3,637,600	23,362,342
WAVE Transit	-	500,000
Mobile Convention Center	8,627,877	-
Internal Service Funds	-	2,500,000
Total Capital Improvements Fund	<u>60,501,984</u>	<u>26,362,342</u>
Other Governmental Funds		
General Fund	531,167	687,403
Capital Improvements Fund	23,362,342	3,637,600
Other Governmental Funds	1,991,739	1,991,739
Total Other Governmental Funds	<u>25,885,248</u>	<u>6,316,742</u>
Internal Service Funds		
General Fund	2,619,363	-
Capital Improvements Fund	2,500,000	-
Total Internal Service Funds	<u>5,119,363</u>	<u>-</u>
Major Enterprise Funds		
Mobile Civic Center		
General Fund	1,360,104	-
Total Mobile Civic Center	<u>1,360,104</u>	<u>-</u>
Mobile Convention Center		
General Fund	503,544	-
Capital Improvements Fund	-	8,627,877
Total Mobile Convention Center	<u>503,544</u>	<u>8,627,877</u>
WAVE Transit		
General Fund	5,668,477	-
Capital Improvements Fund	500,000	-
Total WAVE Transit	<u>6,168,477</u>	<u>-</u>
Emergency Medical Services		
General Fund	5,491,961	-
Total Emergency Medical Services	<u>5,491,961</u>	<u>-</u>
Other Enterprise Funds		
General Fund	1,222,883	-
Total Other Enterprise Fund	<u>1,222,883</u>	<u>-</u>
Total Transfers	<u>\$ 106,940,967</u>	<u>\$ 106,940,967</u>



NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Generally, outstanding balances between funds reported as "due from/to 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, 2022, are detailed in the following schedule. Substantially all interfund balances are expected to be repaid within one year.

	Due From Other Funds	Due To Other Funds
Major Governmental Funds		
General Fund		
Other Governmental Funds	\$ 1,716,003	\$ -
WAVE Transit	2,174,669	262,489
Total General Fund	<u>3,890,672</u>	<u>262,489</u>
Capital Improvements Fund		
Other Governmental Funds	100,843	-
Total Capital Improvements Fund	<u>100,843</u>	<u>-</u>
Other Governmental Funds		
General Fund	-	1,716,003
Other Governmental Funds	-	100,843
Total Other Governmental Funds	<u>-</u>	<u>1,816,846</u>
Major Enterprise Funds		
WAVE Transit		
General Fund	262,489	2,174,669
Total WAVE Transit	<u>262,489</u>	<u>2,174,669</u>
Total Interfund Balances	<u>\$ 4,254,004</u>	<u>\$ 4,254,004</u>

NOTE 7 - CAPITAL ASSETS

Governmental Activities

The following is a summary of changes in capital assets for the year ended September 30, 2022:

	Balance, Beginning	Additions	Deductions	Balance, Ending
Capital assets, not depreciated				
Land	\$ 44,632,779	\$ 2,066,873	\$ -	\$ 46,699,652
Construction in progress	111,705,771	42,539,767	37,083,394	117,162,144
Intangible assets	4,927,753	276,397	-	5,204,150
Subtotal	<u>161,266,303</u>	<u>44,883,037</u>	<u>37,083,394</u>	<u>\$ 169,065,946</u>
Capital assets, depreciated				
Buildings	143,746,428	685,623	298,960	144,133,091
Improvements other than buildings	146,215,213	14,018,732	625,451	159,608,494
Vehicular equipment	88,677,182	11,704,504	3,122,261	97,259,425
Other equipment	49,438,033	2,470,644	290,160	51,618,517
Infrastructure	592,468,104	19,316,590	26,847	611,757,847
Subtotal	<u>1,020,544,960</u>	<u>48,196,093</u>	<u>4,363,679</u>	<u>1,064,377,374</u>

(Continued on the following page)



	Balance, Beginning	Additions	Deductions	Balance, Ending
Accumulated Depreciation				
Buildings	\$ 48,121,154	\$ 2,771,200	\$ 250,553	\$ 50,641,801
Improvements other than buildings	84,697,608	7,069,475	402,784	91,364,299
Vehicular equipment	49,572,386	7,465,791	2,657,504	54,380,673
Other equipment	38,833,056	1,435,701	164,939	40,103,818
Infrastructure	200,621,747	13,796,890	-	214,418,637
Subtotal	<u>421,845,951</u>	<u>32,539,057</u>	<u>3,475,780</u>	<u>450,909,228</u>
Depreciable capital assets, net	<u>598,699,009</u>	<u>15,657,036</u>	<u>887,899</u>	<u>613,468,146</u>
Total capital assets, net excluding lease assets	<u>\$ 759,965,312</u>	<u>\$ 60,540,073</u>	<u>\$ 37,971,293</u>	<u>782,534,092</u>
Lease assets, net (Note 9)				17,451,081
Total capital assets, net				<u>\$ 799,985,173</u>

Construction in progress consists of the following:

Asset	Project	Balance, 09/30/2021	Additions	Deductions	Balance, 09/30/2022
76321	2021 PIERCE ENFORCER PUMPER TRUCK	\$ 576,657	\$ -	\$ 576,657	\$ -
76551	2021 FORD CRESTLINE AMBULANCE	180,536	-	180,536	-
79248	PARKS - HERNDON PARK IMPRV	2,600,356	-	2,600,356	-
79255	CITY SHARE - ZEIGLER BLVD	5,465,213	186,536	-	5,651,749
79256	RESURF 4CT GAS TAX PROJECT	12,265,616	5,324	-	12,270,940
79259	MPO MCGREGOR AVE - WIDENING	1,394,721	-	-	1,394,721
79286	PARKS - MARDI GRAS PARK	4,046,169	274,473	-	4,320,642
79287	PARKS - LYONS PARK IMPROVEMENT	676,948	19,049	-	695,997
79456	CITYWIDE STORM DRAINS	263,551	-	-	263,551
79458	MPO - DAUPHIN ST - SAGE	7,183	-	-	7,183
79470	PKS-MIMS-RENOVATIONS & REPAIRS	1,709,666	20,605	-	1,730,271
79474	ARCHITECTURAL ENGINEERING PROJECTS	203,950	32,661	-	236,611
79475	PKS-FIGURES PARK IMPRV	465,795	637,653	-	1,103,448
79503	PARKS-HILLSDALE COM CTR-DISTRICT 7	335,569	6,920	-	342,489
79506	TRAFFIC CALMING DEVICES PROG	61,191	-	-	61,191
79509	2017 CITYWIDE ADA ASSESSMENTS	108,984	-	-	108,984
79512	PARKS-MEDAL OF HONOR PARK PROJ	1,398,413	-	1,398,413	-
79513	CS-ZEIGLER-CODY TO SCHILLINGER	1,984,759	-	-	1,984,759
79514	PARKS-LAKE DR TRICENTENNIAL PARK IMPR	130,541	-	130,541	-
79519	PARKS-TRINITY GARDEN PK IMP-DIST 1	484,726	621,263	-	1,105,989
79528	SPRINGHILL FIRE STATION (MCGREGOR)	2,724,171	-	-	2,724,171
79532	POLICE HEADQUARTERS UPGRADES	224,381	-	-	224,381
79546	TRINITY GARDENS-DITCH ENCLOSURES	2,820,139	802,934	-	3,623,073
79552	PARKS-HELEN WOODS PARK IMPROV	227,952	2,040	-	229,992
79556	PARK - STOTTS RENOVATION & REPAIRS	832,540	42,183	-	874,723
79558	WEST REGIONAL LIBRARY IMPROVEMENT	309,788	47,863	-	357,651
79562	PARKS-PLATEAU WELCOME CENTER	8,462	-	-	8,462
79567	BROAD ST IMPRV-TIGER	429,612	-	-	429,612
79568	ED-WESTWOOD PLAZA	250,000	-	250,000	-
79576	PARKS-CRAWFORD PARK IMPRV	350,902	7,003	357,905	-
79577	PARKS-HARMON RECREATION CENTER	498,872	-	498,872	-
79589	DRAINAGE-ESLAVA CREEK IMPRV	1,106,959	844,891	-	1,951,850
79591	GOVERNMENT ST REBUILD	24,222	-	24,222	-
79594	TURNING RAIDUS-AIRPORT BLVD	284,138	-	284,138	-



Asset	Project	Balance, 09/30/2021	Additions	Deductions	Balance, 09/30/2022
79597	CROSSWALK-SEMINOLE & AIRPORT	\$ 49,668	\$ -	\$ 49,668	\$ -
79607	PARK-LANGAN PK-COPELAND-COX TENNIS	656,779	462,894	1,119,673	-
79621	CRUISE TERMINAL-EQUIPMENT & MISC	2,055,650	-	-	2,055,650
79644	PARKS-DOG RIVER PARK IMPROVEMENT	1,475,161	-	1,475,161	-
79647	MUSEUM OF ARTS IMPROV	318,702	-	772	317,930
79649	MOBILE GREENWAY INITIATIVE	1,337,751	17,663	-	1,355,414
79650	2017 TRAFFIC SIGNAL INTX IMPROV	67,411	6,732	-	74,143
79651	2017 TRAFFIC SIGNAL MISC IMPROV	105,600	-	-	105,600
79654	DAUPHIN ISLAND PARK SIDEWALKS	18,245	-	-	18,245
79655	TRAFFIC ENG-BIKE SAFETY	30,182	19,672	49,854	-
79722	DISTRICT 1 PARK REPAIR PROJECTS	17,200	34,395	-	51,595
79723	DISTRICT 2 PARK PROJECTS	1,915	6,392	-	8,307
79724	DISTRICT 3 PARK REPAIR PROJECTS	20,490	4,047	-	24,537
79725	DISTRICT 4 PARK REPAIR PROJECTS	7,400	2,080	-	9,480
79726	DISTRICT 5 PARK REPAIR PROJECTS	12,343	2,168	-	14,511
79727	DISTRICT 6 PARK REPAIR PROJECTS	-	201	-	201
79728	DISTRICT 7 PARK REPAIR PROJECTS	39,691	18,573	-	58,264
79752	DISTRICT 1 STREET LIGHT IMPROVEMENT	67,454	7,175	74,629	-
79759	CITYWIDE STREET LIGHT IMPRV	89,632	12,978	-	102,610
79978	PROPERTY- ZEIGLER RD	362,916	-	-	362,916
79982	TRIMMIER PARK IMPRV	1,021,048	36,226	1,057,274	-
79986	HOPE COMMUNITY CENTER IMPRV	256,476	3,634	-	260,110
79995	WOODCOCK CREEK WEST BRANCH	85,587	-	85,587	-
79996	EAST DRIVE AT 12 MILE CREEK	325,847	1,119	-	326,966
79998	ST. LOUIS ST STREETSCAPES	321,135	-	-	321,135
79999	TEXAS ST REBUILD, ANN TO BROAD	690,607	4,396,753	-	5,087,360
80002	2018 DRAINAGE MISC GROUP A	1,134,033	-	1,134,033	-
80026	TAP SIDEWALK PROJECT- DIP	110,590	-	-	110,590
80027	TAP SIDEWALK - BIT & SPUR	243,575	1,125	-	244,700
80034	TIGER - COMPLETE STREETS IMPRV	13,848,340	3,843,345	-	17,691,685
80355	SPRINGHILL/MOORER BR LIBRARY IMPRV	170,790	-	-	170,790
80356	AIRPORT BLVD-MEDIAN MODIFICATIONS	19,045	-	19,045	-
80446	D1 TAP 17 OLD SHELL UNION-DURANT	22,832	3,985	-	26,817
80447	WATER STREET STRIPING & RESRF PH2	1,159,190	2,086	-	1,161,276
80448	MLK BASKETBALL COURT PROJECT	204,511	3,668	208,179	-
80450	ALDOT DAUPHIN ST WIDENING	599,142	55,873	-	655,015
80451	2018 PAYGO GROUP A	4,786,466	-	4,786,466	-
80452	2018 PAYGO GROUP B	4,756,199	889	-	4,757,088
80453	2018 PAYGO N MCGREGOR TO OLD SHELL	60,592	32,482	-	93,074
80454	PARKS-MEMORIAL PARK MASTER PL & IMP	278,210	-	-	278,210
80455	LANGAN PARK RESTROOM RENOV	383,920	268,973	652,893	-
80457	2019 DRAINAGE GROUP D	691,877	5,830	-	697,707
80458	2019 DRAINAGE GROUP E	1,373,579	1,093,316	-	2,466,895
80459	2019 DRAINAGE GROUP A	192,790	317,634	-	510,424
80460	AIRPORT BLVD-WILLIAMS TO HOUSTON	111,187	-	111,187	-
80462	BALTIMORE ST REHAB-ANN TO BROAD	6,048,518	604,578	6,653,096	-
80463	PAYGO HILLCREST RD RESURF	810,584	-	810,584	-
80465	HILLCREST/COTTAGE HILL SIGNAL UPGRA	25,750	29,818	-	55,568
80471	CHILLER REPLACE-850 ST ANTHONY MPD	207,716	-	207,716	-
80473	BAUMHAUER-RANDLE PK-SITE AMENITY	199,144	-	199,144	-
80477	AZALEA CITY GOLF COURSE LANDSCAPING	257,900	-	257,900	-
80478	TIF AWARD LIGHT/POLES PURCHASES	265,429	49,000	-	314,429
80480	NEW PUBLIC SAFETY FACILITY	24,200	936	-	25,136
80549	2018 UPGRADE DOWNTOWN PARKING EQUIP	276,230	-	-	276,230
80550	GULF COAST EXPLOREUM -RE-ROOFING	482,584	-	482,584	-
80682	CAPITAL PROJECT-LADD PEEBLE STADIUM	1,166,783	6,280	-	1,173,063
80684	ARTHUR R OUTLAW CONV CENTER-ROOF	907,847	12,151	-	919,998
80685	2019 BRIDGE AND CULVERT REPAIRS	965,126	20,425	985,551	-
80686	LADD-PEEBLES STAD-WLK/BIKE TRAIL	237,517	-	237,517	-



Asset	Project	Balance, 09/30/2021	Additions	Deductions	Balance, 09/30/2022
80688	I-65 AND I-10 LIGHT IMPROVEMENTS	\$ 667,132	\$ 1,747,704	\$ -	\$ 2,414,836
80690	PARK-SEALS REC CENTER RENOV	3,750	13,391	-	17,141
80691	BATTERY HEIGHTS LIGHTING	93,441	11,445	-	104,886
80692	HALLS MILL & DEMOTROPOLIS RDWY IMPR	43,525	-	-	43,525
80693	LITTLE FLOWER AVE ROADWAY REPAIRS	477,811	73,830	551,641	-
80696	TRAFFIC SAFETY IMPROVEMENTS	168,334	1,073	-	169,407
80698	GOLF COURSE CLUBHOUSE-RESTROOM	-	3,188	-	3,188
80700	PARKWAY SENIOR CTR - IMPRVMT	185,322	9,554	194,876	-
80702	PUBLIC WORKS CONCRETE	16,333	-	-	16,333
80703	2020 CITYWIDE RESURFACING PROGRAM	5,471,693	282,601	-	5,754,294
80818	PARKS-SPANISH PLAZA IMPROV	699,350	269,426	-	968,776
80819	GRELOT ROAD BEAUTIFICATION PROJ	14,939	140,840	-	155,779
80820	RICHARDS DAR HOUSE IMPROV	214,286	3,024	-	217,310
80885	ST. JOSEPH TWO-WAY PROJ	35,896	-	-	35,896
80887	CRUISE TERMINAL PARKING DECK REPRS	189,335	-	-	189,335
80891	2019 DRAINAGE-GROUP B	239,356	282,869	-	522,225
80892	2019 DRAINAGE GROUP C	359,286	-	359,286	-
80893	MCRAE AVE DRAINAGE PH 2	24,941	1,794	-	26,735
80894	2019 DRAINAGE GROUP F	253,041	74,114	327,155	-
80895	HILLSDALE DRAINAGE & RDWY REHAB	54,131	319,091	-	373,222
80896	PARKS-LAUN PARK	59,600	-	59,600	-
80897	PARKS MITTERNIGHT PARK	6,054	-	-	6,054
80900	2019 SIGNAL IMPRO UPHAM	11,235	-	-	11,235
80901	2019 AIRPORT BLVD SIGNAL IMP	22,465	32,542	-	55,007
80905	HURTELL ST. ARMORY-WALLS&WINDOWS RE	67,925	34,500	-	102,425
80908	FACILITY UPGRADE/ADEM COMPLIANCE	39,138	3,526	-	42,664
80909	IRRIGATION SYSTEM AUTOMATION	7,200	813	-	8,013
80910	HURTEL STREET ARMORY-RE-ROOFING	221,915	-	221,915	-
80911	CONVENTION CENTER BRIDGE REPAIRS	982	431,838	-	432,820
80931	2021 PIERCE ENFORCER PUMPER TRUCK	576,657	-	576,657	-
80932	2021 PIERCE ENFORCER PUMPER TRUCK	576,657	-	576,657	-
80933	2021 PIERCE ENFORCER PUMPER TRUCK	576,657	-	576,657	-
80937	AMBULANCE PER HGAC CONTRACT AM10-20	246,798	-	246,798	-
80938	AMBULANCE PER HGAC CONTRACT AM10-20	246,798	-	246,798	-
80939	AMBULANCE PER HGAC CONTRACT AM10-20	246,798	-	246,798	-
81006	LANGAN PK DRINKING FOUNTAINS D7	300,626	-	300,626	-
81015	AZALEA/PLEASANT VALLEY/SAGE	66,172	-	-	66,172
81018	CENTRAL FIRE DEPT WINDOWS	-	314	-	314
81022	BUSH PARK BASEBALL FIELD	6,665	-	6,665	-
81024	LANGAN PARK TURF FOOTBALL FIELD	20,422	5,900	-	26,322
81028	PUBLIC WORKS SECURITY IMPROV	157,559	42,780	-	200,339
81031	FIRE TRAINING FACILITY REHAB	78,562	221,225	-	299,787
81032	BEAUREGARD ST BRIDGE	39,378	1,111,738	-	1,151,116
81033	CYBER-GULF COAST TECH CTR	66,526	71,988	-	138,514
81034	MEDAL OF HONOR PK-CONC/RESTROOMS	672,678	257,156	-	929,834
81037	POLICE IMPOUND LOT FENCING	373	127,665	128,038	-
81039	TRAFFIC SIGNAL GENERATORS	78,571	79,196	-	157,767
81040	CHURCH ST GRAVEYARD HURRICANE	173	-	173	-
81042	GULFQUEST SKYLIGHT FILM REPLACEMENT	81	-	81	-
81043	FS 16 EMERGENCY GENERATOR	-	895	-	895
81046	CIP 2019 ROADWAY STRIPING	3,567	824,708	828,275	-
81048	POLICE HQ GENERATOR	135,164	-	135,164	-
81049	PARKS-LAVRETTA PARK IMPROV-DIST 7	6,496	173	-	6,669
81057	CONV CTR-LED LIGHTING REPLACEMENT	7,139	185,189	-	192,328
81058	CONVENTION CTR-MECHANICAL UPGRADES	-	79,456	-	79,456
81061	CONVENTION CTR - FLOOD PROTECTION	564	-	564	-
81062	CONV CTR - REPLACE MARQUEE/INFO BDS	-	2,250	-	2,250
81067	BIENVILLE AND CATHEDRAL SQUARE	73,980	-	73,980	-
81069	GIS EQUIPMENT AND TECHNOLOGY	2,638	4,712	7,350	-



Asset	Project	Balance, 09/30/2021	Additions	Deductions	Balance, 09/30/2022
81070	REAL ESTATE DEPT-CAP ACCT	\$ 29,600	\$ -	\$ 29,600	\$ -
81071	RE-ROOF VAR CITY FACILITIES GROUP 1	1,645	-	1,645	-
81073	CRUISE TERMINAL-SPRINKLER SYS REPL	82,527	-	82,527	-
81074	CRUISE TERMINAL PARKING DECK RESTR	2,880	-	2,880	-
81076	MOBILE AL CRUISE TERMINAL-SYS UPGRA	27,000	120,200	-	147,200
81089	SPORTS HALL OF FAME COURTYARD	-	314,990	-	314,990
81091	FS #28 (BERGER)-KITCHEN/COUNTERTOPS	-	15,820	15,820	-
81092	AZALEA CITY GOLF COURSE-DRIVING RANGE	-	5,281	-	5,281
81093	AZALEA CITY GOLF COURSE-EQUIP COVER	-	3,506	-	3,506
81097	GULFQUEST CRUISE TERMINAL DOCK IMP	21,500	69,316	-	90,816
81098	CRUISE TERMINAL GANGWAY IMPROV	-	6,419	-	6,419
81099	GREENWAY TRAIL SEC 1 & 2	5,600	256,079	-	261,679
81102	MIMS PARK COMBO FIELD IMPROVEMENTS	-	638,287	-	638,287
81103	PARKS-LANGAN PARK AMPHITHEATRE	-	93,060	-	93,060
81105	AFRICATOWN MICRO MUSEUM	250,000	-	250,000	-
81108	CIP PARKS-TRIMMIER PK STADIUM IMPROVE	264	42,750	-	43,014
81109	CIP PARKS-TAYLOR PARK POOL AND GYM	7,357	156,289	-	163,646
81110	CIP PARKS-PUBLIC SAFETY MEMORIAL PK	71,346	-	71,346	-
81111	CIP PARKS-HACKMEYER PARK	19,750	60,212	-	79,962
81112	CIP PK-FIGURES COMBO FIELD-PRES BOX	-	10,336	-	10,336
81115	CIP PARKS-SEALS PK FIELD DRAINAGE	5,200	38,113	-	43,313
81116	CIP PARKS-CRAWFORD PLAYGROUND	-	373,340	373,340	-
81117	CIP PARKS-HARMON REPL HVAC	5,746	-	-	5,746
81118	CIP WOODCOCK CK US90 DRAINAGE	1,648	995,226	-	996,874
81119	CIP AZALEA RD COMPLEX BIC ADULT CTR	712	157,686	-	158,398
81121	CIP 2021 PUBLIC WORKS CONCRETE REP	-	13,749	-	13,749
81122	CIP 2021 RESURFACING PROJECTS	328,305	8,676,276	-	9,004,581
81129	TIF DOWNTOWN NEW STREET SIGNS	24,751	9,467	-	34,218
81131	TIF DOWNTOWN DECORATIVE SIGN POSTS	87,440	109,300	-	196,740
81132	TIF DOWNTOWN LIGHTING LED CONVERSION	346,820	-	-	346,820
81133	HISTORY MUSEUM RE-ROOFING	466,374	14,819	481,193	-
81134	MATTHEWS PARK-FIELD A LIGHTING IMPRV	3,200	95,573	-	98,773
81167	DEMERS CRESTLINE AMBULANCE	170,223	-	170,223	-
81197	PIERCE ENFORCER LADDER TRUCK	-	1,116,357	-	1,116,357
81213	VIRTUAL COURT SYSTEM	-	811,052	-	811,052
81214	PIERCE ENFORCER PUMPER TRUCK	-	618,205	-	618,205
81215	PIERCE ENFORCER PUMPER TRUCK	-	618,205	-	618,205
81222	CIP 2021 SIDEWALK IMPROVEMENTS	-	593,829	-	593,829
81234	SAENGER THEATER MECHANICAL UPGRADES	-	907,939	907,939	-
81235	AFRICATOWN WELCOME CENTER	-	58,802	-	58,802
81237	ANIMAL SHELTER-KENNEL BUILDING	-	19,381	-	19,381
81243	CIP 2022 RESURFACING	-	376,513	-	376,513
81244	CIP PARKS-PUBLIC SAFETY MEMORIAL PK	-	54,130	-	54,130
81246	WAC - RECYCLING CENTER	-	235	-	235
81247	BROOKLEY BY THE BAY	-	136,620	-	136,620
81249	BEN MAY MAIN LIBRARY-EXTERIOR IMPRV	-	318	-	318
81250	CIP HWY 90 SIGNAL IMPROVEMENTS	-	250,000	250,000	-
81255	CIP SPRINGHILL AVE SIGNAL IMPROVEME	-	250,000	250,000	-
81256	MOBILE MUSEUM OF ART-PWR & HVAC IMP	-	115,727	-	115,727
81258	CIP MILL ST PK DRAINAGE & PLAYGROUND	-	18,550	-	18,550
81259	PUBL SERV-FUELING STATION DISP UPGR	-	6,500	-	6,500
81262	SCHILLINGER RD SIGNAL IMPROVEMENTS	-	45,991	-	45,991
81263	TIF DOWNTOWN STREETScape IMPROVEMEN	-	363,315	-	363,315
81264	WWI BUGLE BOY STATUE	-	98,604	-	98,604
81268	1ST PRECINCT BACKUP GENERATOR, ETC.	-	87,665	-	87,665
81273	MOUNTING UNIT - NEW TRAINING CTR	-	746	-	746
81279	SAENGER THEATER OVERHEAD DOORS	-	64,914	-	64,914
81286	RIVERFRONT REDEVELOPMENT PROJ. PLAN	-	41,394	-	41,394
81304	FIRESTORM 43/44MK II FIREBOAT	-	125,731	-	125,731



Asset	Project	Balance, 09/30/2021	Additions	Deductions	Balance, 09/30/2022
81320	BROAD ST. MICHIGAN TO 15TH	\$ -	\$ 260,714	\$ 260,714	\$ -
81321	BROAD ST 15TH ST TO I-10	-	1,310,260	1,310,260	-
81337	MIT-ROOF REPLACEMENT & EXTERIOR IMP	-	17,403	-	17,403
81338	WOLF RIDGE/BEAU TERRA FRTGE SIDEWAL	-	5,203	-	5,203
81339	CIP SEALS & CRWFD PKS PIKLEBAL/TENN	-	72	-	72
81340	TAP PROJ-SIDEWALKS-MYRTLEWOOD	-	200,248	-	200,248
81341	ANIMAL SHELTER FACILITY	-	48	-	48
		<u>\$111,705,771</u>	<u>\$ 42,539,767</u>	<u>\$37,083,394</u>	<u>\$ 117,162,144</u>

Depreciation expense was charged to governmental activities as follows:

Governmental Function	Depreciation Expense
General government	\$ 19,608,066
Economic development	28,363
Public safety	5,709,302
Public works	2,702,156
Engineering, development & Build Mobile	233,711
Culture & recreation	4,240,923
Finance	16,536
Total depreciation expense	<u>\$ 32,539,057</u>

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2022:

	Balance, Beginning	Additions	Deductions	Balance, Ending
Capital assets, not depreciated				
Land	\$ 10,995,592	\$ 548,350	\$ -	\$ 11,543,942
Subtotal	<u>10,995,592</u>	<u>548,350</u>	<u>-</u>	<u>11,543,942</u>
Capital assets, depreciated				
Buildings	126,442,155	15,540	-	126,457,695
Improvements other than buildings	18,389,684	371,000	575,130	18,185,554
Vehicular equipment	13,227,613	4,074,195	1,017,822	16,283,986
Other equipment	5,608,386	348,519	31,041	5,925,864
Subtotal	<u>163,667,838</u>	<u>4,809,254</u>	<u>1,623,993</u>	<u>166,853,099</u>
Accumulated Depreciation				
Buildings	69,456,765	2,391,221	-	71,847,986
Improvements other than buildings	13,712,632	460,632	517,617	13,655,647
Vehicular equipment	7,207,647	1,303,523	1,009,914	7,501,256
Other equipment	4,205,319	300,465	29,083	4,476,701
Subtotal	<u>94,582,363</u>	<u>4,455,841</u>	<u>1,556,614</u>	<u>97,481,590</u>
Depreciable capital assets, net	<u>69,085,475</u>	<u>353,413</u>	<u>67,379</u>	<u>69,371,509</u>
Total capital assets, net excluding lease assets	<u>\$ 80,081,067</u>	<u>\$ 901,763</u>	<u>\$ 67,379</u>	<u>\$ 80,915,451</u>

Approximately \$3.9 million (cost of \$12.0 million and accumulated depreciation of \$8.1 million) of the Municipal Parking Garage property is leased to others as of September 30, 2022. (See Note 12)



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

Fund	Depreciation Expense
Civic center	\$ 182,156
Convention center	1,367,397
Cruise terminal	400,570
WAVE transit	1,862,089
Parking garage	201,644
Emergency medical services	85,276
Golf course	158,745
Tennis center	9,257
Saenger theater	188,707
Total depreciation expense	<u>\$ 4,455,841</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, 2022:

Bond/Warrant	Principal Balance
\$13,715,000; 2011 General Obligation Private Placement Warrants; due annually with interest payable semi-annually 2.84% per annum; maturing February 12, 2026	\$ 2,425,000
\$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	23,857,000
\$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	12,930,000
\$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	50,545,000
\$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	805,000
\$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	45,055,000
\$24,350,000; 2018A General Obligation Warrants; due annually with interest payable semi-annually at 5.00% per annum, maturing February 15, 2028	14,775,000
\$5,220,000; 2020 General Obligation Warrants; due annually with interest payable semi-annually at 5.00% per annum, maturing February 15, 2030	5,220,000
Total bonds/warrants payable	<u>\$ 155,612,000</u>



Note Payable	Principal Balance
\$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%	575,000
\$2,000,000; note payable to Hancock Whitney Bank, annual principal payments of \$400,000 through December 2022, no related interest payments.	400,000
Total notes payable	<u>\$ 975,000</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:

Bonds/Warrants Payable			
Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 18,314,000	\$ 5,644,223	\$ 23,958,223
2024	18,267,000	5,074,276	23,341,276
2025	18,943,000	4,413,041	23,356,041
2026	19,636,000	3,716,031	23,352,031
2027	19,719,000	2,989,195	22,708,195
2028-2030	60,733,000	4,046,938	64,779,938
Subtotals	155,612,000	25,883,704	181,495,704
Plus: Bond premium	7,639,886	(7,639,886)	-
Totals	<u>\$ 163,251,886</u>	<u>\$ 18,243,818</u>	<u>\$ 181,495,704</u>

Notes Payable			
Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 585,000	\$ 15,389	\$ 600,389
2024	190,000	10,545	200,545
2025	200,000	5,476	205,476
Totals	<u>\$ 975,000</u>	<u>\$ 31,410</u>	<u>\$ 1,006,410</u>



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, 2022:

	Balance, October 1, 2021	Additions	Deductions	Balance, September 30, 2022	Due Within One Year
<u>Governmental Activities</u>					
General & limited					
obligation bonds/warrants	\$172,599,000	\$ -	\$ 16,987,000	\$ 155,612,000	\$18,314,000
Plus: Bond premium	8,670,684	-	1,030,798	7,639,886	-
Total general & limited					
obligation bonds/ warrants	181,269,684	-	18,017,798	163,251,886	18,314,000
Notes payable	1,660,000	-	685,000	975,000	585,000
Compensated absences	12,453,294	3,034,017	2,390,815	13,096,496	2,390,815
Self-insured legal liability	368,198	862,954	786,502	444,650	-
Insurance claims	25,675,802	24,995,620	27,385,160	23,286,262	4,689,651
Landfill postclosure liability	401,545	-	60,679	340,866	63,106
OPEB liability	165,622,313	27,474,610	19,843,073	173,253,850	-
Net pension liability	126,200,232	49,756,505	112,792,266	63,164,471	-
Total governmental					
activities	513,651,068	106,123,706	181,961,293	437,813,481	26,042,572
<u>Business-type Activities</u>					
Compensated absences	491,129	562,426	532,893	520,662	125,136
Net pension liability	5,043,096	7,584,554	8,275,212	4,352,438	-
Total business-type activities	5,534,225	8,146,980	8,808,105	4,873,100	125,136
Total primary government	\$519,185,293	\$114,270,686	\$190,769,398	\$442,686,581	\$26,167,708

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, 2022, the permissible debt limit exceeded actual debt by approximately \$691.3 million.

NOTE 9 - LEASES

A lease is a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of such nonfinancial assets include buildings, land, vehicles, and equipment. The City elects to recognize leases with an initial, individual value of \$250,000 or more for all funds, based on the future lease payments remaining at the start of the lease.



Operating Leases – City as Lessee

The City has obtained office space and certain machinery through long-term operating leases. The terms and conditions for these leases vary. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements.

At the commencement of a lease, if the lease is over the threshold, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) the lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses 4% APR.
- The lease term is the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise, if applicable.

The City monitors changes in circumstances that would require a remeasurement of the leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

At September 30, 2022, these operating leases consisted of the following:

Governmental Activities	Balance at Oct. 1, 2021	Additions	Retirements	Balance at September 30, 2022
Right-of-use lease assets				
Right-of-use - land	\$ 652,504	\$ -	\$ -	\$ 652,504
Right-of-use - buildings	13,602,637	4,697,412	-	18,300,049
Total leases	<u>14,255,141</u>	<u>4,697,412</u>	<u>-</u>	<u>18,952,553</u>
Less accumulated amortization for:				
Right-of-use - land	-	34,507	-	34,507
Right-of-use - buildings	-	1,466,965	-	1,466,965
Total accumulated amortization	<u>-</u>	<u>1,501,472</u>	<u>-</u>	<u>1,501,472</u>
Governmental right-of-use lease assets, net	<u>\$ 14,255,141</u>	<u>\$ 3,195,940</u>	<u>\$ -</u>	<u>\$ 17,451,081</u>

Principal and interest requirements to maturity for the lease liability at September 30, 2022 are as follows:

Year ended September 30	Governmental Activities		
	Principal	Interest	Total
2023	\$ 1,530,295	\$ 656,693	\$ 2,186,988
2024	1,597,330	612,330	2,209,660
2025	1,663,992	547,206	2,211,198
2026	1,747,195	479,176	2,226,371
2027	1,823,548	407,810	2,231,358
Thereafter	9,202,572	1,482,347	10,684,919
Total	<u>\$ 17,564,932</u>	<u>\$ 4,185,562</u>	<u>\$ 21,750,494</u>



Operating Leases – City as Lessor

The City is a lessor for leases of certain land and buildings. If the lease is over the threshold, the City recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) the lease term, and (3) lease receipts as follows:

- The City uses 4% APR as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of base payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

For the year ended September 30, 2022, payments are as follows:

Governmental Activities	Fixed Payments
Rentals, buildings	\$ 100,000
Total	<u>\$ 100,000</u>

Principal and interest to maturity for the lease receivable at September 30, 2022 are as follows:

Governmental Activities			
Year ended September 30	Principal	Interest	Total
2023	\$ 19,858	\$ 80,142	\$ 100,000
2024	20,667	79,333	100,000
2025	21,509	78,491	100,000
2026	22,385	77,615	100,000
2027	23,297	76,703	100,000
Thereafter	1,904,873	2,036,798	3,941,671
Total	<u>\$ 2,012,589</u>	<u>\$ 2,429,082</u>	<u>\$ 4,441,671</u>



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)	\$ 5,795,814
Police and Firefighters Retirement Plan (PFFRP)	17,708,866
Transit Workers Pension Plan (TWPP)	760,655
General Municipal Employee Pension Trust Fund (GMEPTF)	6,796
Total	\$ 24,272,131

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.

	ERSA	PFFRP	TWPP	GMEPTF	Total
Total Pension Liability	\$234,950,942	\$296,922,214	\$20,038,299	\$ -	\$551,911,455
Plan Fiduciary Net Position	185,012,157	282,546,469	16,835,920	-	484,394,546
Net Pension Liability	<u>\$ 49,938,785</u>	<u>\$ 14,375,745</u>	<u>\$ 3,202,379</u>	<u>\$ -</u>	<u>\$67,516,909</u>
Deferred Outflows of Resources	\$ 11,684,901	\$ 35,553,957	\$ 3,247,254	\$ -	\$ 50,486,112
Deferred Inflows of Resources	16,379,665	26,625,403	2,348,497	-	45,353,565
Pension Expense/Expenditures	2,821,550	122,717	362,467	6,796	3,313,530



Employees' Retirement System of Alabama

General Plan Information

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

Plan description. The Employees' Retirement System of Alabama (ERS), an 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 which consists of 15 trustees. Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control Effective October 1, 2021. The Plan is administered by the 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.

The ERS Board of Control consists of 15 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. Eight 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 a public agency each of whom is an active beneficiary of ERS.
 - b. Two vested active state employees.
 - c. One full time employee of a participating municipality or city in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - d. One full time employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - e. One full time employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
 - f. One full time employee of a participating employer other than a municipality, city or county in ERS pursuant to the *Code of Alabama 1975, 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 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.



Act 132 of the Legislature of 2019 allowed employers who participate in the ERS pursuant to *Code of Alabama 1975, Section 36-27-6* to provide Tier 1 retirement benefits to their Tier 2 members. Tier 2 members of employers adopting Act 2019-132 will contribute 7.5% of earnable compensation. On September 8, 2020, the Mobile City Council adopted Resolution 60-659-2020 in which the City elected to provide Tier 1 retirement benefits to its Tier 2 members.

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.

Members 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.

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 equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

Membership. The ERS serves approximately 853 local participating employers. City of Mobile ERS membership as of September 30, 2021 consisted of:

Category	Members
Retired members or their beneficiaries	
currently receiving benefits	833
Vested inactive members	38
Non-vested inactive members	222
Active members	1,038
Post-DROP retired members still in active service	5
Total	2,136

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 7.5% of their earnable compensation to the Plan. 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.

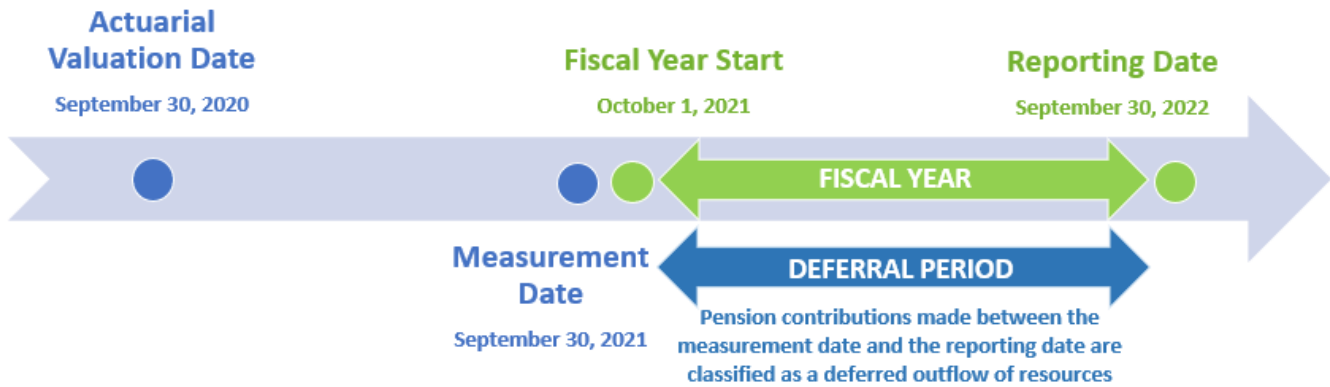
The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the preretirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2022, the City's average active employee contribution rate was 6.01% percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 11.47% of covered payroll.



The City's contractually required contribution rate for Tier 1 employer contributions during fiscal 2022 were based on 12.23% of pensionable pay. Tier 2 employer contributions during fiscal 2022 were based on 10.61% of pensionable pay. These required contribution rates are based upon the actuarial valuation dated September 30, 2019, 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 2022 amounted to \$8,802,217 of which \$5,795,814 and \$3,006,403 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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2020 rolled forward to September 30, 2021 using standard roll-forward techniques shown in the following table:

Roll-Forward of the Total Pension Liability	Expected	Actual Before Act 2019-132	Actual After Act 2019-132	Actual After 2020 Experience Study
Total pension liability as of September 30, 2020 (a)	\$ 227,059,380	\$ 224,470,013	\$ 224,470,013	\$230,475,446
Discount rate (b)	7.70%	7.70%	7.70%	7.45%
Entry Age Normal Cost for October 1, 2020 - September 30, 2021 (c)	3,725,374	3,725,374	3,725,374	4,020,824
Transfers among employers (d)	-	151,239	151,239	151,239
Actual Benefit Payments and Refunds for October 1, 2020 - September 30, 2021 (e)	(16,261,256)	(16,261,256)	(16,261,256)	(16,261,256)
Total Pension Liability as of September 30, 2021 [(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))]	<u>\$ 231,381,012</u>	<u>\$ 228,743,503</u>	<u>\$ 228,743,503</u>	<u>\$234,950,942</u>
Difference between Expected and Actual Experience		\$ (2,637,509)		
Less: Liability Transferred for Immediate Recognition		151,239		
Experience (Gain)/Loss (i) = (g) - (h)		\$ (2,788,748)		
Difference between Actual TPL Before and After Act 2019-132 - Benefit Change (Gain)/Loss			\$ -	
Difference between Actual TPL Before and After 2020 Experience Study – Assumption Change (Gain)/Loss				\$ 6,207,439



Actuarial assumptions. The total pension liability as of September 30, 2021 was based on the September 30, 2020 annual actuarial funding valuation. The key actuarial assumptions are summarized below:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	26.4 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	3.25% - 6.00%
Investment rate of return	7.45%, including inflation

Mortality rates were based on the Pub-2010 Below-Median Tables, projected generationally using the MP-2020 scale, which is adjusted by 66-2/3% beginning with year 2019.

The actuarial assumptions used in the September 30, 2020 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020.

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	15.00%	2.80%
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%	9.00%
Real estate	10.00%	6.50%
Cash	5.00%	1.50%
Total	<u>100.00%</u>	

**Includes assumed rate of inflation of 2.00%*

Discount rate. The discount rate used to measure the total pension liability was the long-term rate of return, 7.45%. 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 9/30/2020	\$ 227,059,380	\$ 158,854,771	\$ 68,204,609
Changes for the year:			
Service cost	3,725,374	-	3,725,374
Interest	16,857,514	-	16,857,514
Changes in assumptions	6,207,439	-	6,207,439
Differences between expected and actual experience	(2,788,748)	-	(2,788,748)
Contributions-employer	-	5,067,424	(5,067,424)
Contributions-employee	-	2,835,114	(2,835,114)
Net investment income	-	34,364,865	(34,364,865)
Benefit payments, including refunds of employee contributions	(16,261,256)	(16,261,256)	-
Administrative expense	-	-	-
Transfers among employers	151,239	151,239	-
Net changes	7,891,562	26,157,386	(18,265,824)
Balances at 9/30/2021	\$ 234,950,942	\$ 185,012,157	\$ 49,938,785

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 7.45%, 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 (6.45%) or 1-percentage-point higher (8.45%) than the current rate (dollar amounts in thousands):

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Net Pension Liability	\$ 74,145,675	\$ 49,938,785	\$ 29,304,751

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued RSA Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2021.

The auditor’s report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov/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, 2022 the City recognized pension expense (income) of \$2,821,550.

Components of pension expense are as follows:	
Service cost	\$ 3,725,374
Interest on the total pension liability	16,857,514
Current-period benefit changes	-
Expensed portion of the current-period difference between expected and actual experience	(648,546)
Expensed portion of current-period changes of assumptions	1,443,590
Member contributions	(2,835,114)
Projected earnings on plan investments	(11,915,829)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(4,489,807)
Transfers among employers	-
Recognition of beginning deferred outflows as pension expense	1,684,781
Recognition of beginning deferred inflows as pension expense	(1,000,413)
Pension Expense (Income)	<u>\$ 2,821,550</u>

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to ERS pension of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,105,987	\$ 3,061,970
Changes of assumptions or other inputs	4,968,634	-
Net difference between projected and actual earnings on pension plan investments	-	13,317,695
Employer contributions subsequent to the measurement date*	<u>5,610,280</u>	<u>-</u>
Total	<u>\$ 11,684,901</u>	<u>\$ 16,379,665</u>

**Employer contributions made from 10/01/2021-09/30/2022, related to normal and accrued liability components of employer rate net of any refunds or error service payments. These amounts will be recognized in 2023 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
2023	\$ 2,109,203	\$ 3,967,931	\$ (1,858,728)
2024	1,904,418	3,202,662	(1,298,244)
2025	1,627,921	4,524,700	(2,896,779)
2026	433,079	4,684,372	(4,251,293)
2027	-	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,074,621</u>	<u>\$ 16,379,665</u>	<u>\$ (10,305,044)</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 DROP program. 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.

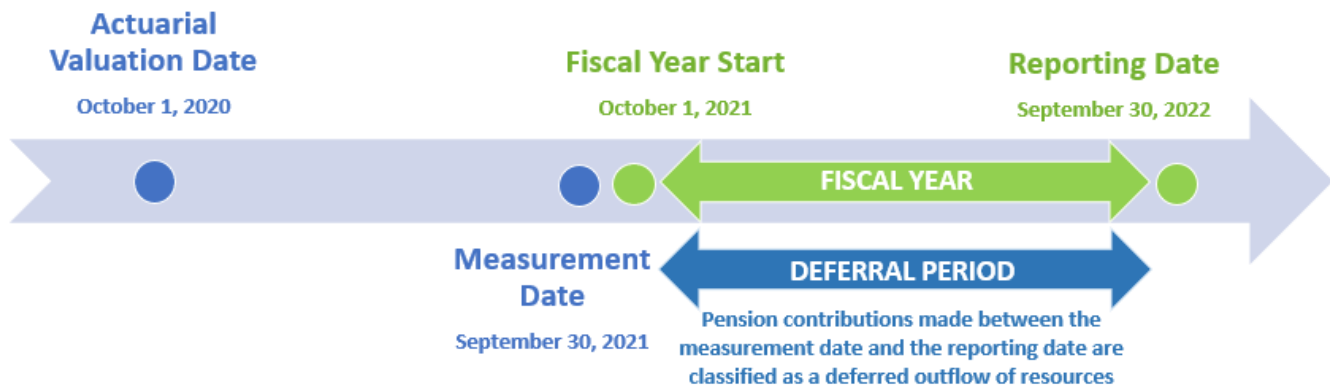
For the year ended September 30, 2022, the City's active employee contribution rate was 8% of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 40.6% of covered payroll. Total contributions to the Plan during fiscal year 2022 amounted to \$21,190,973 of which \$17,708,866 and \$3,482,107 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, 2021, according to the actuarial valuation, was comprised of the following:

Category	Members
Retired members or their beneficiaries	
currently receiving benefits	728
Vested terminated employees	31
Active employees	940
Total	<u>1,699</u>

Net Pension Liability



The City's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020 rolled forward to September 30, 2021 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, 2020 valuation were based on results of an actuarial experience study for the period October 1, 2010 through September 30, 2020.

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 PUB-2010 Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2020.

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.

Non-investment expenses are assumed to be 0.25% of covered payroll.

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 9/30/2020	\$ 292,549,638	\$ 229,510,919	\$ 63,038,719
Changes for the year:			
Service cost	1,965,869	-	1,965,869
Expected interest growth	20,876,201	16,903,897	3,972,304
Unexpected investment income	-	33,247,461	(33,247,461)
Demographic experience	2,120,800	-	2,120,800
Contributions-employer	-	19,592,254	(19,592,254)
Contributions-employee	-	3,337,141	(3,337,141)
Benefit payments, including refunds of employee contributions	(20,044,836)	(20,044,836)	-
Administrative expense	-	(367)	367
Changes in benefit terms	-	-	-
Assumption changes	(545,458)	-	(545,458)
Net changes	4,372,576	53,035,550	(48,662,974)
Balances at 9/30/2021	\$ 296,922,214	\$ 282,546,469	\$ 14,375,745

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	\$ 48,978,299	\$ 14,375,745	\$ (13,907,793)

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, 2022 the City recognized pension expense (income) of \$122,717.

Components of pension expense (income) are as follows:	
Service cost	\$ 1,965,869
Expected interest growth	3,972,304
Investment gain/loss	(5,972,214)
Demographic gain/loss	2,843,316
Employee contributions	(3,337,141)
Benefit payments and refunds	-
Administrative expenses	367
Changes in benefit terms	-
Changes in assumptions or other inputs	650,216
Pension Expense (Income)	<u>\$ 122,717</u>

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to PFFRP of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,681,415	\$ 1,598,311
Changes of assumptions or other inputs	5,163,676	4,361,108
Net difference between projected and actual earnings on pension plan investments	-	20,665,984
Employer contributions subsequent to the measurement date*	17,708,866	-
Total	<u>\$ 35,553,957</u>	<u>\$ 26,625,403</u>

**Employer contributions made from 10/01/2021-09/30/2022, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amount will be recognized in 2023 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
2023	\$ 4,461,615	\$ 5,308,401	\$ (846,786)
2024	4,461,615	4,882,552	(420,937)
2025	4,166,299	6,729,789	(2,563,490)
2026	2,895,210	7,617,576	(4,722,366)
2027	1,219,271	968,081	251,190
Thereafter	641,081	1,119,004	(477,923)
	<u>\$ 17,845,091</u>	<u>\$ 26,625,403</u>	<u>\$ (8,780,312)</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, 2022, 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, 2022, 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, 2022 were \$6,796.

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 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 \$45,000 per year to finance the administrative expenses of the Plan, exclusive of investment expenses and commissions. 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.

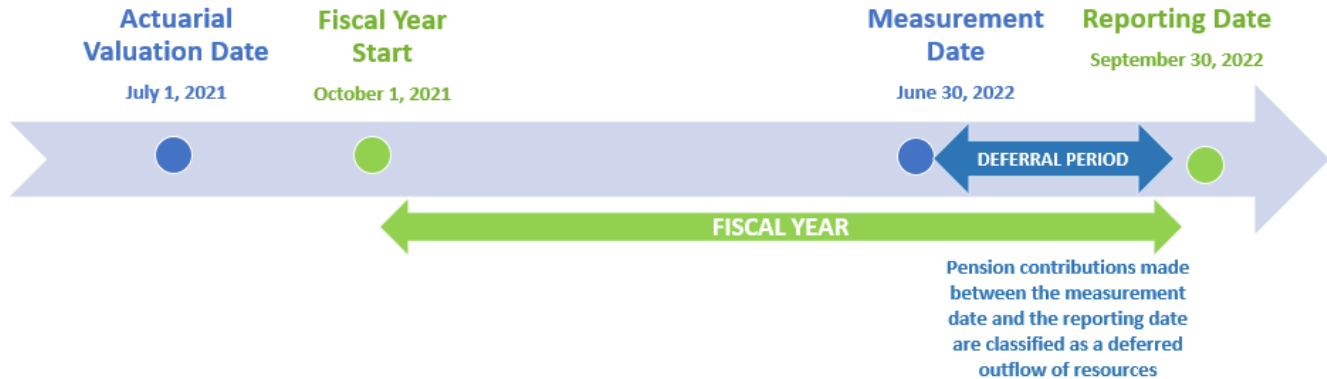
For the year ended September 30, 2022, the City's active employee contribution rate was 5% of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 19.57% of covered payroll. Total contributions to the pension plan during plan fiscal year 2022 amounted to \$1,003,932 of which \$760,655 and \$243,277 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, 2021, according to the latest actuarial valuations, was comprised of the following:

Category	Members
Retired members or their beneficiaries	
currently receiving benefits	61
Vested terminated employees	5
Active employees	101
Total	167



Net Pension Liability



The City's net pension liability was measured as of June 30, 2022, 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, 2022
Actuarial valuation date	July 1, 2021
Discount rate	5.26%
Inflation	2.00%
Salary increases	4.00%
Investment rate of return	4.65%
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	No assumptions were changed since the prior measurement date.

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, projected to the valuation year, 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.

Retirement has been assumed to occur at normal retirement age.

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>	3.26%

Changes in Net Pension Liability

Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2021:	\$ 19,144,779	\$ 19,233,045	\$ (88,266)
Changes for the year:			
Service cost	883,252	-	883,252
Interest	1,030,794	(2,609,013)	3,639,807
Differences between expected and actual experience	(275,759)	-	(275,759)
Contributions-employer	-	760,655	(760,655)
Contributions-employee	-	243,277	(243,277)
Benefit payments, including refunds of employee contributions	(744,767)	(744,767)	-
Administrative expense	-	(47,277)	47,277
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Net changes	<u>893,520</u>	<u>(2,397,125)</u>	<u>3,290,645</u>
Balances at 6/30/2022:	<u>\$ 20,038,299</u>	<u>\$ 16,835,920</u>	<u>\$ 3,202,379</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	\$ 5,814,672	\$ 3,202,379	\$ 1,039,763



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, 2022 the City recognized pension expense (income) of 362,467.

Components of pension expense are as follows:	
Service cost	\$ 883,252
Expected interest growth	13,635
Investment gain/loss	21,461
Demographic gain/loss	(64,368)
Employee contributions	(243,277)
Administrative expenses	47,277
Changes in benefit terms	-
Changes in assumptions or other inputs	(295,513)
Pension Expense (Income)	<u>\$ 362,467</u>

At September 30, 2022, 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, 2021	\$ 612,478	\$ 3,402,554
Amortization payments	(991,396)	(1,329,816)
Prior year employer contributions paid subsequent to the measurement date (07/01/20-09/30/20)	(150,000)	-
Investment gain/loss	3,626,172	-
Demographic gain/loss	-	275,759
Changes in assumptions or other inputs	-	-
Employer contributions subsequent to the measurement date*	150,000	-
Balance as of September 30, 2021	<u>\$ 3,247,254</u>	<u>\$ 2,348,497</u>

**Employer contributions made from 07/01/2022-09/30/2022, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amount will be recognized in 2023 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
2023	\$ 121,352	\$ 173,382	\$ (52,030)
2024	820	(26,405)	27,225
2025	-	(48,326)	48,326
2026	-	(725,236)	725,236
2027	-	-	-
Thereafter	-	-	-
	<u>\$ 122,172</u>	<u>\$ (626,585)</u>	<u>\$ 748,757</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, retiree dependent life insurance is equal to \$2,000 for each covered dependent. There is no retiree life insurance coverage for those who retire after 2022. 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 \$100,000.

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	1,148
Active employees	1,026
Total	2,174

Contributions. Retirees must pay the required monthly contribution for either single or family coverage, as applicable. During fiscal year 2022, 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 \$678 per month for single coverage and \$1,772 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.

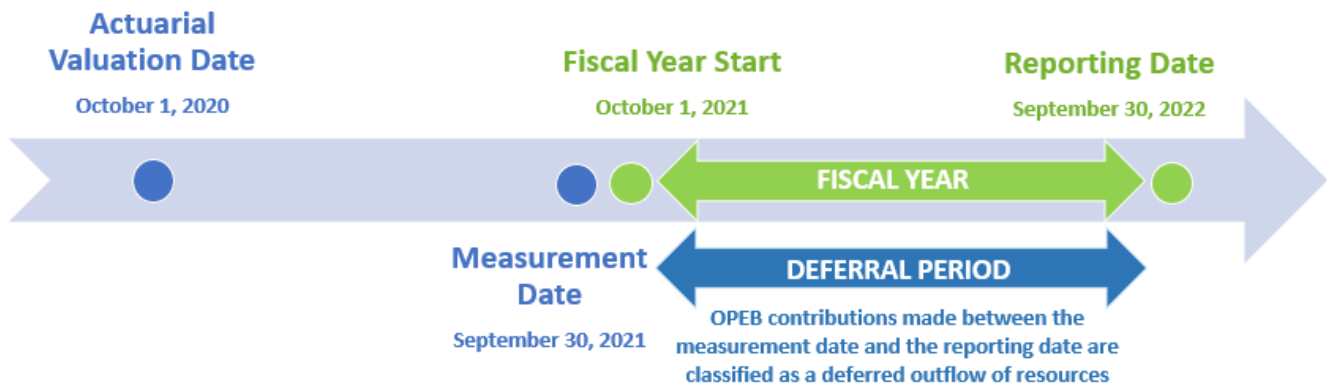
The City establishes rates based on an annual valuation made by an independent consultant. The City's policy is to use the Blue Cross Blue Shield projected cost to develop the funding rates which in turn set the employee/retiree and other agency/COBRA monthly premium rates.

For Medicare-eligible retirees, the Medicare Advantage Plan is fully-insured and underwritten by Humana. The 2022 Medicare Advantage Plan rate is \$154.65. 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 2022, those retiree-related costs totaled approximately \$3,839,413 and the liability for incurred and not paid claims totaled \$2,076,000.

Total contributions to the Plan in fiscal year 2022 amounted to \$6,510,187 of which \$3,839,413 and \$2,670,774 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, 2020
Measurement date	September 30, 2021
Discount rate	2.43% per annum, 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	8.0% for the 2020/21 fiscal year downgraded by 0.50% per year to 5.00% for the 2026/27 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 \$7,962.86 for a 62-year old participant during the period October 1, 2020 through September 30, 2021; dental claims are assumed to be \$250 for each individual during the same period; the healthcare claims amount was developed based on actual retiree claims experience, the dental claims amount was developed based on plan experience for all participants.
Administrative expenses	Administrative expenses are assumed to be \$550 for each participant (without regard to whether the participant has elected single or family coverage) for the period October 1, 2020 through September 30, 2021.
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-2020; 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 2.14% per annum to 2.43% per annum, the healthcare cost trend rates were increased from 6.00% for the 2020/21 fiscal year graded down to 5.00% for the 2022/23 and later fiscal years to the amounts shown above, and the per capital healthcare claims cost at age 62 for the 2020/21 fiscal year was decreased from \$9,110.86 to \$7,962.86, per member.

Changes in the Total OPEB Liability

Changes in Total OPEB Liability	Total OPEB Liability (a)
Balance at 9/30/2020:	\$ 165,622,313
Changes for the year:	
Service cost	4,696,223
Expected interest growth	4,061,568
Unexpected investment income	-
Demographic experience	14,781,348
Contributions-employer	-
Contributions-employee	-
Benefit payments, including refunds of employee contributions	(6,390,022)
Administrative expense	-
Changes in benefit terms	(13,453,051)
Assumption changes	3,935,471
Net changes	7,631,537
Balance at 9/30/2021:	\$ 173,253,850

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 2.43%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.43%) or 1-percentage point higher (3.43%) than the current rate:

	1% Decrease (1.43%)	Current Discount Rate (2.43%)	1% Increase (3.43%)
Total OPEB Liability	\$ 193,941,776	\$ 173,253,850	\$ 155,769,452



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 (8.00% 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 (8.0% graded down to 5.0%)	1% Increase
Total OPEB Liability	\$ 161,213,996	\$ 173,253,850	\$ 187,321,042

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

For the year ended September 30, 2022, the City recognized OPEB expense (income) of (\$14,022,386).

Components of OPEB expense (income) are as follows:	
Service Cost	\$ 4,696,223
Expected interest growth	4,061,568
Investment gain/loss	-
Demographic gain/loss	(6,355,439)
Employee contributions	-
Benefit payments & refunds	(6,390,022)
Administrative expenses	-
Changes in benefit terms	(13,453,051)
Changes in assumptions or other inputs	3,418,335
OPEB Expense (Income)	<u>\$ (14,022,386)</u>

At September 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2020	\$ 41,791,302	\$ 57,991,685
Amortization payments	(14,925,184)	(17,862,288)
Prior year employer contributions paid subsequent to the measurement date (10/01/20-09/30/21)	(3,868,784)	
Investment gain/loss	-	-
Demographic gain/loss	14,781,348	-
Changes in assumptions or other inputs	3,935,471	-
Employer contributions subsequent to the measurement date*	3,839,413	-
Balance as of September 30, 2021	<u>\$ 45,553,566</u>	<u>\$ 40,129,397</u>

*Employer contributions made from 10/01/2021-09/30/2022, This amount will be recognized in 2023 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:

Year ended September 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2023	\$ 14,925,184	\$ 17,862,288	\$ (2,937,104)
2024	14,925,184	15,541,001	(615,817)
2025	10,123,674	6,726,108	3,397,566
2026	1,740,111	-	1,740,111
2027	-	-	-
Thereafter	-	-	-
	<u>\$ 41,714,153</u>	<u>\$ 40,129,397</u>	<u>\$ 1,584,756</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, 2022:

Activity	Restricted By	Amount
Capital Projects	Enabling Legislation	\$ 7,119,118
Capital Projects	Legal Restriction	6,528,361
Debt Service	Legal Restriction	502,186
Economic Development	Enabling Legislation	17,672,910
Grant Programs	Grant Agreements	8,419,470
Law Enforcement	Legal Restriction	1,310,080
Storm Water Management	Enabling Legislation	4,759,695
		<u>\$ 46,311,820</u>



NOTE 12 - SERVICE CONCESSION ARRANGEMENTParking 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, 2022 was \$3,150,510. 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 \$337,041 for fiscal year 2022 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 CONTINGENCIESJoint 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 December 2020, the City and County agreed to set the monthly rate for rent and expenses at \$125,000 per month effective October 2020 through September 2025.

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" totaled \$594,650. Consequently, the City has accrued this amount at September 30, 2022. Loss contingencies categorized as "reasonably possible" range between \$595,000 and \$7,130,000.

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, 2022 are disclosed for each major fund and for all other governmental funds in the aggregate.

Governmental Funds Encumbrances	Amount
Major Governmental Funds:	
General Fund	\$ 2,290,873
Capital Improvements Fund	57,547,300
American Rescue Plan Grants	6,894,621
Governmental Funds - Nonmajor	<u>6,970,426</u>
Total Governmental Funds Encumbrances	<u><u>\$ 73,703,220</u></u>

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 auto liability up to \$1,000,000 per incident/claim. The City utilizes insurance coverages over the \$1,000,000 self-insured retention with commercial insurance carriers up to certain limits as set in the coverages. As more fully discussed in Note 13, the City has determined and recorded an estimate of \$594,650 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, 2022 is \$21,210,262.

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, 2022 is \$2,076,000.



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				
2020-2021	\$ 675,698	\$ 701,903	\$ 1,009,403	\$ 368,198
2021-2022	368,198	862,954	786,502	444,650
Employee Health				
2020-2021	1,881,200	25,236,837	25,007,937	2,110,100
2021-2022	2,110,100	24,711,372	24,745,472	2,076,000
Workers' Compensation				
2020-2021	22,287,012	3,972,652	2,693,962	23,565,702
2021-2022	23,565,702	284,247	2,639,687	21,210,262

NOTE 15 - FUND DEFICITS OF NONMAJOR FUNDS

The following nonmajor funds had deficits in net position/fund balance of at September 30, 2022.

Internal Service Funds	
Liability Insurance	\$ (1,197,760)

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, 2022, 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 \$340,866 reported in the Statement of Net Position as a landfill postclosure liability at September 30, 2022 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 2022 was \$3,805,172.

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 \$375,000.

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 2022 fiscal year due to tax abatement agreements was \$805,492.

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 2022 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	American Rescue Plan Grants	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Inventory	\$ 3,121,145	\$ -	\$ -	\$ -	\$ 3,121,145
Prepaid items	18,644	-	-	-	18,644
Restricted					
Capital Projects	-	-	-	6,526,489	6,526,489
Debt Service	-	-	-	502,187	502,187
Grants	-	-	-	8,419,470	8,419,470
Law Enforcement	-	-	-	1,310,080	1,310,080
Road and Bridge					
Construction	-	-	-	3,048,316	3,048,316
Road and Bridge Repair	-	-	-	4,070,801	4,070,801
Committed					
Flood Management	-	-	-	85,466	85,466
Storm Water	-	-	-	4,759,695	4,759,695
Tax Increment Program	-	-	-	17,672,910	17,672,910
Assigned					
Athletic Fund	233,815	-	-	-	233,815
Capital Improvements	-	127,958,188	-	-	127,958,188
Designated and Donated	1,648,744	-	-	-	1,648,744
General Fund Encumbrances	2,289,228	-	-	-	2,289,228
Municipal Court	-	-	-	1,040,130	1,040,130
Unassigned	120,089,721	-	-	-	120,089,721
Total	<u>\$ 127,401,297</u>	<u>\$ 127,958,188</u>	<u>\$ -</u>	<u>\$ 47,435,544</u>	<u>\$ 302,795,029</u>



REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN THE MD&A





REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN THE MD&A

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

CITY OF MOBILE, ALABAMA
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended September 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 231,917,674	\$ 231,917,674	\$ 258,351,145	\$ 26,433,471
Licenses and permits	38,504,795	38,504,795	45,220,824	6,716,029
Intergovernmental	42,858	42,858	158,692	115,834
Charges for services	7,154,165	7,154,165	7,450,349	296,184
Fines and forfeitures	1,865,540	1,865,540	1,492,873	(372,667)
State and federal assistance	11,689	11,689	-	(11,689)
Investment income	737,104	737,104	587,893	(149,211)
Other revenue	121,374	121,374	495,974	374,600
Total revenues	280,355,199	280,355,199	313,757,750	33,402,551
EXPENDITURES				
Current:				
Departmental:				
General government				
311	413,679	413,679	367,627	46,052
Administrative services	308,839	308,839	254,082	54,757
Animal shelter	-	1,237,915	1,084,882	153,033
Archives	331,226	331,901	265,280	66,621
City clerk	753,815	768,735	676,172	92,563
City council	942,732	960,406	644,957	315,449
City council discretionary funds	525,000	382,785	363,437	19,348
City hall overhead	4,858,561	4,878,566	4,267,367	611,199
Communications and external affairs	530,707	543,650	410,390	133,260
Geographical information system	823,703	821,716	792,309	29,407
Human resources	888,864	893,416	798,365	95,051
Information technology	3,521,057	3,759,331	3,406,275	353,056
Legal	2,279,407	2,287,382	2,016,718	270,664
Mail room	105,723	105,723	101,472	4,251
Mayor's office	814,310	859,771	784,399	75,372
Mayor's office discretionary funds	75,000	75,000	74,000	1,000
Procurement	787,074	792,456	635,058	157,398
Strategic initiatives	442,710	442,710	340,305	102,405
Total General government	18,402,407	19,863,982	17,283,095	2,580,887
Culture and recreation				
Athletics	872,230	884,719	795,138	89,581
Community centers	2,465,893	2,486,701	2,362,202	124,499
GulfQuest museum	1,354,796	1,375,938	1,101,854	274,084
Mobile museum of art	2,345,868	2,395,064	2,012,959	382,105
Parks maintenance	4,220,984	4,442,212	3,932,856	509,356
Parks operations	2,788,747	2,800,362	2,851,285	(50,923)
Recreation administration	439,622	439,622	383,981	55,641
SAIL	54,899	54,593	52,037	2,556
Senior and community center	1,099,337	1,103,971	1,004,880	99,091
Total Culture and recreation	15,642,376	15,983,182	14,497,192	1,485,990

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Economic development				
Community engagement	432,654	483,256	444,359	38,897
Mobile film office	273,225	277,269	205,104	72,165
Special events	802,643	959,070	836,975	122,095
Total Economic development	1,508,522	1,719,596	1,486,438	233,158
Engineering, development & Build Mobile				
Architectural engineering	1,286,063	1,256,063	967,395	288,668
Build mobile services	146,796	146,796	132,633	14,163
Build mobile executive director	458,800	462,701	353,516	109,185
Building services	570,083	504,949	419,813	85,136
Engineering	2,195,275	2,165,603	1,978,868	186,735
Facility maintenance	4,145,914	4,445,532	4,108,541	336,991
Historic development	408,836	409,686	348,483	61,203
Inspection services	1,685,964	1,690,016	1,440,542	249,474
Municipal enforcement	1,471,349	1,480,688	1,344,252	136,436
Neighborhood development	528,635	778,635	644,698	133,937
Permitting	528,526	536,166	487,776	48,390
Planning and zoning	1,098,655	1,049,208	839,560	209,648
Real estate	291,494	289,994	259,888	30,106
Real estate asset management	423,753	423,473	343,270	80,203
ROW & land disturbance	1,230,403	1,116,165	940,677	175,488
Total Engineering, development & Build Mobile	16,470,546	16,755,674	14,609,912	2,145,762
Finance				
Accounting	1,005,980	1,006,985	893,098	113,887
Finance administration	738,894	738,894	654,074	84,820
Grants management	548,085	547,535	528,170	19,365
Police and fire pension administration	489,574	489,714	434,099	55,615
Revenue	1,977,192	1,989,174	1,695,043	294,131
Treasury	287,731	288,186	277,872	10,314
Total Finance	5,047,456	5,060,489	4,482,356	578,133
Public safety				
Fire	39,452,196	39,907,432	38,136,811	1,770,621
Mobile metro jail	10,400,000	10,400,000	11,151,595	(751,595)
Municipal court	3,318,032	3,241,740	3,084,447	157,293
Police	63,663,944	63,169,623	59,976,875	3,192,748
Public safety administration	418,292	424,542	394,313	30,229
Total Public safety	117,252,463	117,143,337	112,744,041	4,399,296
Public works				
Electrical	2,845,366	2,311,768	2,069,074	242,694
Fleet management-garage	3,201,876	3,731,262	2,933,525	797,737
Forestry	957,508	1,652,851	1,454,809	198,042
Program and project management	792,153	813,318	779,335	33,983
Public service administration	1,487,563	1,458,076	1,124,186	333,890
Public service maintenance	11,032,668	10,639,681	9,814,135	825,546
Public works executive administration	749,201	728,219	604,054	124,165
Traffic engineering	1,910,432	1,931,314	1,817,246	114,068
Trash and solid waste	9,984,446	10,138,694	10,302,993	(164,299)
Total Public works	32,961,213	33,405,182	30,899,357	2,505,825
Total Departmental	207,284,983	209,931,444	196,002,391	13,929,053

(Continued)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Non-departmental				
Reserve for retirement	1,900,000	1,900,000	2,518,155	(618,155)
Board of health	600,000	600,000	600,000	-
Juvenile court and youth center	3,100,000	3,100,000	3,236,859	(136,859)
Personnel board	1,500,135	1,500,135	1,318,579	181,556
Board of equalization	7,142	7,142	7,142	-
Emergency management	649,348	649,348	649,348	-
Mobile legislative delegation	3,655	3,655	3,348	307
Public library	7,142,775	7,142,775	7,142,775	-
Solid waste disposal authority	3,079,299	3,079,299	2,577,498	501,801
Employee education	125,000	125,000	51,784	73,216
Employees' pension	147,420	147,420	126,630	20,790
Police and firefighter's retirement	12,600,000	12,600,000	13,849,909	(1,249,909)
Retired employees insurance	6,700,000	6,700,000	6,332,263	367,737
Unemployment compensation	80,725	80,725	252,014	(171,289)
Worker's compensation	3,790,328	3,790,328	3,813,195	(22,867)
Contingency reserve	949	949	828,902	(827,953)
Dues	520,434	520,434	502,954	17,480
Parking	410,465	410,465	493,680	(83,215)
Performance contracts/organizations	6,100,922	6,100,922	6,092,004	8,918
Property insurance	3,000,000	3,000,000	2,932,472	67,528
13th Circuit Judicial	500,000	500,000	403,126	96,874
Miscellaneous	1,343,348	1,590,253	141,295	1,448,958
Total Non-departmental	<u>53,301,945</u>	<u>53,548,849</u>	<u>53,873,932</u>	<u>(325,083)</u>
Total current	<u>260,586,928</u>	<u>263,480,293</u>	<u>249,876,323</u>	<u>13,603,970</u>
Debt service:				
Interest	9,051	9,051	2,818	6,233
Principal retirement	95,000	95,000	115,000	(20,000)
Total debt service	<u>104,051</u>	<u>104,051</u>	<u>117,818</u>	<u>(13,767)</u>
Total expenditures	<u>260,690,979</u>	<u>263,584,344</u>	<u>249,994,141</u>	<u>13,590,203</u>
Excess of revenues over expenditures	<u>19,664,220</u>	<u>16,770,855</u>	<u>63,763,609</u>	<u>46,992,754</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	42,303	42,303	17,872	(24,431)
Transfers in	3,694,667	3,694,667	687,403	(3,007,264)
Transfers out	(19,061,694)	(67,801,746)	(65,634,007)	2,167,739
Total other financing sources (uses)	<u>(15,324,724)</u>	<u>(64,064,776)</u>	<u>(64,928,732)</u>	<u>(863,956)</u>
Net change in fund balances	<u>\$ 4,339,496</u>	<u>\$ (47,293,921)</u>	<u>(1,165,123)</u>	<u>\$ 46,128,798</u>
Fund balances - beginning			<u>126,277,192</u>	
Fund balances - ending			<u>\$ 125,112,069</u>	
ADJUSTMENTS				
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 of revenues/other financing sources over expenditures/other financing uses			\$ (1,165,123)	
Encumbrances outstanding at September 30, 2022			2,289,228	
Encumbrances outstanding at September 30, 2021			<u>(3,555,041)</u>	
Net change in fund balance per the statement of revenues, expenditures, and changes in fund balances - governmental funds			<u>\$ (2,430,936)</u>	

(Concluded)

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, 2022:

GAAP expenditures	\$ 251,259,954
Encumbrances at:	
September 30, 2022	2,289,228
September 30, 2021	(3,555,041)
Budgetary expenditures	<u>\$ 249,994,141</u>

For the fiscal year ended September 30, 2022, general fund budgetary appropriations exceeded total expenditures by \$13,590,203.

NOTE 2 - FUND BALANCE

Following is a reconciliation of the General Fund's fund balance - budgetary basis to fund balance - GAAP basis:

Fund balance - budgetary basis at September 30, 2022	<u>\$ 125,112,069</u>
Add encumbrances:	
Function:	
General government	288,242
Culture and recreation	296,656
Economic development	7,355
Engineering, development & Build Mobile	58,445
Finance	26,201
Public safety	884,448
Public works	727,881
Total encumbrances	<u>2,289,228</u>
Fund balance - GAAP basis at September 30, 2022	<u>\$ 127,401,297</u>

NOTE 3 - BUDGET AMENDMENTS

The City makes various amendments to the adopted budget throughout the fiscal year. In FY 2022, the most significant of those amendments were:

- Budget adjustments due to changes in prior year encumbrance carryforward.
- Adjustments to increase the transfer out to the Capital Improvements Fund for capital projects:
 - Resolution 2021-09-927 dated October 26, 2021 for \$30,000,000 for the Mobile downtown airport aviation project
 - Resolution 2022-09-326 dated April 19, 2022 for \$300,000 for public works projects
 - Resolution 2022-09-469 dated May 31, 2022 for \$2,000,000 for the county soccer complex and \$3,000,000 for an aquatics center
 - Resolution 2022-09-470 dated May 31, 2022 for \$11,350,000 for various projects
 - Resolution 2022-09-450 dated May 24, 2022 for \$450,000 for a resilience assessment and plan



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

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*

	2021	2020	2019
Total pension liability			
Service cost	\$ 3,725,374	\$ 3,612,229	\$ 3,541,786
Interest	16,857,514	16,303,215	16,122,130
Changes of benefit terms	-	1,548,041	-
Differences between expected and actual experience	(2,788,748)	2,027,643	(1,674,484)
Changes of assumptions	6,207,439	-	-
Benefit payments, including refunds of employee contributions	(16,261,256)	(16,170,008)	(15,197,141)
Transfers among employers	151,239	(76,807)	45,900
Net change in total pension liability	<u>7,891,562</u>	<u>7,244,313</u>	<u>2,838,191</u>
Total pension liability - beginning	<u>227,059,380</u>	<u>219,815,067</u>	<u>216,976,876</u>
Total pension liability - ending (a)	<u><u>\$ 234,950,942</u></u>	<u><u>\$ 227,059,380</u></u>	<u><u>\$ 219,815,067</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 5,067,424	\$ 4,652,657	\$ 5,103,256
Contributions - member	2,835,114	2,613,004	2,382,617
Net investment income	34,364,865	8,829,462	4,076,712
Benefit payments, including refunds of employee contributions	(16,261,256)	(16,170,008)	(15,197,141)
Transfers among employers	151,239	(76,807)	45,900
Net change in plan fiduciary net position	<u>26,157,386</u>	<u>(151,692)</u>	<u>(3,588,656)</u>
Plan net position - beginning	<u>158,854,771</u>	<u>159,006,463</u>	<u>162,595,119</u>
Plan net position - ending (b)	<u><u>\$ 185,012,157</u></u>	<u><u>\$ 158,854,771</u></u>	<u><u>\$ 159,006,463</u></u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 49,938,785</u>	<u>\$ 68,204,609</u>	<u>\$ 60,808,604</u>
Plan fiduciary net position as a percentage of the total pension liability	78.75%	69.96%	72.34%
Covered payroll	\$ 50,385,707	\$ 46,484,106	\$ 43,531,867
Net pension liability (asset) as a percentage of covered payroll	99.11%	146.73%	139.69%

* 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.

2018	2017	2016	2015	2014
\$ 3,634,759	\$ 3,655,533	\$ 3,871,747	\$ 3,700,746	\$ 3,797,860
15,861,923	15,708,733	15,255,262	14,994,981	14,582,730
-	-	-	-	-
(879,640)	(2,510,319)	2,621,825	(1,994,818)	-
1,023,929	-	4,749,471	-	-
(14,927,353)	(15,135,319)	(13,379,634)	(13,515,159)	(12,939,756)
129,613	154,026	(238,266)	-	-
4,843,231	1,872,654	12,880,405	3,185,750	5,440,834
212,133,645	210,260,991	197,380,586	194,194,836	188,754,002
<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>
\$ 4,522,472	\$ 4,719,340	\$ 4,790,583	\$ 4,996,104	\$ 4,682,549
2,470,473	2,438,330	2,383,150	2,362,148	2,266,801
14,103,627	18,184,736	13,786,336	1,660,751	15,642,316
(14,927,353)	(15,135,319)	(13,379,634)	(13,515,159)	(12,939,756)
129,613	154,026	(238,266)	50,472	46,811
6,298,832	10,361,113	7,342,169	(4,445,684)	9,698,721
156,296,287	145,935,174	138,593,005	143,038,689	133,339,968
<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>
\$ 54,381,757	\$ 55,837,358	\$ 64,325,817	\$ 58,787,581	\$ 51,156,147
74.94%	73.68%	69.41%	70.22%	73.66%
\$ 44,134,252	\$ 45,753,761	\$ 46,861,508	\$ 47,096,079	\$ 45,476,596
123.22%	122.04%	137.27%	124.82%	112.49%

CITY OF MOBILE, ALABAMA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
EMPLOYEES' RETIREMENT SYSTEM OF ALABAMA
Last 10 Fiscal Years Ending September 30*

	2022	2021	2020
Actuarially determined contribution**	\$ 5,795,814	\$ 5,067,424	\$ 4,652,657
Contributions in relation to the actuarially determined contribution**	<u>5,795,814</u>	<u>5,067,424</u>	<u>4,652,657</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	50,385,707	46,511,248	46,484,106
Contributions as a percentage of covered payroll	11.50%	10.90%	10.01%

* 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 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 2022 were based on the September 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	27.7 years
Asset valuation method	Five year smoothed market
Inflation	2.75%
Salary increases	3.25 - 5.00%, including inflation
Investment rate of return	7.70%, net of pension plan investment expense, including inflation

2019	2018	2017	2016	2015
\$ 5,103,256	\$ 4,522,472	\$ 4,719,340	\$ 4,790,583	\$ 4,996,104
5,103,256	4,522,472	4,719,340	4,790,583	4,996,104
\$ -	\$ -	\$ -	\$ -	\$ -
43,531,867	44,134,252	45,753,761	46,861,508	47,096,079
11.72%	10.25%	10.31%	10.22%	10.61%

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*

	2021	2020	2019
Total pension liability			
Service cost	\$ 1,965,869	\$ 2,022,568	\$ 1,389,633
Interest	20,876,201	21,097,428	20,170,527
Changes of benefit terms		-	-
Demographic experience	2,120,800	(988,891)	10,438,083
Changes of assumptions	(545,458)	(5,199,783)	-
Benefit payments, including refunds of employee contributions	(20,044,836)	(19,651,514)	(19,905,887)
Net change in total pension liability	<u>4,372,576</u>	<u>(2,720,192)</u>	<u>12,092,356</u>
Total pension liability - beginning	<u>292,549,638</u>	<u>295,269,830</u>	<u>283,177,474</u>
Total pension liability - ending (a)	<u><u>\$ 296,922,214</u></u>	<u><u>\$ 292,549,638</u></u>	<u><u>\$ 295,269,830</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 19,592,254	\$ 22,139,615	\$ 20,699,025
Contributions - member	3,337,141	3,400,228	3,384,100
Net investment income	50,151,358	11,313,871	5,730,250
Benefit payments, including refunds of employee contributions	(20,044,836)	(19,651,514)	(19,905,887)
Administrative expenses	(367)	(2,785)	(7,154)
Net change in plan fiduciary net position	<u>53,035,550</u>	<u>17,199,415</u>	<u>9,900,334</u>
Plan net position - beginning	<u>229,510,919</u>	<u>212,311,504</u>	<u>202,411,170</u>
Plan net position - ending (b)	<u><u>\$ 282,546,469</u></u>	<u><u>\$ 229,510,919</u></u>	<u><u>\$ 212,311,504</u></u>
Net pension liability (asset) - ending (a) - (b)	\$ 14,375,745	\$ 63,038,719	\$ 82,958,326
Plan fiduciary net position as a percentage of the total pension liability	95.16%	78.45%	71.90%
Covered payroll	\$ 41,574,358	\$ 41,735,647	\$ 39,958,343
Net pension liability (asset) as a percentage of covered payroll	34.58%	151.04%	207.61%

* 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.

	2018	2017	2016	2015	2014
\$	1,405,646	\$ 1,576,326	\$ 1,414,553	\$ 1,501,441	\$ 1,542,522
	19,275,199	18,546,963	18,550,878	18,407,492	18,287,147
	-	-	-	-	-
	1,267,621	9,154,812	(1,557,256)	1,341,073	-
	10,671,600	-	-	-	-
	(20,299,667)	(19,059,277)	(18,335,869)	(19,657,648)	(17,958,800)
	12,320,399	10,218,824	72,306	1,592,358	1,870,869
	270,857,075	260,638,251	260,565,945	258,973,587	257,102,718
\$	283,177,474	\$ 270,857,075	\$ 260,638,251	\$ 260,565,945	\$ 258,973,587
\$	18,717,733	\$ 19,977,104	\$ 19,701,943	\$ 16,354,458	\$ 14,950,855
	3,279,235	3,306,936	2,995,750	2,969,379	2,945,173
	15,731,328	20,075,805	11,927,721	(6,881,722)	10,307,058
	(20,299,667)	(19,059,277)	(18,335,869)	(19,657,648)	(18,186,135)
	(9,118)	(49,685)	(18,061)	(4,989)	(110,549)
	17,419,511	24,250,883	16,271,484	(7,220,522)	9,906,402
	184,991,659	160,740,776	144,469,292	151,689,814	141,783,412
\$	202,411,170	\$ 184,991,659	\$ 160,740,776	\$ 144,469,292	\$ 151,689,814
\$	80,766,304	\$ 85,865,416	\$ 99,897,475	\$ 116,096,653	\$ 107,283,773
	71.48%	68.30%	61.67%	55.44%	58.57%
\$	40,740,794	\$ 39,003,598	\$ 36,451,544	\$ 35,887,574	\$ 36,010,184
	198.24%	220.15%	274.06%	323.50%	297.93%

CITY OF MOBILE, ALABAMA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE AND FIREFIGHTERS RETIREMENT PLAN
Last 10 Fiscal Years Ending September 30*

	2022	2021	2020
Actuarially determined contribution**	\$ 17,708,866	\$ 19,592,254	\$ 22,139,615
Contributions in relation to the actuarially determined contribution**	<u>17,708,866</u>	<u>19,592,254</u>	<u>22,139,615</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	43,571,995	41,574,358	41,735,647
Contributions as a percentage of covered payroll	40.64%	47.13%	53.05%

* 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 2022 were based on the October 1, 2021 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 methods or assumptions 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	Sex-distinct rates set forth in the PUB-2010 Mortality Table for public safety employees/ retirees with full generational improvements in mortality using Scale MP-2020

2019	2018	2017	2016	2015
\$ 20,699,025	\$ 18,717,733	\$ 19,977,104	\$ 19,701,944	\$ 16,354,458
20,699,025	18,717,733	19,977,104	19,701,944	16,354,458
\$ -	\$ -	\$ -	\$ -	\$ -
39,958,343	40,740,794	39,003,598	36,451,544	35,887,574
51.80%	45.94%	51.22%	54.05%	45.57%

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*

	2022	2021	2020
Total pension liability			
Service cost	\$ 883,252	\$ 890,516	\$ 793,361
Interest	1,030,794	979,031	907,205
Differences between expected and actual experience	(275,759)	(85,317)	313,969
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(744,767)	(768,595)	(715,822)
Net change in total pension liability	<u>893,520</u>	<u>1,015,635</u>	<u>1,298,713</u>
Total pension liability - beginning	<u>19,144,779</u>	<u>18,129,144</u>	<u>16,830,431</u>
Total pension liability - ending (a)	<u><u>\$ 20,038,299</u></u>	<u><u>\$ 19,144,779</u></u>	<u><u>\$ 18,129,144</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 760,655	\$ 600,000	\$ 600,000
Contributions - member	243,277	241,263	234,896
Net investment income	(2,609,013)	3,896,615	586,230
Benefit payments, including refunds of employee contributions	(744,767)	(768,595)	(715,822)
Administrative expenses	(47,277)	(28,935)	(45,236)
Net change in plan fiduciary net position	<u>(2,397,125)</u>	<u>3,940,348</u>	<u>660,068</u>
Plan net position - beginning	<u>19,233,045</u>	<u>15,292,697</u>	<u>14,632,629</u>
Plan net position - ending (b)	<u><u>\$ 16,835,920</u></u>	<u><u>\$ 19,233,045</u></u>	<u><u>\$ 15,292,697</u></u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 3,202,379</u>	<u>\$ (88,266)</u>	<u>\$ 2,836,447</u>
Plan fiduciary net position as a percentage of the total pension liability	84.02%	100.46%	84.35%
Covered payroll	\$ 3,887,220	\$ 3,965,288	\$ 3,586,198
Net pension liability (asset) as a percentage of covered payroll	82.38%	-2.23%	79.09%

* 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.

	2019	2018	2017	2016	2015
\$	841,709	\$ 891,442	\$ 850,659	\$ 855,623	\$ 916,967
	925,643	794,830	732,175	710,345	605,268
	(355,413)	(276,445)	156,090	(760,649)	1,197,488
	(1,217,845)	29,946	-	26,156	(94,322)
	(450,715)	(487,357)	(421,768)	(340,857)	(316,249)
	(256,621)	952,416	1,317,156	490,618	2,309,152
	17,087,052	16,134,636	14,817,480	14,326,862	12,017,710
\$	<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>
\$	659,074	\$ 592,745	\$ 457,063	\$ 280,573	\$ 404,160
	228,368	225,283	231,011	227,928	218,400
	957,336	942,711	910,131	173,650	228,476
	(450,715)	(487,357)	(421,768)	(340,857)	(318,619)
	(32,388)	(29,651)	(28,080)	(19,280)	(17,915)
	1,361,675	1,243,731	1,148,357	322,014	514,502
	13,270,954	12,027,223	10,878,866	10,556,852	10,042,350
\$	<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>
\$	2,197,802	\$ 3,816,098	\$ 4,107,413	\$ 3,938,614	\$ 3,770,010
	86.94%	77.67%	74.54%	73.42%	73.69%
\$	3,874,236	\$ 3,657,154	\$ 3,578,494	\$ 3,624,022	\$ 3,891,061
	56.73%	104.35%	114.78%	108.68%	96.89%

CITY OF MOBILE, ALABAMA
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TRANSIT WORKERS PENSION PLAN
Last 10 Fiscal Years Ending June 30

	2022	2021	2020	2019
Actuarially determined contribution**	\$ 760,655	\$ 600,000	\$ 600,000	\$ 659,074
Contributions in relation to the actuarially determined contribution**	760,655	600,000	600,000	659,074
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	3,887,220	3,965,288	3,586,198	3,874,236
Contributions as a percentage of covered payroll	19.57%	15.13%	16.73%	17.01%

** 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 2022 were based on the July 1, 2021 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 3.64%, 5.21% and 5.94%, with an equivalent rate of 5.10% to 3.32%, 4.79%, and 5.47%, respectively with an equivalent rate of 4.65%.

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	5.10%
Mortality rates	Sex-distinct mortality rates set forth in Internal Revenue Service (IRS) regulation section 1.430(h)(3)-1 (required mortality table under IRC section 430).
Disability	Sex-distinct disability rates set forth in the Wyatt 1985 Disability Study (Class 2)

	2018	2017	2016	2015	2014	2013
\$	592,745	\$ 457,063	\$ 280,573	\$ 404,160	\$ 785,105	\$ 580,620
	592,745	457,063	280,573	404,160	785,105	580,620
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	3,657,154	3,578,494	3,624,022	3,891,061	3,679,642	3,650,777
	16.21%	12.77%	7.74%	10.39%	21.34%	15.90%

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*

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 4,696,223	\$ 5,840,483	\$ 5,166,672	\$ 5,529,861	\$ 6,848,282
Expected interest growth	4,061,568	3,873,502	5,095,812	7,141,084	5,332,451
Differences between expected and actual experience	14,781,348	(35,970,056)	33,881,899	(50,661,758)	-
Changes of assumptions	3,935,471	20,184,947	1,115,054	(10,324,761)	-
Changes in benefits terms	(13,453,051)	-	-	-	-
Benefit Payments, including refunds of employee contributions	(6,390,022)	(6,905,170)	(7,603,712)	(2,765,878)	(7,454,141)
Net change in total OPEB liability	<u>7,631,537</u>	<u>(12,976,294)</u>	<u>37,655,725</u>	<u>(51,081,452)</u>	<u>4,726,592</u>
Total OPEB liability - beginning	<u>165,622,313</u>	<u>178,598,607</u>	<u>140,942,882</u>	<u>192,024,334</u>	<u>187,297,742</u>
Total OPEB liability - ending	<u>\$173,253,850</u>	<u>\$165,622,313</u>	<u>\$178,598,607</u>	<u>\$140,942,882</u>	<u>\$192,024,334</u>
Covered employee payroll**	\$ 95,581,003	\$ 90,099,126	\$ 84,344,739	\$ 86,460,253	\$ 76,925,041
Net OPEB liability (asset) as a percentage of covered payroll	181.26%	183.82%	211.75%	163.01%	249.63%

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

NOTES TO SCHEDULE

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

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 2.14% per annum to 2.43% per annum.
- The healthcare cost trend rates were increased from 6.00% for the 2020/21 fiscal year graded down to 5.00% for the 2022/23 and later fiscal years to 8.00% for the 2020/21 fiscal year graded down by 0.50% per year to 5.00% for the 2026/27 and later fiscal years.
- The per capital healthcare claims cost at age 62 for the 2020/21 fiscal year was decreased from \$9,110.86 to \$7,962.86 per member.

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.

COMBINING FINANCIAL STATEMENTS





COMBINING FINANCIAL STATEMENTS

CITY OF MOBILE, ALABAMA
Combining Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
September 30, 2022

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash, equity in pooled cash and investments	\$ 6,529,004	\$ 502,183	\$ 38,231,517	\$ 45,262,704
Restricted cash - capital purchases	83,094	4	-	83,098
Receivables, net	-	-	13,591,200	13,591,200
Total assets	<u>\$ 6,612,098</u>	<u>\$ 502,187</u>	<u>\$ 51,822,717</u>	<u>\$ 58,937,002</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 143	\$ -	\$ 7,983,539	\$ 7,983,682
Pension employer contributions payable	-	-	204,828	204,828
Unearned revenue	-	-	1,496,102	1,496,102
Due to other funds	-	-	1,816,846	1,816,846
Total liabilities	<u>143</u>	<u>-</u>	<u>11,501,315</u>	<u>11,501,458</u>
FUND BALANCES (DEFICITS)				
Restricted	6,526,489	502,187	16,848,667	23,877,343
Committed	85,466	-	22,432,605	22,518,071
Assigned	-	-	1,040,130	1,040,130
Total fund balances (deficits)	<u>6,611,955</u>	<u>502,187</u>	<u>40,321,402</u>	<u>47,435,544</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,612,098</u>	<u>\$ 502,187</u>	<u>\$ 51,822,717</u>	<u>\$ 58,937,002</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, 2022

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 15,076,569	\$ 15,076,569
Charges for services	-	-	2,533	2,533
Fines and forfeitures	-	-	603,931	603,931
State and federal assistance	1,705,096	-	19,517,122	21,222,218
Investment income	5,528	1,543	14,294	21,365
Other revenue	-	-	244,820	244,820
Total revenues	<u>1,710,624</u>	<u>1,543</u>	<u>35,459,269</u>	<u>37,171,436</u>
EXPENDITURES				
Current:				
General government	-	-	6,011,518	6,011,518
Culture and recreation	-	-	1,334	1,334
Engineering, development & build Mobile	-	-	6,961,038	6,961,038
Public safety	-	-	4,491,549	4,491,549
Public works	-	-	7,067,644	7,067,644
Debt service:				
Administrative charges	-	23	-	23
Interest	-	6,165,186	19,718	6,184,904
Principal retirement	-	17,387,000	170,000	17,557,000
Capital outlay	54,130	-	872,187	926,317
Total expenditures	<u>54,130</u>	<u>23,552,209</u>	<u>25,594,988</u>	<u>49,201,327</u>
Excess (deficiency) of revenues over expenditures	<u>1,656,494</u>	<u>(23,550,666)</u>	<u>9,864,281</u>	<u>(12,029,891)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16	23,552,204	2,333,030	25,885,250
Transfers out	(1,404,014)	(16)	(4,912,712)	(6,316,742)
Total other financing sources (uses)	<u>(1,403,998)</u>	<u>23,552,188</u>	<u>(2,579,682)</u>	<u>19,568,508</u>
Net change in fund balances	252,496	1,522	7,284,599	7,538,617
Fund balances - beginning	6,359,459	500,665	33,036,803	39,896,927
Fund balances - ending	<u>\$ 6,611,955</u>	<u>\$ 502,187</u>	<u>\$ 40,321,402</u>	<u>\$ 47,435,544</u>

CAPITAL PROJECTS FUNDS – NONMAJOR



CAPITAL PROJECTS FUNDS – NONMAJOR

Municipal Government Capital Improvements

Flood Management Escrow

2000 Capital Projects

2012 General Obligation Private Placement Capital Equipment



CITY OF MOBILE, ALABAMA
Combining Balance Sheet
Nonmajor Capital Projects Funds
September 30, 2022

	Municipal Government Capital Improvements	Flood Management Escrow	2000 Capital Projects	2012 G.O. Private Placement Capital Equipment	Total Nonmajor Capital Projects Funds
ASSETS					
Cash, equity in pooled cash and investments	\$ 6,443,039	\$ 85,466	\$ 499	\$ -	\$ 6,529,004
Restricted cash - capital purchases	-	-	-	83,094	83,094
Total assets	<u>\$ 6,443,039</u>	<u>\$ 85,466</u>	<u>\$ 499</u>	<u>\$ 83,094</u>	<u>\$ 6,612,098</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 143	\$ -	\$ -	\$ -	\$ 143
Total liabilities	<u>143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143</u>
FUND BALANCES (DEFICITS)					
Restricted					
Capital projects	6,442,896	-	499	83,094	6,526,489
Committed					
Flood management	-	85,466	-	-	85,466
Total fund balances (deficits)	<u>6,442,896</u>	<u>85,466</u>	<u>499</u>	<u>83,094</u>	<u>6,611,955</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,443,039</u>	<u>\$ 85,466</u>	<u>\$ 499</u>	<u>\$ 83,094</u>	<u>\$ 6,612,098</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, 2022

	Municipal Government Capital Improvements	Flood Management Escrow	2000 Capital Projects	2012 G.O. Private Placement Capital Equipment	Total Nonmajor Capital Projects Funds
REVENUES					
State and federal assistance	\$ 1,705,096	\$ -	\$ -	\$ -	\$ 1,705,096
Investment income	5,212	75	-	241	5,528
Total revenues	<u>1,710,308</u>	<u>75</u>	<u>-</u>	<u>241</u>	<u>1,710,624</u>
EXPENDITURES					
Capital outlay	54,130	-	-	-	54,130
Total expenditures	<u>54,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,130</u>
Excess (deficiency) of revenues over expenditures	<u>1,656,178</u>	<u>75</u>	<u>-</u>	<u>241</u>	<u>1,656,494</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	16	16
Transfers out	(1,404,014)	-	-	-	(1,404,014)
Total other financing sources (uses)	<u>(1,404,014)</u>	<u>-</u>	<u>-</u>	<u>16</u>	<u>(1,403,998)</u>
Net change in fund balances	252,164	75	-	257	252,496
Fund balances - beginning	6,190,732	85,391	499	82,837	6,359,459
Fund balances - ending	<u>\$ 6,442,896</u>	<u>\$ 85,466</u>	<u>\$ 499</u>	<u>\$ 83,094</u>	<u>\$ 6,611,955</u>

DEBT SERVICE FUNDS – NONMAJOR



DEBT SERVICE FUNDS – NONMAJOR

Bank Service Charges – Various Issues
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
2019 GulfQuest Note Payable
2020 General Obligation Warrants



CITY OF MOBILE, ALABAMA
Combining Balance Sheet
Nonmajor Debt Service Funds
September 30, 2022

	Bank Service Charges Var Issues	2009C G.O. ARRA Capital Taxable Warrants	2011 G.O. Private Placement Warrants	2012 G.O. Private Placement Warrants	2016 G.O. Refunding Warrants	2016C G.O. Taxable Warrants
ASSETS						
Cash, equity in pooled cash and investments	\$ 131,790	\$ 84,955	\$ -	\$ -	\$ 6,897	\$ 6,204
Restricted cash - capital purchases	-	-	4	-	-	-
Total assets	<u>\$ 131,790</u>	<u>\$ 84,955</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6,897</u>	<u>\$ 6,204</u>
LIABILITIES						
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES (DEFICITS)						
Restricted						
Debt service	131,790	84,955	4	-	6,897	6,204
Total fund balances (deficits)	<u>131,790</u>	<u>84,955</u>	<u>4</u>	<u>-</u>	<u>6,897</u>	<u>6,204</u>
Total liabilities and fund balances (deficits)	<u>\$ 131,790</u>	<u>\$ 84,955</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 6,897</u>	<u>\$ 6,204</u>

2017A G.O. Warrants	2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	2018A G.O. Warrants	2019 GulfQuest Note Payable	2020 G.O. Warrants	Total Nonmajor Debt Service Funds
\$ 16,233	\$ 15,749	\$ 5,658	\$ 273	\$ 227,622	\$ -	\$ 6,802	\$ 502,183
-	-	-	-	-	-	-	4
<u>\$ 16,233</u>	<u>\$ 15,749</u>	<u>\$ 5,658</u>	<u>\$ 273</u>	<u>\$ 227,622</u>	<u>\$ -</u>	<u>\$ 6,802</u>	<u>\$ 502,187</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,233	15,749	5,658	273	227,622	-	6,802	502,187
16,233	15,749	5,658	273	227,622	-	6,802	502,187
<u>\$ 16,233</u>	<u>\$ 15,749</u>	<u>\$ 5,658</u>	<u>\$ 273</u>	<u>\$ 227,622</u>	<u>\$ -</u>	<u>\$ 6,802</u>	<u>\$ 502,187</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, 2022

	Bank Service Charges Var Issues	2009C G.O. ARRA Capital Taxable Warrants	2011 G.O. Private Placement Warrants	2012 G.O. Private Placement Warrants	2016 G.O. Refunding Warrants	2016C G.O. Taxable Warrants
REVENUES						
Investment income	\$ 201	\$ 75	\$ -	\$ -	\$ 140	\$ 214
Total revenues	201	75	-	-	140	214
EXPENDITURES						
Debt service:						
Administrative charges	-	-	23	-	-	-
Interest	-	-	77,883	-	701,903	464,434
Principal retirement	-	-	555,000	-	6,487,000	1,400,000
Total expenditures	-	-	632,906	-	7,188,903	1,864,434
Excess (deficiency) of revenues over expenditures	201	75	(632,906)	-	(7,188,763)	(1,864,220)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	632,883	-	7,188,903	1,864,437
Transfers out	-	-	-	(16)	-	-
Total other financing sources (uses)	-	-	632,883	(16)	7,188,903	1,864,437
Net change in fund balances	201	75	(23)	(16)	140	217
Fund balances - beginning	131,589	84,880	27	16	6,757	5,987
Fund balances - ending	\$ 131,790	\$ 84,955	\$ 4	\$ -	\$ 6,897	\$ 6,204

2017A G.O. Warrants	2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	2018A G.O. Warrants	2019 GulfQuest Note Payable	2020 G.O. Warrants	Total Nonmajor Debt Service Funds
\$ 454	\$ 18	\$ -	\$ -	\$ 395	\$ -	\$ 46	\$ 1,543
454	18	-	-	395	-	46	1,543
-	-	-	-	-	-	-	23
2,471,270	47,700	-	1,340,000	800,996	-	261,000	6,165,186
1,565,000	775,000	-	3,715,000	2,490,000	400,000	-	17,387,000
4,036,270	822,700	-	5,055,000	3,290,996	400,000	261,000	23,552,209
(4,035,816)	(822,682)	-	(5,055,000)	(3,290,601)	(400,000)	(260,954)	(23,550,666)
4,036,275	822,700	-	5,055,006	3,291,000	400,000	261,000	23,552,204
-	-	-	-	-	-	-	(16)
4,036,275	822,700	-	5,055,006	3,291,000	400,000	261,000	23,552,188
459	18	-	6	399	-	46	1,522
15,774	15,731	5,658	267	227,223	-	6,756	500,665
\$ 16,233	\$ 15,749	\$ 5,658	\$ 273	\$ 227,622	\$ -	\$ 6,802	\$ 502,187

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
Rebuild Alabama Fund
General Activities Grants
Revitalizing Broad Street Grants
RESTORE Act Grants
Hurricane Sally Grants
Hurricane Zeta Grants
Public Safety Grants
Housing and Urban Development Grants**



CITY OF MOBILE, ALABAMA
Combining Balance Sheet
Nonmajor Special Revenue Funds
September 30, 2022

	Tax Increment Fund	Four-Cent Maintenance	Five-Cent Roadway Maintenance	Seven-Cent Roadway Maintenance	Fuel Inspection Fees	Economic Development Escrow	Drug Enforcement Fund	Municipal Court Judicial Admin
ASSETS								
Cash, equity in pooled cash and investments	\$ 17,733,434	\$ 4,070,801	\$ 596,687	\$ 236,342	\$ -	\$ -	\$ 1,310,380	\$ 1,063,087
Receivables, net	5,000	-	-	-	-	-	-	-
Total assets	<u>\$ 17,738,434</u>	<u>\$ 4,070,801</u>	<u>\$ 596,687</u>	<u>\$ 236,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,310,380</u>	<u>\$ 1,063,087</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ 65,524	\$ -	\$ -	\$ 236,342	\$ -	\$ -	\$ 300	\$ 20,023
Pension employer contributions payable	-	-	-	-	-	-	-	2,934
Unearned revenue	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>65,524</u>	<u>-</u>	<u>-</u>	<u>236,342</u>	<u>-</u>	<u>-</u>	<u>300</u>	<u>22,957</u>
FUND BALANCES (DEFICITS)								
Restricted								
Grants	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	1,310,080	-
Road and bridge construction	-	-	596,687	-	-	-	-	-
Road and bridge repair	-	4,070,801	-	-	-	-	-	-
Committed								
Storm water	-	-	-	-	-	-	-	-
Tax increment program	17,672,910	-	-	-	-	-	-	-
Assigned								
Municipal court	-	-	-	-	-	-	-	1,040,130
Total fund balances (deficits)	<u>17,672,910</u>	<u>4,070,801</u>	<u>596,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,310,080</u>	<u>1,040,130</u>
Total liabilities and fund balances (deficits)	<u>\$ 17,738,434</u>	<u>\$ 4,070,801</u>	<u>\$ 596,687</u>	<u>\$ 236,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,310,380</u>	<u>\$ 1,063,087</u>

Storm Water Fund	Rebuild Alabama Fund	General Activities Grants	Revitalizing Broad Street Grants	Restore Act Grants	Hurricane Sally Grants	Hurricane Zeta Grants	Public Safety Grants	Housing & Urban Development Grants	Total Nonmajor Special Revenue Funds
\$ 4,812,461	\$ 3,084,690	\$ 1,580,114	\$ 339,235	\$ -	\$ -	\$ 3,301,645	\$ 102,641	\$ -	\$ 38,231,517
2,555	121,355	1,957,228	1,398,085	1,547,416	3,705,935	1,662,872	2,023,982	1,166,772	13,591,200
<u>\$ 4,815,016</u>	<u>\$ 3,206,045</u>	<u>\$ 3,537,342</u>	<u>\$ 1,737,320</u>	<u>\$ 1,547,416</u>	<u>\$ 3,705,935</u>	<u>\$ 4,964,517</u>	<u>\$ 2,126,623</u>	<u>\$ 1,166,772</u>	<u>\$ 51,822,717</u>
\$ 55,321	\$ 754,416	\$ 33,132	\$ 429,522	\$ 529,148	\$ 1,492,862	\$ 3,856,905	\$ 364,611	\$ 145,433	\$ 7,983,539
-	-	-	-	-	-	-	185,940	15,954	204,828
-	-	1,404,198	-	-	-	-	91,904	-	1,496,102
-	-	-	-	858,268	80,397	-	56,309	821,872	1,816,846
<u>55,321</u>	<u>754,416</u>	<u>1,437,330</u>	<u>429,522</u>	<u>1,387,416</u>	<u>1,573,259</u>	<u>3,856,905</u>	<u>698,764</u>	<u>983,259</u>	<u>11,501,315</u>
-	-	2,100,012	1,307,798	160,000	2,132,676	1,107,612	1,427,859	183,513	8,419,470
-	-	-	-	-	-	-	-	-	1,310,080
-	2,451,629	-	-	-	-	-	-	-	3,048,316
-	-	-	-	-	-	-	-	-	4,070,801
4,759,695	-	-	-	-	-	-	-	-	4,759,695
-	-	-	-	-	-	-	-	-	17,672,910
-	-	-	-	-	-	-	-	-	1,040,130
<u>4,759,695</u>	<u>2,451,629</u>	<u>2,100,012</u>	<u>1,307,798</u>	<u>160,000</u>	<u>2,132,676</u>	<u>1,107,612</u>	<u>1,427,859</u>	<u>183,513</u>	<u>40,321,402</u>
<u>\$ 4,815,016</u>	<u>\$ 3,206,045</u>	<u>\$ 3,537,342</u>	<u>\$ 1,737,320</u>	<u>\$ 1,547,416</u>	<u>\$ 3,705,935</u>	<u>\$ 4,964,517</u>	<u>\$ 2,126,623</u>	<u>\$ 1,166,772</u>	<u>\$ 51,822,717</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, 2022

	Tax Increment Fund	Four-Cent Maintenance	Five-Cent Roadway Maintenance	Seven-Cent Roadway Maintenance	Fuel Inspection Fees	Economic Development Escrow	Drug Enforcement Fund	Municipal Court Judicial Admin
REVENUES								
Taxes	\$ 6,522,207	\$ 1,293,833	\$ 637,518	\$ 2,231,312	\$ 79,792	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	460,039	143,892
State and federal assistance	-	-	-	-	-	-	-	-
Investment income	12,436	-	-	-	-	27	1,345	-
Other revenue	-	-	-	-	-	-	-	-
Total revenues	<u>6,534,643</u>	<u>1,293,833</u>	<u>637,518</u>	<u>2,231,312</u>	<u>79,792</u>	<u>27</u>	<u>461,384</u>	<u>143,892</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Engineering, development & build Mobile	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	452,991	439,834
Public works	-	-	-	2,562,480	-	-	-	-
Debt service:								
Interest	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-
Capital outlay:								
Capital outlay	841,809	-	-	-	-	30,378	-	-
Total expenditures	<u>841,809</u>	<u>-</u>	<u>-</u>	<u>2,562,480</u>	<u>-</u>	<u>30,378</u>	<u>452,991</u>	<u>439,834</u>
Excess (deficiency) of revenues over expenditures	<u>5,692,834</u>	<u>1,293,833</u>	<u>637,518</u>	<u>(331,168)</u>	<u>79,792</u>	<u>(30,351)</u>	<u>8,393</u>	<u>(295,942)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	331,168	-	-	-	-
Transfers out	(1,900,776)	(566,872)	(600,000)	-	(87,403)	-	-	-
Total other financing sources (uses)	<u>(1,900,776)</u>	<u>(566,872)</u>	<u>(600,000)</u>	<u>331,168</u>	<u>(87,403)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,792,058	726,961	37,518	-	(7,611)	(30,351)	8,393	(295,942)
Fund balances - beginning	13,880,852	3,343,840	559,169	-	7,611	30,351	1,301,687	1,336,072
Fund balances - ending	<u>\$ 17,672,910</u>	<u>\$ 4,070,801</u>	<u>\$ 596,687</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,310,080</u>	<u>\$ 1,040,130</u>

Storm Water Fund	Rebuild Alabama Fund	General Activities Grants	Revitalizing Broad Street Grants	Restore Act Grants	Hurricane Sally Grants	Hurricane Zeta Grants	Public Safety Grants	Housing & Urban Development Grants	Total Nonmajor Special Revenue Funds
\$ 2,947,521	\$ 1,364,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,076,569
-	-	-	-	-	-	-	2,533	-	2,533
-	-	-	-	-	-	-	-	-	603,931
-	-	3,378,016	1,671,590	2,613,141	2,328,608	1,382,257	3,165,022	4,978,488	19,517,122
-	-	486	-	-	-	-	-	-	14,294
-	-	-	-	-	162,195	82,177	448	-	244,820
<u>2,947,521</u>	<u>1,364,386</u>	<u>3,378,502</u>	<u>1,671,590</u>	<u>2,613,141</u>	<u>2,490,803</u>	<u>1,464,434</u>	<u>3,168,003</u>	<u>4,978,488</u>	<u>35,459,269</u>
-	-	373,113	-	-	661,990	171,792	-	4,804,623	6,011,518
-	-	1,334	-	-	-	-	-	-	1,334
-	-	394,753	3,953,144	2,613,141	-	-	-	-	6,961,038
-	-	1,436	-	-	-	-	3,597,288	-	4,491,549
948,716	754,417	2,802,031	-	-	-	-	-	-	7,067,644
-	-	-	-	-	-	-	-	19,718	19,718
-	-	-	-	-	-	-	-	170,000	170,000
-	-	-	-	-	-	-	-	-	872,187
<u>948,716</u>	<u>754,417</u>	<u>3,572,667</u>	<u>3,953,144</u>	<u>2,613,141</u>	<u>661,990</u>	<u>171,792</u>	<u>3,597,288</u>	<u>4,994,341</u>	<u>25,594,988</u>
1,998,805	609,969	(194,165)	(2,281,554)	-	1,828,813	1,292,642	(429,285)	(15,853)	9,864,281
-	-	832,893	-	160,000	-	-	633,136	375,833	2,333,030
(966,998)	-	(39,983)	-	-	-	-	(374,847)	(375,833)	(4,912,712)
(966,998)	-	792,910	-	160,000	-	-	258,289	-	(2,579,682)
1,031,807	609,969	598,745	(2,281,554)	160,000	1,828,813	1,292,642	(170,996)	(15,853)	7,284,599
3,727,888	1,841,660	1,501,267	3,589,352	-	303,863	(185,030)	1,598,855	199,366	33,036,803
<u>\$ 4,759,695</u>	<u>\$ 2,451,629</u>	<u>\$ 2,100,012</u>	<u>\$ 1,307,798</u>	<u>\$ 160,000</u>	<u>\$ 2,132,676</u>	<u>\$ 1,107,612</u>	<u>\$ 1,427,859</u>	<u>\$ 183,513</u>	<u>\$ 40,321,402</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.

**Cruise Terminal
Saenger Theater
Municipal Parking Garage
Mobile Tennis Center
Azalea City Golf Course
Neighborhood Renewal Program**



CITY OF MOBILE, ALABAMA
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2022

	Cruise Terminal	Saenger Theater	Municipal Parking Garage
ASSETS			
Current assets:			
Cash, equity in pooled cash and investments	\$ 2,082,700	\$ 3,052,789	\$ 1,042,845
Receivables, net	-	29,126	244,557
Inventory & prepaids	-	30,714	-
Total current assets	<u>2,082,700</u>	<u>3,112,629</u>	<u>1,287,402</u>
Noncurrent assets:			
Non-depreciable capital assets	-	-	1,895,790
Depreciable capital assets, net	13,726,328	1,518,704	1,999,634
Total noncurrent assets	<u>13,726,328</u>	<u>1,518,704</u>	<u>3,895,424</u>
Total assets	<u>15,809,028</u>	<u>4,631,333</u>	<u>5,182,826</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	229,284	434,232	36,536
Pension employer contributions payable	4,850	-	-
Unearned revenue	-	1,204,795	-
Total current liabilities	<u>234,134</u>	<u>1,639,027</u>	<u>36,536</u>
Total liabilities	<u>234,134</u>	<u>1,639,027</u>	<u>36,536</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement receipts	-	-	3,150,510
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>3,150,510</u>
Total liabilities and deferred inflows of resources	<u>234,134</u>	<u>1,639,027</u>	<u>3,187,046</u>
NET POSITION			
Net investment in capital assets	13,726,328	1,518,704	3,895,424
Unrestricted	1,848,566	1,473,602	(1,899,644)
Total net position	<u>\$ 15,574,894</u>	<u>\$ 2,992,306</u>	<u>\$ 1,995,780</u>

Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise Funds
\$ 1,200	\$ 1,100	\$ 892,616	\$ 7,073,250
-	-	-	273,683
38,340	50,921	49,529	169,504
<u>39,540</u>	<u>52,021</u>	<u>942,145</u>	<u>7,516,437</u>
-	1,457,640	-	3,353,430
67,556	1,326,406	-	18,638,628
<u>67,556</u>	<u>2,784,046</u>	<u>-</u>	<u>21,992,058</u>
<u>107,096</u>	<u>2,836,067</u>	<u>942,145</u>	<u>29,508,495</u>
28,400	41,085	275	769,812
7,782	13,134	-	25,766
-	14,511	-	1,219,306
<u>36,182</u>	<u>68,730</u>	<u>275</u>	<u>2,014,884</u>
<u>36,182</u>	<u>68,730</u>	<u>275</u>	<u>2,014,884</u>
-	-	-	3,150,510
-	-	-	3,150,510
<u>36,182</u>	<u>68,730</u>	<u>275</u>	<u>5,165,394</u>
67,556	2,784,046	-	21,992,058
3,358	(16,709)	941,870	2,351,043
<u>\$ 70,914</u>	<u>\$ 2,767,337</u>	<u>\$ 941,870</u>	<u>\$ 24,343,101</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Cruise Terminal	Saenger Theater	Municipal Parking Garage
OPERATING REVENUES			
Charges for services	\$ 1,296,840	\$ 867,447	\$ 78,486
Facility rent	5,250	523,506	337,041
Sales revenue	-	-	-
Parking fees	1,712,741	-	-
Concessions	-	389,139	-
Other revenue	2,972	466,830	-
Total operating revenues	<u>3,017,803</u>	<u>2,246,922</u>	<u>415,527</u>
OPERATING EXPENSES			
Personnel services	475,299	1,687,609	-
Commodities	28,714	42,922	-
Utilities	224,546	184,088	-
Professional and technical	263,393	174,004	5,416
Maintenance and repairs	113,750	2,154	-
Printing and reproduction	3,293	936	-
Insurance payments	15,934	25,628	-
Cost of goods sold	-	-	-
Other charges	526,452	36,398	36,534
Depreciation	400,570	188,707	201,644
Total operating expenses	<u>2,051,951</u>	<u>2,342,446</u>	<u>243,594</u>
Operating income (loss)	<u>965,852</u>	<u>(95,524)</u>	<u>171,933</u>
NONOPERATING REVENUES (EXPENSES)			
State and federal assistance	-	696,952	-
Investment income	-	-	2,341
Gain (loss) from disposal of assets	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>696,952</u>	<u>2,341</u>
Income (loss) before contributions and transfers	<u>965,852</u>	<u>601,428</u>	<u>174,274</u>
Transfers in	-	-	-
Change in net position	<u>965,852</u>	<u>601,428</u>	<u>174,274</u>
Total net position - beginning	14,609,042	2,390,878	1,821,506
Total net position - ending	<u>\$ 15,574,894</u>	<u>\$ 2,992,306</u>	<u>\$ 1,995,780</u>

Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise Funds
\$ 319,052	\$ 1,285,668	\$ -	\$ 3,847,493
-	1,547	-	867,344
213,575	154,951	118,788	487,314
-	-	-	1,712,741
3,716	-	-	392,855
2,500	1,877	-	474,179
<u>538,843</u>	<u>1,444,043</u>	<u>118,788</u>	<u>7,781,926</u>
840,583	1,033,960	-	4,037,451
41,843	268,362	166	382,007
62,745	80,046	-	551,425
229,307	8,450	5,587	686,157
28,175	18,676	-	162,755
5,701	3,537	-	13,467
-	68,499	-	110,061
128,860	122,742	7,897	259,499
46,151	86,593	1,009	733,137
9,257	158,745	-	958,923
<u>1,392,622</u>	<u>1,849,610</u>	<u>14,659</u>	<u>7,894,882</u>
<u>(853,779)</u>	<u>(405,567)</u>	<u>104,129</u>	<u>(112,956)</u>
-	-	-	696,952
-	-	-	2,341
-	5,444	-	5,444
-	5,444	-	704,737
<u>(853,779)</u>	<u>(400,123)</u>	<u>104,129</u>	<u>591,781</u>
<u>881,483</u>	<u>341,400</u>	<u>-</u>	<u>1,222,883</u>
<u>27,704</u>	<u>(58,723)</u>	<u>104,129</u>	<u>1,814,664</u>
<u>43,210</u>	<u>2,826,060</u>	<u>837,741</u>	<u>22,528,437</u>
<u>\$ 70,914</u>	<u>\$ 2,767,337</u>	<u>\$ 941,870</u>	<u>\$ 24,343,101</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2022

	Cruise Terminal	Saenger Theater	Municipal Parking Garage
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 1,297,084	\$ 867,447	\$ (4,500)
Cash received from sales revenue	-	-	-
Cash received from facility & other rent	5,250	512,584	240,871
Cash received from parking fees	1,712,741	-	-
Cash received from concessions	-	389,139	-
Cash received from miscellaneous	2,972	812,605	-
Cash payments for operating expenses	(968,765)	(197,380)	(21,889)
Cash payments for internal services	(28,482)	-	-
Cash payments to employees for services	(456,933)	(1,687,609)	-
Net cash provided (used) by operating activities	<u>1,563,867</u>	<u>696,786</u>	<u>214,482</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Non-capital grants and contributions	-	696,952	-
Transfers in from other funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>696,952</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	-	-
Proceeds from sale of capital assets	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	-	2,341
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>2,341</u>
Net increase (decrease) in cash and cash equivalents	<u>1,563,867</u>	<u>1,393,738</u>	<u>216,823</u>
Balances - beginning of year	518,833	1,659,051	826,022
Balances - end of the year	<u>\$ 2,082,700</u>	<u>\$ 3,052,789</u>	<u>\$ 1,042,845</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 965,852	\$ (95,524)	\$ 171,933
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	400,570	188,707	201,644
Changes in assets and liabilities:			
Accounts payable	207,561	261,830	20,061
Accounts receivable	-	(10,922)	(77,115)
Inventory and prepaids	-	6,920	-
Salary and benefits payable	(10,116)	-	-
Advance collections	-	345,775	(102,041)
Net cash provided (used) by operating activities	<u>\$ 1,563,867</u>	<u>\$ 696,786</u>	<u>\$ 214,482</u>

Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise Funds
\$ 319,052	\$ 1,300,179	\$ 138,788	\$ 3,918,050
213,575	154,951	-	368,526
-	1,547	-	760,252
-	-	-	1,712,741
3,716	-	-	392,855
2,500	1,877	-	819,954
(558,979)	(688,776)	(17,587)	(2,453,376)
(68,856)	(119,752)	-	(217,090)
(792,491)	(938,942)	-	(3,875,975)
<u>(881,483)</u>	<u>(288,916)</u>	<u>121,201</u>	<u>1,425,937</u>
-	-	-	696,952
881,483	341,400	-	1,222,883
<u>881,483</u>	<u>341,400</u>	<u>-</u>	<u>1,919,835</u>
-	(59,872)	-	(59,872)
-	7,388	-	7,388
<u>-</u>	<u>(52,484)</u>	<u>-</u>	<u>(52,484)</u>
-	-	-	2,341
-	-	-	2,341
-	-	121,201	3,295,629
1,200	1,100	771,415	3,777,621
<u>\$ 1,200</u>	<u>\$ 1,100</u>	<u>\$ 892,616</u>	<u>\$ 7,073,250</u>

\$ (853,779)	\$ (405,567)	\$ 104,129	\$ (112,956)
9,257	158,745	-	958,923
(11,179)	(25,604)	(137)	452,532
-	-	20,000	(68,037)
(9,098)	(17,598)	(2,791)	(22,567)
(16,684)	(13,403)	-	(40,203)
-	14,511	-	258,245
<u>\$ (881,483)</u>	<u>\$ (288,916)</u>	<u>\$ 121,201</u>	<u>\$ 1,425,937</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
Employee Health Plan Fund
Liability Insurance Fund**



CITY OF MOBILE, ALABAMA
Combining Statement of Net Position
Internal Service Funds
September 30, 2022

	Motor Pool	Employee Health Plan	Liability Insurance	Total Internal Service Funds
ASSETS				
Current assets:				
Cash, equity in pooled cash and investments	\$ 15,187,397	\$ 7,958,152	\$ -	\$ 23,145,549
Receivables, net	26,543	343,917	-	370,460
Total current assets	<u>15,213,940</u>	<u>8,302,069</u>	<u>-</u>	<u>23,516,009</u>
Noncurrent assets:				
Non-depreciable capital assets	2,352,766	-	-	2,352,766
Depreciable capital assets, net	35,591,353	-	-	35,591,353
Total noncurrent assets	<u>37,944,119</u>	<u>-</u>	<u>-</u>	<u>37,944,119</u>
Total assets	<u>53,158,059</u>	<u>8,302,069</u>	<u>-</u>	<u>61,460,128</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	134,671	386,972	753,110	1,274,753
Pension employer contributions payable	2,083	-	-	2,083
Insurance claims payable	-	2,076,000	-	2,076,000
Total current liabilities	<u>136,754</u>	<u>2,462,972</u>	<u>753,110</u>	<u>3,352,836</u>
Noncurrent liabilities:				
Self-insured legal liability	-	-	444,650	444,650
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>444,650</u>	<u>444,650</u>
Total liabilities	<u>136,754</u>	<u>2,462,972</u>	<u>1,197,760</u>	<u>3,797,486</u>
NET POSITION				
Net investment in capital assets	37,944,119	-	-	37,944,119
Unrestricted	15,077,186	5,839,097	(1,197,760)	19,718,523
Total net position	<u>\$ 53,021,305</u>	<u>\$ 5,839,097</u>	<u>\$ (1,197,760)</u>	<u>\$ 57,662,642</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended September 30, 2022

	Motor Pool	Employee Health Plan	Liability Insurance	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 20,222	\$ 1,451,447	\$ -	\$ 1,471,669
Internal charges	16,795,805	20,125,322	-	36,921,127
Employee contributions	-	6,927,790	-	6,927,790
Other revenue	-	27,819	-	27,819
Total operating revenues	<u>16,816,027</u>	<u>28,532,378</u>	<u>-</u>	<u>45,348,405</u>
OPERATING EXPENSES				
Personnel services	172,257	-	-	172,257
Commodities	3,073,608	-	-	3,073,608
Utilities	39,373	-	-	39,373
Professional and technical	46,758	83,714	1,676,734	1,807,206
Printing and reproduction	2,233	3,197	-	5,430
Insurance payments	-	26,798,208	-	26,798,208
Increase (decrease) in provision for self-insurance loss	-	(34,100)	76,452	42,352
Other charges	296,938	10,595	786,502	1,094,035
Depreciation	6,537,256	-	-	6,537,256
Total operating expenses	<u>10,168,423</u>	<u>26,861,614</u>	<u>2,539,688</u>	<u>39,569,725</u>
Operating income (loss)	<u>6,647,604</u>	<u>1,670,764</u>	<u>(2,539,688)</u>	<u>5,778,680</u>
NONOPERATING REVENUES (EXPENSES)				
Damaged vehicles reimbursement	120,786	-	-	120,786
Gain (loss) from disposal of assets	(16,866)	-	-	(16,866)
Transfer of capital assets	127,122	-	-	127,122
Total nonoperating revenues (expenses)	<u>231,042</u>	<u>-</u>	<u>-</u>	<u>231,042</u>
Income (loss) before contributions and transfers	6,878,646	1,670,764	(2,539,688)	6,009,722
Transfers in	2,500,000	-	2,619,363	5,119,363
Change in net position	9,378,646	1,670,764	79,675	11,129,085
Total net position - beginning	43,642,659	4,168,333	(1,277,435)	46,533,557
Total net position - ending	<u>\$ 53,021,305</u>	<u>\$ 5,839,097</u>	<u>\$ (1,197,760)</u>	<u>\$ 57,662,642</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2022

	Motor Pool	Employee Health Plan	Liability Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ 19,464	\$ 1,727,651	\$ -	\$ 1,747,115
Cash received from internal billings	16,795,805	20,125,322	-	36,921,127
Cash received from employee contributions	-	6,927,790	-	6,927,790
Cash payments for operating expenses	(4,139,764)	(97,507)	(2,619,363)	(6,856,634)
Cash payments for insurance claims	-	(27,099,497)	-	(27,099,497)
Cash payments to employees for services	(176,214)	-	-	(176,214)
Net cash provided (used) by operating activities	<u>12,499,291</u>	<u>1,583,759</u>	<u>(2,619,363)</u>	<u>11,463,687</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	2,500,000	-	2,619,363	5,119,363
Federal subsidy	-	27,819	-	27,819
Net cash provided (used) by noncapital financing activities	<u>2,500,000</u>	<u>27,819</u>	<u>2,619,363</u>	<u>5,147,182</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(9,039,335)	-	-	(9,039,335)
Proceeds from sale of capital assets	463,709	-	-	463,709
Reimbursement for damaged vehicles	120,786	-	-	120,786
Net cash provided (used) by capital and related financing activities	<u>(8,454,840)</u>	<u>-</u>	<u>-</u>	<u>(8,454,840)</u>
Net increase (decrease) in cash and cash equivalents	<u>6,544,451</u>	<u>1,611,578</u>	<u>-</u>	<u>8,156,029</u>
Balances - beginning of year	8,642,946	6,346,574	-	14,989,520
Balances - end of the year	<u>\$ 15,187,397</u>	<u>\$ 7,958,152</u>	<u>\$ -</u>	<u>\$ 23,145,549</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income	\$ 6,647,604	\$ 1,670,764	\$ (2,539,688)	\$ 5,778,680
Non-capital financing cash flow included in operating income	-	(27,819)	-	(27,819)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	6,537,256	-	-	6,537,256
Changes in assets and liabilities:				
Accounts payable	(680,854)	(301,290)	(156,127)	(1,138,271)
Accounts receivable	(758)	276,204	-	275,446
Self-insurance liability	-	-	76,452	76,452
Insurance claims payable	-	(34,100)	-	(34,100)
Salary and benefits payable	(3,957)	-	-	(3,957)
Net cash provided (used) by operating activities	<u>\$ 12,499,291</u>	<u>\$ 1,583,759</u>	<u>\$ (2,619,363)</u>	<u>\$ 11,463,687</u>

OTHER SUPPLEMENTARY INFORMATION



General Fund Revenues and Other Financing Sources (Uses)

Schedule of Bonds, Warrants, and Notes Payable



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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Taxes				
Property				
Real estate	\$ 18,897,507	\$ 18,897,507	\$ 18,889,767	\$ (7,740)
Motor vehicle	1,990,159	1,990,159	2,409,818	419,659
Sales and use				
Sales tax - City	163,890,989	163,890,989	184,731,576	20,840,587
Sales tax - Police Jurisdiction	11,793,111	11,793,111	11,457,618	(335,493)
Sellers use tax	9,995,322	9,995,322	11,524,773	1,529,451
Lease/rental - City	7,303,023	7,303,023	7,543,685	240,662
Lease/rental - Police Jurisdiction	393,240	393,240	483,708	90,468
Room tax - City	4,847,257	4,847,257	7,790,284	2,943,027
Room tax - Police Jurisdiction	20,014	20,014	60,456	40,442
Motor vehicle rental - City	1,404,171	1,404,171	1,896,420	492,249
Motor vehicle rental - Police Jurisdiction	259,484	259,484	-	(259,484)
Selective sales and use				
Motor fuel				
Regular - City	2,274,363	2,274,363	2,323,764	49,401
Regular - Police Jurisdiction	807,023	807,023	803,369	(3,654)
County equalization	265,484	265,484	304,604	39,120
Alcoholic beverages				
Liquor - City	1,029,305	1,029,305	1,246,380	217,075
Liquor - Police Jurisdiction	45,751	45,751	49,095	3,344
Liquor - ABC Board	322,418	322,418	293,533	(28,885)
Table Wine	211,500	211,500	211,120	(380)
Beer	1,020,925	1,020,925	955,092	(65,833)
Other				
Cigarette stamp tax	1,327,519	1,327,519	1,307,756	(19,763)
Other tobacco tax - City	933,475	933,475	1,037,486	104,011
Other tobacco tax - Police Jurisdiction	36,364	36,364	42,004	5,640
Business privilege tax	291,466	291,466	295,855	4,389
Other tax revenue	2,557,804	2,557,804	2,692,982	135,178
Total taxes	<u>231,917,674</u>	<u>231,917,674</u>	<u>258,351,145</u>	<u>26,433,471</u>
Licenses and permits				
Business licenses - City	35,472,813	35,472,813	42,116,128	6,643,315
Business licenses - Police Jurisdiction	2,178,449	2,178,449	2,277,183	98,734
Motor vehicle licenses	642,796	642,796	642,973	177
Dog licenses	3,437	3,437	1,265	(2,172)
Alarm ordinance permits	207,300	207,300	183,275	(24,025)
Total licenses and permits	<u>38,504,795</u>	<u>38,504,795</u>	<u>45,220,824</u>	<u>6,716,029</u>

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Intergovernmental				
Alcoholic Beverage Control Board	42,858	42,858	133,232	90,374
Racing Commission	-	-	25,460	25,460
Total intergovernmental	42,858	42,858	158,692	115,834
Charges for services				
Health				
Lot cleaning	69,233	69,233	66,345	(2,888)
Building demolition fee	142,894	142,894	153,875	10,981
Animal shelter	25,603	25,603	24,600	(1,003)
Recycling Fees	9,118	9,118	1,600	(7,518)
Public safety				
Inspection	1,217,921	1,217,921	1,599,547	381,626
Fire plan review fee	51,121	51,121	80,373	29,252
Police and fire	1,620,047	1,620,047	1,881,616	261,569
Engineering	394,318	394,318	403,182	8,864
Parking meter and management fees	474,801	474,801	802,176	327,375
Property rental	202,705	202,705	256,725	54,020
Franchise fees - miscellaneous	2,759,347	2,759,347	1,854,567	(904,780)
Parks and recreation fees	123,746	123,746	189,990	66,244
Vacation of ROW fee	-	-	-	-
Other	63,311	63,311	135,753	72,442
Total charges for services	7,154,165	7,154,165	7,450,349	296,184
Fines and forfeitures				
Municipal offense fines	4,252	4,252	4,868	616
Police fines	496,923	496,923	393,698	(103,225)
Driver's education	79,582	79,582	55,094	(24,488)
Bond forfeitures	76,774	76,774	73,516	(3,258)
Court costs	189,589	189,589	136,459	(53,130)
DA Restitution Unit collection fees	53,619	53,619	40,450	(13,169)
Corrections fund	526,708	526,708	398,489	(128,219)
Alarm ordinance fines	915	915	130	(785)
Municipal court administrative fee	119,342	119,342	104,376	(14,966)
Probation fees	317,836	317,836	285,793	(32,043)
Total fines and forfeitures	1,865,540	1,865,540	1,492,873	(372,667)
State and federal assistance	11,689	11,689	-	(11,689)
Investment income				
Investment of idle funds	441,815	441,815	356,605	(85,210)
Interest on investments	285,462	285,462	215,280	(70,182)
Dividend income	9,827	9,827	16,008	6,181
Total investment income	737,104	737,104	587,893	(149,211)
Other revenue				
Athletic fund	-	-	84,630	84,630
Miscellaneous	121,374	121,374	411,344	289,970
Total other revenue	121,374	121,374	495,974	374,600
Total revenues	\$ 280,355,199	\$ 280,355,199	\$ 313,757,750	\$ 33,402,551

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	\$ 42,303	\$ 42,303	\$ 17,872	\$ (24,431)
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	6,944	6,944	-	(6,944)
From Fuel Inspection Fees Special Revenue Fund	87,723	87,723	87,403	(320)
From Health Plan Internal Service Fund	3,000,000	3,000,000	-	(3,000,000)
Total operating transfers in	<u>3,694,667</u>	<u>3,694,667</u>	<u>687,403</u>	<u>(3,007,264)</u>
Operating transfers out				
To Capital Improvement Fund	-	48,236,508	48,236,508	-
To 7-Cent Roadway Maintenance Fund	400,000	400,000	331,168	68,832
To Grant Administration Funds	250,000	250,000	200,000	50,000
To Civic Center Enterprise Fund	1,900,000	1,900,000	1,360,104	539,896
To Convention Center Enterprise Fund	-	503,544	503,544	-
To WAVE Transit Enterprise Fund	5,668,477	5,668,477	5,668,477	-
To Emergency Medical Services Enterprise Fund	6,609,206	6,609,206	5,491,960	1,117,246
To Tennis Center Enterprise Fund	860,232	860,232	881,483	(21,251)
To Saenger Theater Enterprise Fund	400,000	400,000	-	400,000
To Azalea City Golf Course Enterprise Fund	487,923	487,923	341,400	146,523
To Liability Insurance Internal Service Fund	2,485,856	2,485,856	2,619,363	(133,507)
Total operating transfers out	<u>19,061,694</u>	<u>67,801,746</u>	<u>65,634,007</u>	<u>2,167,739</u>
Total other financing sources (uses)	<u>\$ (15,324,724)</u>	<u>\$ (64,064,776)</u>	<u>\$ (64,928,732)</u>	<u>\$ (863,956)</u>

CITY OF MOBILE, ALABAMA
Schedule of Bonds, Warrants, and Notes Payable
For the year ended September 30, 2022

	Interest Rates Percent	Interest Payment Dates	Issue Dates	Final Maturity Date	Serial Payments
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
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 beginning in February 2022
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 beginning in February 2021
2020 General Obligation Warrants	5.0%	2/15-8/15	8/17/20	2/15/30	Semi-annual interest payments with a single principal payment of \$5,220,000 on February 15, 2030
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, 2021	Year Ended September 30, 2022 Issued	Year Ended September 30, 2022 Refunded	Year Ended September 30, 2022 Retired	Balance September 30, 2022	Interest for Year Ended September 2022
\$ 13,715,000	\$ 2,980,000	\$ -	\$ -	\$ 555,000	\$ 2,425,000	\$ 77,883
39,402,000	30,344,000	-	-	6,487,000	23,857,000	701,903
17,735,000	14,330,000	-	-	1,400,000	12,930,000	464,434
64,610,000	52,110,000	-	-	1,565,000	50,545,000	2,471,270
4,430,000	1,580,000	-	-	775,000	805,000	47,700
48,770,000	48,770,000	-	-	3,715,000	45,055,000	1,340,000
24,350,000	17,265,000	-	-	2,490,000	14,775,000	800,996
5,220,000	5,220,000	-	-	-	5,220,000	261,000
1,275,000	115,000	-	-	115,000	-	2,818
2,695,000	745,000	-	-	170,000	575,000	75,958
2,000,000	800,000	-	-	400,000	400,000	-
\$ 224,202,000	\$ 174,259,000	\$ -	\$ -	\$ 17,672,000	\$ 156,587,000	\$ 6,243,962

PART III: STATISTICAL SECTION





PART III: STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Mobile's annual comprehensive 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.

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



CITY OF MOBILE, ALABAMA
Net Position by Component
Last 10 Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2022	2021	2020	2019
Governmental activities				
Net investment in capital assets	\$ 616,626,406	\$ 576,332,319	\$ 524,265,892	\$ 478,292,410
Restricted	46,311,820	38,477,521	32,621,789	30,378,487
Unrestricted	10,212,995	(68,215,575)	(155,461,266)	(178,363,596)
Total governmental net position	<u>\$ 673,151,221</u>	<u>\$ 546,594,265</u>	<u>\$ 401,426,415</u>	<u>\$ 330,307,301</u>
Business-type activities				
Net investment in capital assets	\$ 80,915,451	\$ 80,081,067	\$ 80,770,671	\$ 83,218,826
Unrestricted	5,492,060	5,792,647	12,146,498	3,661,778
Total business-type net position	<u>\$ 86,407,511</u>	<u>\$ 85,873,714</u>	<u>\$ 92,917,169</u>	<u>\$ 86,880,604</u>
Primary governmental				
Net investment in capital assets	\$ 697,541,857	\$ 656,413,386	\$ 605,036,563	\$ 561,511,236
Restricted	46,311,820	38,477,521	32,621,789	30,378,487
Unrestricted	15,705,055	(62,422,928)	(143,314,768)	(174,701,818)
Total primary governmental net position	<u>\$ 759,558,732</u>	<u>\$ 632,467,979</u>	<u>\$ 494,343,584</u>	<u>\$ 417,187,905</u>

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 463,460,102	\$ 466,796,768	\$ 417,251,471	\$ 401,397,005	\$ 372,032,993	\$ 366,741,756
28,640,056	25,668,707	24,152,958	21,295,974	95,217,446	93,283,087
(223,182,102)	(298,582,917)	(278,066,055)	(282,832,642)	(161,252,000)	(157,937,778)
<u>\$ 268,918,056</u>	<u>\$ 193,882,558</u>	<u>\$ 163,338,374</u>	<u>\$ 139,860,337</u>	<u>\$ 305,998,439</u>	<u>\$ 302,087,065</u>
\$ 83,820,996	\$ 86,872,399	\$ 90,229,705	\$ 92,885,644	\$ 97,964,060	\$ 101,563,121
(700,561)	1,545,787	458,089	(1,914,572)	6,820,494	10,284,211
<u>\$ 83,120,435</u>	<u>\$ 88,418,186</u>	<u>\$ 90,687,794</u>	<u>\$ 90,971,072</u>	<u>\$ 104,784,554</u>	<u>\$ 111,847,332</u>
\$ 547,281,098	\$ 553,669,167	\$ 507,481,176	\$ 494,282,649	\$ 469,997,053	\$ 468,304,877
28,640,056	25,668,707	24,152,958	21,295,974	95,217,446	93,283,087
(223,882,663)	(297,037,130)	(277,607,966)	(284,747,214)	(154,431,506)	(147,653,567)
<u>\$ 352,038,491</u>	<u>\$ 282,300,744</u>	<u>\$ 254,026,168</u>	<u>\$ 230,831,409</u>	<u>\$ 410,782,993</u>	<u>\$ 413,934,397</u>

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

	Fiscal Year			
	2022	2021	2020	2019
Expenses				
Governmental activities:				
General government	\$ 86,497,165	\$ 87,542,082	\$ 63,000,678	\$ 58,344,738
Culture and recreation	25,651,845	23,475,524	22,995,726	26,093,105
Economic development	1,543,352	1,424,648	1,163,957	1,084,321
Engineering, development & Build Mobile	17,735,162	20,846,093	14,608,855	15,028,296
Finance	4,485,879	6,399,116	5,771,251	5,741,105
Public safety	114,040,474	120,261,674	124,830,422	113,057,091
Public works	37,057,606	37,776,816	33,243,048	34,174,619
Interest on long-term debt	5,387,739	5,928,713	7,874,855	7,546,824
Total governmental activities expenses	<u>292,399,222</u>	<u>303,654,666</u>	<u>273,488,792</u>	<u>261,070,099</u>
Business-type activities:				
Azalea City Golf Course	1,849,610	1,788,375	1,645,790	1,762,244
Civic Center	3,982,165	3,047,038	3,263,936	3,762,093
Convention Center	10,140,779	9,020,710	8,425,129	10,231,659
Cruise Terminal	2,051,951	1,522,515	2,080,009	3,125,480
Emergency Medical Services	7,717,031	7,503,715	6,785,296	7,187,148
Mobile Tennis Center	1,392,622	1,330,425	960,185	939,773
Municipal Parking Garage	243,594	247,129	225,036	265,725
Neighborhood Renewal Program	14,659	11,189	34,357	35,171
Saenger Theater	2,342,446	1,113,292	1,066,242	1,754,621
Wave Transit System	13,596,862	11,402,413	11,867,100	11,705,465
Total business-type activities expenses	<u>43,331,719</u>	<u>36,986,801</u>	<u>36,353,080</u>	<u>40,769,379</u>
Total primary government expenses	<u>\$ 335,730,941</u>	<u>\$ 340,641,467</u>	<u>\$ 309,841,872</u>	<u>\$ 301,839,478</u>
Program revenues				
Governmental activities:				
Charges for services				
General government	\$ 56,441,103	\$ 51,254,438	\$ 52,942,764	\$ 52,019,172
Culture and recreation	577,091	437,538	349,077	257,254
Engineering, development & Build Mobile	2,005,357	1,996,121	1,755,172	2,410,813
Public safety	4,928,677	5,073,375	5,225,899	5,737,922
Public works	1,600	5,987	14,240	18,799
Operating grants and contributions	22,243,577	41,693,392	11,404,607	6,875,901
Capital grants and contributions	6,544,513	28,612,489	9,728,661	3,063,779
Total governmental activities program revenues	<u>92,741,918</u>	<u>129,073,340</u>	<u>81,420,420</u>	<u>70,383,640</u>
Business-type activities:				
Charges for services				
Azalea City Golf Course	1,444,043	1,347,266	1,054,498	1,266,633
Civic Center	2,575,103	602,579	1,421,044	2,010,607
Convention Center	2,919,508	1,284,866	1,492,930	3,582,654
Cruise Terminal	3,017,803	209,722	3,147,294	5,957,076
Emergency Medical Services	3,746,742	3,699,345	2,671,217	2,830,979
Mobile Tennis Center	538,843	439,300	189,515	226,868
Municipal Parking Garage	415,527	301,398	380,410	491,096
Neighborhood Renewal/Affordable Homes Program	118,788	11,390	82,819	25,921
Saenger Theater	2,246,922	431,454	424,623	1,350,082
Wave Transit System	649,651	507,295	601,070	1,171,135
Operating grants and contributions	4,975,891	5,532,081	6,778,453	3,115,987
Capital grants and contributions	3,084,250	2,641,808	1,219,810	2,540,947
Total business-type activities program revenues	<u>25,733,071</u>	<u>17,008,504</u>	<u>19,463,683</u>	<u>24,569,985</u>
Total primary government program revenues	<u>\$ 118,474,989</u>	<u>\$ 146,081,844</u>	<u>\$ 100,884,103</u>	<u>\$ 94,953,625</u>
Net (Expense) Revenue				
Government activities	\$ (199,657,304)	\$ (174,581,326)	\$ (192,068,372)	\$ (190,686,459)
Business-type activities	(17,598,648)	(19,978,297)	(16,889,397)	(16,199,394)
Total primary government net expense	<u>\$ (217,255,952)</u>	<u>\$ (194,559,623)</u>	<u>\$ (208,957,769)</u>	<u>\$ (206,885,853)</u>

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 49,876,175	\$ 57,338,003	\$ 71,077,484	\$ 71,599,115	\$ 78,626,293	\$ 89,601,242
24,667,442	25,120,318	24,346,459	25,423,325	24,192,649	24,345,756
933,158	1,128,267	1,058,324	1,339,289	1,175,960	1,271,271
15,460,518	15,477,038	15,562,782	-	-	-
6,324,506	6,184,239	5,792,949	5,905,306	5,886,971	5,313,958
117,810,593	118,270,320	108,777,473	102,625,577	115,054,082	116,799,647
38,135,993	36,948,205	32,182,584	39,454,462	41,782,266	41,980,768
8,015,023	10,956,824	12,523,734	13,222,630	14,123,164	14,531,680
261,223,408	271,423,214	271,321,789	259,569,704	280,841,385	293,844,322
1,642,458	1,595,699	1,602,676	1,573,881	1,533,543	1,545,563
3,644,260	3,539,260	3,794,184	3,675,513	3,581,709	3,562,838
8,671,027	8,433,850	9,078,055	8,543,558	9,674,772	8,525,656
2,929,012	2,610,198	1,092,752	1,028,171	1,143,905	1,303,494
13,452,009	5,163,686	5,796,418	5,392,697	7,477,075	6,795,760
865,150	793,795	761,823	781,819	707,450	639,725
228,529	234,118	237,596	239,667	285,324	228,298
82,219	10,560	11,467	14,334	18,987	1,408
1,538,821	1,009,011	881,566	843,474	889,736	259,127
12,083,817	11,645,426	12,169,978	11,857,903	12,134,216	11,551,094
45,137,302	35,035,603	35,426,515	33,951,017	37,446,717	34,412,963
\$ 306,360,710	\$ 306,458,817	\$ 306,748,304	\$ 293,520,721	\$ 318,288,102	\$ 328,257,285
\$ 49,800,454	\$ 49,688,127	\$ 50,160,158	\$ 50,060,635	\$ 51,222,299	\$ 48,203,217
228,072	281,967	302,707	525,844	437,059	525,468
2,417,052	1,922,408	1,601,395	-	-	-
3,884,100	4,547,998	4,505,318	5,141,753	5,841,687	6,282,468
7,255	33,027	-	562,397	430,550	654,746
7,089,334	6,659,324	9,029,824	6,158,691	6,937,239	9,032,116
1,714,304	2,928,157	3,518,998	19,279,163	2,525,315	5,105,011
65,140,571	66,061,008	69,118,400	81,728,483	67,394,149	69,803,026
1,223,954	1,263,235	1,275,404	1,304,713	1,344,965	1,339,025
2,087,435	1,891,198	2,367,738	2,028,805	2,031,222	1,960,052
2,634,263	2,318,069	2,588,337	2,122,764	2,204,743	1,969,680
6,307,190	5,312,115	141,063	346,635	206,892	771,780
9,974,678	3,696,227	3,882,158	4,227,342	2,189,244	2,149,941
201,261	246,033	260,707	270,386	261,450	214,030
432,563	390,964	402,268	405,092	400,957	410,482
28,198	11,181	100,278	28,287	53,884	-
1,292,985	715,930	566,731	530,969	542,724	200,270
968,036	1,015,020	1,048,474	1,164,788	1,136,104	1,115,896
3,753,467	1,937,095	3,308,904	3,502,088	3,412,216	2,910,578
546,292	270,091	1,157,458	488,423	848,317	1,275,691
29,450,322	19,067,158	17,099,520	16,420,292	14,632,718	14,317,425
\$ 94,590,893	\$ 85,128,166	\$ 86,217,920	\$ 98,148,775	\$ 82,026,867	\$ 84,120,451
\$ (196,082,837)	\$ (205,362,206)	\$ (202,203,389)	\$ (177,841,221)	\$ (213,447,236)	\$ (224,041,296)
(15,686,980)	(15,968,445)	(18,326,995)	(17,530,725)	(22,813,999)	(20,095,538)
\$ (211,769,817)	\$ (221,330,651)	\$ (220,530,384)	\$ (195,371,946)	\$ (236,261,235)	\$ (244,136,834)

(Continued)

	Fiscal Year			
	2022	2021	2020	2019
General Revenues and Other Changes in Net Position				
Governmental activities:				
Real and personal property tax	\$ 27,821,791	\$ 27,364,036	\$ 22,593,559	\$ 22,310,001
Sales tax	250,038,158	236,616,137	205,191,803	194,772,154
Gasoline tax	11,363,449	11,259,472	11,072,017	10,475,804
Room tax	9,538,882	7,942,423	5,467,713	7,071,430
Beer and liquor tax	2,755,220	2,748,130	2,330,339	2,306,577
Rental and leasing tax	12,039,128	12,076,052	10,343,709	10,572,006
Cigarette stamp tax	1,307,756	1,283,276	1,450,373	1,370,651
Other tobacco tax	1,079,491	1,013,172	915,762	859,699
Financial excise tax	2,575,806	2,326,876	2,143,592	1,221,786
Other tax revenue	3,360,551	3,321,311	2,660,691	2,659,021
Grants and contributions not restricted to a specific program	-	-	-	-
Investment earnings	609,259	682,049	1,475,245	1,964,497
Other	10,214,861	14,416,717	8,453,833	4,660,755
Transfers	(6,490,092)	(1,300,475)	(10,911,150)	(8,168,677)
Total governmental activities	<u>326,214,260</u>	<u>319,749,176</u>	<u>263,187,486</u>	<u>252,075,704</u>
Business-type activities:				
Sales tax	10,140,903	10,140,903	10,140,903	9,874,297
Room tax	1,453,172	1,453,172	1,844,040	1,903,676
Investment earnings	10,045	11,067	9,679	12,913
Other	38,233	29,225	20,190	-
Transfers	6,490,092	1,300,475	10,911,150	8,168,677
Total business-type activities	<u>18,132,445</u>	<u>12,934,842</u>	<u>22,925,962</u>	<u>19,959,563</u>
Total primary government	<u>\$ 344,346,705</u>	<u>\$ 332,684,018</u>	<u>\$ 286,113,448</u>	<u>\$ 272,035,267</u>
Change in Net Position				
Government activities	\$ 126,556,956	\$ 145,167,850	\$ 71,119,114	\$ 61,389,245
Business-type activities	533,797	(7,043,455)	6,036,565	3,760,169
Total primary government	<u>\$ 127,090,753</u>	<u>\$ 138,124,395</u>	<u>\$ 77,155,679</u>	<u>\$ 65,149,414</u>

Fiscal Year

	2018	2017	2016	2015	2014	2013
\$	21,800,271	\$ 21,054,534	\$ 19,241,503	\$ 18,293,200	\$ 17,130,837	\$ 16,364,039
	186,851,875	179,364,687	179,817,467	178,536,073	171,549,434	163,725,091
	10,497,553	10,535,475	10,471,152	10,113,784	9,474,098	9,499,092
	6,984,611	6,366,006	5,916,535	5,653,761	5,389,031	5,182,775
	2,165,235	2,111,186	2,154,493	2,100,653	2,025,855	2,078,693
	9,536,273	9,342,202	9,465,186	9,220,699	8,497,843	8,015,194
	1,429,212	1,727,163	1,701,496	1,743,039	1,815,029	1,993,093
	727,337	453,701	452,886	480,735	442,344	432,831
	905,789	746,838	560,580	382,673	399,417	363,317
	375,176	372,052	357,022	418,363	366,789	87,364
	-	-	-	-	348,437	-
	513,561	204,090	135,751	63,943	72,025	94,013
	2,667,025	3,723,468	9,633,119	6,901,008	7,500,929	1,766,581
	1,390,034	(1,885,988)	(5,284,854)	(3,885,039)	(4,969,603)	(15,212,065)
	<u>245,843,952</u>	<u>234,115,414</u>	<u>234,622,336</u>	<u>230,022,892</u>	<u>220,042,465</u>	<u>194,390,018</u>
	9,874,297	9,874,297	9,995,087	9,660,595	8,985,838	8,894,386
	1,903,676	1,903,676	1,965,763	1,879,914	1,790,951	1,722,185
	1,290	1,936	1,954	1,690	4,829	763
	-	32,941	340	-	-	-
	(1,390,034)	1,885,988	5,284,854	3,885,039	4,969,603	15,212,065
	<u>10,389,229</u>	<u>13,698,838</u>	<u>17,247,998</u>	<u>15,427,238</u>	<u>15,751,221</u>	<u>25,829,399</u>
\$	<u>256,233,181</u>	<u>\$ 247,814,252</u>	<u>\$ 251,870,334</u>	<u>\$ 245,450,130</u>	<u>\$ 235,793,686</u>	<u>\$ 220,219,417</u>
\$	49,761,115	\$ 28,753,208	\$ 32,418,947	\$ 52,181,671	\$ 6,595,229	\$ (29,651,278)
	(5,297,751)	(2,269,607)	(1,078,997)	(2,103,487)	(7,062,778)	5,733,861
\$	<u>44,463,364</u>	<u>\$ 26,483,601</u>	<u>\$ 31,339,950</u>	<u>\$ 50,078,184</u>	<u>\$ (467,549)</u>	<u>\$ (23,917,417)</u>

(Concluded)

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

	Fiscal Year			
	2022	2021	2020	2019
General Fund				
Nonspendable				
Inventory	\$ 3,121,145	\$ 2,828,968	\$ 3,047,309	\$ 3,028,287
Prepaid items	18,644	18,644	18,644	15,616
Long-term receivables	-	-	-	-
Restricted				
Grants	-	-	-	-
Law Enforcement	-	-	-	-
Assigned				
Athletic Fund	233,815	149,026	115,136	75,592
Designated and Donated Funds	1,648,744	1,543,360	1,392,968	1,289,803
General Fund Encumbrances	2,289,228	3,555,041	2,500,188	1,827,618
Municipal Court	-	-	-	-
Unassigned	120,089,721	121,737,194	83,532,824	62,151,219
Total general fund	<u>127,401,297</u>	<u>129,832,233</u>	<u>90,607,069</u>	<u>68,388,135</u>
All other governmental funds				
Restricted				
Capital Projects	6,526,489	6,274,068	7,321,482	6,613,232
Debt Service	502,187	500,665	405,307	1,016,179
Grants	8,419,470	7,007,673	7,673,500	6,609,463
Law Enforcement	1,310,080	1,301,687	1,260,694	668,188
Road and Bridge Construction	3,048,316	2,400,829	1,259,730	443,084
Road and Bridge Repair	4,070,801	3,351,451	2,733,911	2,536,513
Committed				
Flood Management	85,466	85,391	85,288	84,914
Storm Water	4,759,695	3,727,888	1,324,853	761,966
Tax Increment Program	17,672,910	13,880,852	11,896,768	12,353,462
Assigned				
Capital Improvements Fund	127,958,188	94,640,471	59,605,215	69,863,605
Economic Development	-	30,351	30,315	30,146
Municipal Court	1,040,130	1,336,072	1,497,144	1,649,511
Strategic Plan Fund	-	-	-	-
Unassigned	-	-	-	-
Total other governmental funds	<u>175,393,732</u>	<u>134,537,398</u>	<u>95,094,207</u>	<u>102,630,263</u>
Total governmental funds	<u>\$ 302,795,029</u>	<u>\$ 264,369,631</u>	<u>\$ 185,701,276</u>	<u>\$ 171,018,398</u>

		Fiscal Year									
		2018	2017	2016	2015	2014	2013				
\$	2,493,996	\$	2,232,695	\$	2,781,282	\$	2,602,208	\$	2,301,354	\$	2,241,159
	15,616		19,164		10,000		10,000		10,000		10,000
	-		-		-		-		-		-
	-		-		-		-		-		1,993,528
	-		-		-		-		-		475,460
	89,048		60,817		64,832		67,643		51,475		67,165
	1,224,313		1,159,818		1,117,574		1,018,844		931,962		871,274
	2,247,767		1,276,727		964,058		1,238,624		1,008,876		924,907
	-		-		-		-		-		970,725
	37,935,527		23,909,739		29,753,581		37,421,124		14,926,335		(4,296,200)
	44,006,267		28,658,960		34,691,327		42,358,443		19,230,002		3,258,018
	6,719,870		5,847,704		6,762,073		11,237,290		13,874,911		17,425,661
	153,275		126,125		131,469		382,829		719,022		221,605
	6,618,812		5,894,771		5,632,013		1,897,365		1,930,590		-
	671,583		750,303		168,455		336,459		384,466		-
	349,971		268,386		186,373		110,735		56,852		291,265
	2,013,442		2,301,816		2,356,683		1,460,134		1,058,928		582,849
	84,054		84,012		83,970		83,928		83,886		83,844
	2,090		-		-		-		-		-
	12,964,945		11,645,923		9,709,410		10,365,142		8,497,657		7,078,953
	66,559,834		58,617,483		59,340,935		33,049,858		34,231,012		35,653,503
	29,843		29,654		28,460		27,043		31,777		37,390
	1,622,628		1,435,698		1,465,380		1,348,629		1,250,286		-
	-		-		-		10,154,041		9,026,591		8,577,907
	-		-		-		-		(11,221)		(6,593)
	97,790,347		87,001,875		85,865,221		70,453,453		71,134,757		69,946,384
\$	141,796,614	\$	115,660,835	\$	120,556,548	\$	112,811,896	\$	90,364,759	\$	73,204,402

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

	Fiscal Year			
	2022	2021	2020	2019
REVENUES				
Taxes	\$ 321,880,232	\$ 305,950,886	\$ 264,169,558	\$ 253,619,129
Licenses and permits	46,751,500	40,247,724	42,364,738	41,117,581
Intergovernmental	158,692	82,582	42,858	-
Charges for services	7,469,538	7,842,432	7,146,079	7,767,474
Fines and forfeitures	2,096,804	2,402,449	2,309,244	2,995,401
State and federal assistance	27,857,405	52,980,260	21,082,295	9,545,250
Investment income	609,258	682,048	1,475,247	1,964,497
Other revenue	10,382,499	14,950,880	8,677,216	4,482,822
Assessments	-	-	-	-
Total revenues	<u>417,205,928</u>	<u>425,139,261</u>	<u>347,267,235</u>	<u>321,492,154</u>
EXPENDITURES				
Current:				
General government	29,693,477	41,611,072	18,694,602	15,593,547
Culture and recreation	14,688,934	13,666,124	13,070,893	13,467,966
Economic development	1,525,738	1,446,931	1,087,901	1,079,241
Engineering, development & Build Mobile	21,634,050	26,804,303	20,214,392	14,053,800
Finance	4,481,659	5,922,149	5,396,733	5,331,326
Public safety	117,768,546	107,090,400	108,855,372	98,771,084
Public works	38,163,950	33,910,740	31,035,085	31,547,770
Non-departmental	53,873,932	50,727,843	48,737,152	45,986,566
Debt service:				
Administrative charges	14,873	11,780	11,575	15,541
Bond issuance costs	-	-	135,484	240,155
Interest	6,187,722	6,759,553	7,530,318	7,756,516
Principal retirement	17,672,000	16,860,000	15,699,000	14,513,000
Interest reimbursement	-	(170,150)	-	(500,068)
Capital outlay:				
Capital outlay	61,855,067	45,514,630	53,691,681	37,169,790
Total expenditures	<u>367,559,948</u>	<u>350,155,375</u>	<u>324,160,188</u>	<u>285,026,234</u>
Excess (deficiency) of revenues over expenditures	<u>49,645,980</u>	<u>74,983,886</u>	<u>23,107,047</u>	<u>36,465,920</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	17,872	99,994	30,545	51,103
Capital/refunding-related debt issued	-	-	5,220,000	24,350,000
Payment to refunding bond escrow agent	-	-	(6,463,692)	(27,337,395)
Premium (discount) on debt issued	-	-	1,379,176	3,223,002
Transfers in	87,074,637	68,987,529	36,634,391	40,933,304
Transfers out	(98,313,091)	(65,403,054)	(45,224,589)	(48,464,150)
Total other financing sources (uses)	<u>(11,220,582)</u>	<u>3,684,469</u>	<u>(8,424,169)</u>	<u>(7,244,136)</u>
Net change in fund balances	<u>38,425,398</u>	<u>78,668,355</u>	<u>14,682,878</u>	<u>29,221,784</u>
Fund balances - beginning	264,369,631	185,701,276	171,018,398	141,796,614
Adjustments to beginning net position	-	-	-	-
Fund balances - ending	<u>\$ 302,795,029</u>	<u>\$ 264,369,631</u>	<u>\$ 185,701,276</u>	<u>\$ 171,018,398</u>
Debt service as a percentage of noncapital expenditures	7.43%	7.56%	8.47%	8.48%

Fiscal Year					
2018	2017	2016	2015	2014	2013
\$ 241,273,331	\$ 232,073,844	\$ 230,138,319	\$ 226,942,982	\$ 217,090,677	\$ 207,741,489
39,373,694	39,508,966	39,959,958	39,165,570	39,525,926	36,532,107
54,044	49,639	79,906	102,817	65,645	137,740
6,640,209	6,471,076	6,875,124	7,398,861	8,466,724	8,723,683
2,365,701	3,013,765	3,102,723	3,777,807	4,386,729	4,548,189
8,776,025	9,419,670	12,439,232	8,475,079	9,149,146	13,594,457
513,563	204,091	138,428	63,943	72,025	94,013
2,842,577	2,994,613	9,718,968	8,541,969	7,559,519	1,987,282
-	-	-	-	3,944	-
301,839,144	293,735,664	302,452,658	294,469,028	286,320,335	273,358,960
15,387,108	16,961,736	18,941,344	21,472,111	21,625,859	16,795,637
13,301,743	13,650,736	13,499,894	14,495,544	13,321,383	13,475,345
794,389	961,702	939,655	1,175,456	854,155	832,668
13,157,307	15,182,785	13,456,972	-	-	-
5,385,038	5,315,082	5,052,016	5,149,172	5,028,125	4,542,960
94,288,756	94,207,836	87,812,807	84,996,189	82,499,697	83,692,248
30,050,984	29,796,292	25,173,163	33,094,011	34,013,827	32,913,792
49,413,177	46,774,160	43,683,515	40,008,437	46,861,160	57,085,851
13,146	32,785	71,203	90,122	-	-
385,276	623,165	141,408	-	-	10,529
8,535,967	10,553,333	12,204,125	13,309,190	13,533,770	13,934,349
14,718,000	16,629,465	14,935,138	14,479,688	12,132,976	11,952,149
(746,881)	(248,168)	(248,425)	(746,147)	-	-
32,426,531	43,972,849	44,608,499	29,059,563	23,893,432	33,359,798
277,110,541	294,413,758	280,271,314	256,583,336	253,764,384	268,595,326
24,728,603	(678,094)	22,181,344	37,885,692	32,555,951	4,763,634
7,722	433,754	29,921	50,384	7,124	18,121
57,705,000	86,775,000	39,402,000	-	-	5,100,000
(57,858,848)	(95,724,264)	(39,260,592)	-	-	-
539,124	9,572,429	-	-	-	-
41,734,459	46,987,427	85,940,776	39,374,477	54,390,241	39,264,957
(40,720,281)	(52,261,965)	(100,548,803)	(54,863,410)	(69,792,959)	(61,044,043)
1,407,176	(4,217,619)	(14,436,698)	(15,438,549)	(15,395,594)	(16,660,965)
26,135,779	(4,895,713)	7,744,646	22,447,143	17,160,357	(11,897,331)
115,660,835	120,556,548	112,811,902	90,364,759	73,204,402	89,055,488
-	-	-	-	-	(3,953,755)
\$ 141,796,614	\$ 115,660,835	\$ 120,556,548	\$ 112,811,902	\$ 90,364,759	\$ 73,204,402
8.92%	10.35%	11.06%	11.58%	10.99%	10.68%

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>
2022	\$ 27,821,791	\$ 250,038,158	\$ 11,363,449	\$ 9,538,882	\$ 2,755,220
2021	27,364,036	236,616,137	11,259,472	7,942,423	2,748,130
2020	22,593,559	205,191,803	11,072,017	5,467,713	2,330,339
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

Rental and Leasing Tax	Tobacco Tax	Financial Excise Tax	Other Taxes	Total
\$ 12,039,128	\$ 2,387,247	\$ 2,575,806	\$ 3,360,551	\$ 321,880,232
12,076,052	2,296,448	2,326,876	3,321,311	305,950,885
10,343,709	2,366,135	2,143,592	2,660,691	264,169,558
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

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>
2022	5,279	5.0%
2021	5,033	5.0%
2020	4,458	5.0%
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%

CITY OF MOBILE, ALABAMA
Sales Tax Rates
Direct and Overlapping¹ Governments
Last 10 Fiscal Years

Fiscal Year	City of Mobile					City of Mobile Police Jurisdiction ²				
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
2022	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2021	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2020	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
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%

Source: Alabama Department of Revenue

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

² 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%	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%

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

Taxpayer	2022		2013	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Costco Wholesale #1192	1	2.79%		
Wal-Mart #866	2	2.52%	1	3.00%
Wal-Mart #853	3	2.26%	2	2.67%
Sams Wholesale Club #8102	4	2.07%	3	2.23%
Wal-Mart #991	5	1.80%	4	2.17%
Lowe's of West Mobile #549	6	1.44%	6	1.03%
Lowe's of Mobile #212	7	1.42%	10	0.00%
Lowe's Home Centers LLC	8	1.31%	7	1.00%
Target T-1376	9	1.28%	5	1.33%
Home Depot #865	10	1.18%		
Dillard's			8	1.00%
Best Buy			9	0.98%
Totals		18.07%		15.41%

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: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value ¹ as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2022	647,709,040	2,555,836,620	323,544,020	541,341,940	75,966,600	3,992,465,020	7 mills	22,470,957,200	18.11%
2021	617,739,900	2,421,509,240	293,358,660	514,560,560	73,237,720	3,773,930,640	7 mills	21,560,512,833	17.84%
2020	614,561,360	2,260,519,060	268,913,440	509,636,760	75,030,720	3,578,599,900	7 mills	20,642,671,967	17.70%
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%

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.

¹ Includes tax-exempt property.

CITY OF MOBILE, ALABAMA
Property Tax Rates
Direct and Overlapping¹ Governments
Last 10 Fiscal Years

Fiscal Year	<u>Overlapping Rates</u>			Total Direct & Overlapping Rates
	<u>City of Mobile</u> Total City Millage	<u>Mobile County</u> Total County Millage	<u>Mobile County School District</u> Total School Millage	
2022	7	16	29.5	52.5
2021	7	16	29.5	52.5
2020	7	16	29.5	52.5
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

Source: Mobile County Revenue Commissioner

¹ 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	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Alabama Power Company	\$ 85,158,380	1	2.13%	\$ 284,583,440	2	5.22%
Shell Chemical Company	48,160,180	2	1.21%			
Kimberly-Clark Corporation	35,292,860	3	0.88%	43,954,000	8	5.39%
Austal USA LLC	26,520,340	4	0.66%	64,988,720	9	3.37%
UOP LLC	24,297,860	5	0.61%			
Spire Gulf Inc (form. Mobile Gas)	23,220,940	6	0.58%	35,040,000	10	5.75%
RPI Bel Air Mall LLC	12,819,420	7	0.32%			
Cooper Marine & Timberlands Corp	11,286,820	8	0.28%			
Cole MT Mobile AL LLC Delaware	9,641,000	9	0.24%			
Springhill Medical Complex	9,283,620	10	0.23%			
ThyssenKruppp Steel				669,185,420	1	2.46%
Gulfstream Natural Gas				77,000,000	3	4.85%
ThyssenKruppp Stainless				150,963,780	4	2.46%
Florida Gas Transmission Co				75,030,040	5	4.85%
Evonik Degussa Corp				62,594,680	6	4.72%
SSAB Alabama Inc				78,387,320	7	3.64%
Totals	<u>\$ 285,681,420</u>		<u>7.57%</u>	<u>\$ 1,541,727,400</u>		<u>3.80%</u>

Source: Mobile County Revenue Commissioner

Note: Principal property taxpayers presented for 2022 are those property taxpayers in the City of Mobile. Principal property taxpayers presented for 2013 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

<u>Fiscal Year Ended September 30</u>	<u>Tax Year Abstract</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Amount Collected within the Fiscal Year of the Levy</u>	<u>Percentage of Levy</u>	<u>Collection Subsequent Years</u>	<u>Total Amount Collected to Date</u>	<u>Percentage of Levy</u>
2022	2021	\$ 18,371,388	\$ 16,482,249	89.72	22,397	\$ 16,504,646	89.84
2021	2020	17,818,772	16,430,943	92.21	155,855	16,586,798	93.09
2020	2019	15,978,465	14,803,387	92.65	55,845	14,859,232	93.00
2019	2018	15,507,788	14,461,659	93.25	46,102	14,507,761	93.55
2018	2017	14,897,506	13,787,899	92.55	122,443	13,910,342	93.37
2017	2016	14,964,480	10,218,795	68.29	2,677,700	12,896,495	86.18
2016	2015	13,956,359	12,438,912	89.13	1,501,950	13,940,862	99.89
2015	2014	13,686,098	11,036,067	80.64	2,060,535	13,096,602	95.69
2014	2013	12,891,691	8,770,478	68.03	2,745,152	11,515,630	89.33
2013	2012	12,999,487	8,826,780	67.90	3,486,486	12,313,266	94.72

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 ¹	Per Capita ¹
	General Obligation Bonds	Limited Obligation Bonds	Notes Payable	Capital Leases	Capital Leases			
2022	163,251,886	-	975,000	-	-	164,226,886	*	397
2021	181,269,684	-	1,660,000	-	-	182,929,684	0.95%	442
2020	198,495,482	-	2,325,000	-	-	200,820,482	1.21%	484
2019	214,670,663	-	2,985,000	-	-	217,655,663	1.38%	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

* Data not available

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

¹ 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 ¹ of Property	Per Capita ²
2022	\$ 163,251,886	\$ 502,186	\$ 162,749,700	0.72%	393
2021	181,269,684	500,666	180,769,018	0.84%	437
2020	198,495,482	405,307	198,090,175	0.96%	478
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

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

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

² 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, 2022

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt Repaid with Property taxes: County Subtotal, overlapping debt	\$ 552,841,460	53%	\$ 293,005,974 <u>293,005,974</u>
City of Mobile direct debt	164,226,886	100%	<u>164,226,886</u>
Total direct and overlapping debt			<u><u>\$ 457,232,860</u></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.

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

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

	Fiscal Year			
	2022	2021	2020	2019
Debt Limit	\$ 813,686,324	\$ 813,686,324	\$ 730,726,124	\$ 583,867,572
Less: Total net debt applicable to limit	<u>122,399,814</u>	<u>139,573,334</u>	<u>156,548,693</u>	<u>156,612,878</u>
Legal debt margin	<u>\$ 691,286,510</u>	<u>\$ 674,112,990</u>	<u>\$ 574,177,431</u>	<u>\$ 427,254,694</u>
Total net debt applicable to the limit as a percentage of debt limit	15.0%	17.2%	21.4%	26.8%

Legal Debt Margin Calculation for Fiscal Year 2022:

Assessed value of real property, September 30, 2022	\$ 3,203,545,660
Assessed value of personal property, September 30, 2022	<u>864,885,960</u>
Total assessed value	4,068,431,620
Debt Limit (20% of total assessed value)	813,686,324
Less: Total net debt applicable to limit	<u>139,573,334</u>
Legal debt margin	<u>\$ 674,112,990</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					
2018	2017	2016	2015	2014	2013
\$ 578,399,732	\$ 555,401,200	\$ 563,287,216	\$ 512,931,580	\$ 504,987,932	\$ 476,702,224
188,977,819	201,023,028	217,182,815	222,506,693	235,615,896	243,221,226
<u>\$ 389,421,913</u>	<u>\$ 354,378,172</u>	<u>\$ 346,104,401</u>	<u>\$ 290,424,887</u>	<u>\$ 269,372,036</u>	<u>\$ 233,480,998</u>
32.7%	36.2%	38.6%	43.4%	46.7%	51.0%

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
2022	413,977	*	*	38.1	High School Graduate	57,448	3.0%
2021	414,114	19,174	46,418	37.9	High School Graduate	53,941	4.1%
2020	414,659	16,574	40,112	37.6	High School Graduate	53,967	9.3%
2019	413,757	15,823	38,243	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%

* 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 is the largest City in the county

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

Taxpayer	2022			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,200	1	3.85%	7,283	1	4.26%
Infirmiry Health Systems	6,400	2	3.42%	5,100	3	2.98%
USA School and Medical Facilities	6,000	3	3.21%	5,151	2	3.01%
Austal USA	4,000	4	2.14%	4,000	4	2.34%
City of Mobile	2,000	5	1.07%	2,323	5	1.36%
Airbus US Manufacturing	1,800	6	0.96%			
AltaPointe	1,700	7	0.91%			
AM/NS Calvert	1,600	8	0.85%			
Spring Hill Medical Center	1,600	9	0.85%	1,200	10	0.70%
County of Mobile	1,600	10	0.85%	1,650	6	0.97%
Providence				1,600	7	0.94%
ThyssenKrupp Steel				1,490	8	0.87%
ST Aerospace Mobile				1,350	9	0.79%
Totals	33,900		18.11%	31,147		18.22%

Source: Mobile Chamber of Commerce

Note: All statistical data presented above are for the County of Mobile as the City of Mobile is the largest City in the county

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									
	2022	2021	2020	2019	2018*	2017	2016	2015	2014	2013
General government	135	98	84	83	96	96	100	185	203	223
Culture and recreation	184	189	228	197	213	253	336	378	485	414
Economic development	11	12	11	10	8	27	14	12	13	12
Engineering, development, and Build Mobile	160	170	183	186	183	112	210	-	-	-
Finance	55	82	78	74	79	82	85	93	96	91
Public safety	1,036	1,123	1,094	1,097	1,093	1,206	1,242	1,333	1,399	1,288
Public works	312	328	328	323	325	520	423	540	541	569
Cruise Terminal	6	6	7	8	8	2	4	-	-	-
Firemedics	70	71	71	74	77	89	73	71	93	73
Golf course	18	19	17	17	18	13	19	20	26	22
Motor Pool	3	4	4	3	2	3	3	3	3	3
Tennis center	14	14	13	11	11	7	12	12	17	10
Total	2,004	2,116	2,118	2,083	2,113	2,410	2,521	2,647	2,876	2,705

Source: City Payroll Records

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

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

Function	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Streets and Highways										
Paved	1,274.0	1,272.6	1,287.5	1,272.1	1,272.2	1,271.7	1,268.1	1,267.7	1,267.7	1,267.7
Unimproved	15.1	15.3	15.3	15.4	15.5	15.5	18.9	18.9	18.9	19.6
Traffic Signals	312	312	312	312	310	310	316	317	316	316
Street Lights	6,500	6,500	6,500	6,500	5,835	5,528	5,200	5,200	5,200	5,200
Public Safety										
Police Precincts and Mini-Precincts	6	5	5	5	5	5	6	6	7	8
Fire Stations	20	20	20	20	20	20	20	20	21	21
Culture and Recreation										
Parks	80	80	77	77	69	69	69	68	68**	92
Parks Acreage	1,709	1,709	1,400	1,400	1,294	1,294	1,294	1,294	1,294	1,754
Swimming Pools	5	5	4	4	6	6	6	6	6	6
Wading Pools	6	6	6	6	9	9	9	9	9	6
Spray Grounds	5	5	5	5	5	5	5	4	3	3
Tennis Courts	95	95	95	95	93	93	93	93	93	93
Community Centers	18	18	18	18	18	18	18	14	14	14
Senior Centers	3	3	3	3	3	3	3	3	3	4
Motor Pool										
Sanitation Collection Trucks	30	25	27	28	27	27	30	35	36	37

* 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	2022	2021	2020	2019
General Government				
Information Technology				
Buildings with computer equipment	199	199	199	202
Miles of fiber	217	216	201	192
Wireless sites	7	8	10	11
Computer user accounts	1,985	2,338	2,366	2,306
Email accounts	2,781	2,773	2,668	1,796
Voicemail accounts	1,812	1,873	1,897	1,649
Computers/printers supported	3,086	3,396	3,527	3,237
Servers supported	105	130	123	133
City phone extensions	1,794	1,855	1,605	1,688
Broadband Data Cards	150	186	162	192
Software Applications Supported	516	510	446	435
MIT Help Desk Cases	6,703	6,332	6,553	7,702
Cell Phones	402	438	292	376
Telecom Help Desk Requests	524	838	697	373
Mobile 311				
Calls	99,151	101,780	99,616	91,338
SROs created	53,510	56,000	78,040	52,133
Culture and Recreation				
Mobile Public Library				
Items circulated	1,148,587	1,087,807	990,555	1,553,075
Customer visits	607,307	446,966	468,697	1,089,704
Engineering, development & Build Mobile				
Build Mobile				
Service request orders	6,977	11,593	6,113	9,494
Municipal offense tickets	1,022	941	1,051	1,023
Inspections/investigations	80,135	60,018	86,820	83,367
Plan reviews	11,936	16,509	2,685	2,765
Plan reviews - Right of Way	3,526	2,235	3,261	3,431
Complete nuisance abatement cases	204	184	170	214
Complete weed abatement cases	454	380	488	596
Removal of trees	44	195	615	183
Trimming removal	839	1,767	3,176	1,939
Stump removal	13	24	39	53
Mobile Historic Development Commission				
Applications reviewed	485	505	370	441
Certificates issued	465	483	302	373
Applications heard by review board	91	90	66	68
Applications denied	6	3	2	2

2018	2017	2016	2015	2014	2013
197	194	194	190	185	184
188	185	185	850	825	825
29	29	29	25	22	18
3,108	3,436	3,436	3,250	3,222	3,000
1,819	1,932	1,932	2,400	2,369	2,458
1,479	1,482	1,482	1,466	1,461	1,541
3,388	3,375	3,375	3,098	3,098	3,163
107	95	95	99	99	95
2,791	2,802	2,802	2,724	2,756	2,730
171	70	70	72	63	88
430	430	430	426	426	420
6,294	9,552	9,552	9,195	10,126	10,016
388	485	485	393	372	385
675	1,284	1,284	1,759	1,473	1,809
99,064	97,485	96,805	96,450	110,776	115,594
55,396	54,594	57,886	54,313	56,559	60,512
1,554,685	1,603,430	1,659,247	1,670,662	1,702,092	1,798,526
1,108,338	1,251,244	1,375,573	1,410,099	1,447,113	1,439,398
11,721	13,677	18,808	13,534	18,806	17,043
1,192	1,215	1,369	1,516	1,634	2,221
82,890	60,003	51,374	62,057	65,763	63,407
2,797	2,833	2,729	5,196	7,453	8,043
2,100	2,451	2,444	2,489	2,587	2,574
173	118	84	125	77	44
500	840	622	340	320	340
400	456	524	369	395	395
1,500	1,526	4,114	4,560	4,307	5,691
60	60	204	181	102	125
375	372	382	400	412	430
368	316	349	393	410	344
46	52	27	58	64	86
7	2	3	7	2	12

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

Function	2022	2021	2020	2019
Public Safety				
Mobile Police Department				
Crime Incidents:				
Murder (or Non-Neg Manslaughter)	43	51	34	32
Murder Domestic	*	5	2	4
Negligent Manslaughter	*	1	2	1
Forcible Rape	140	165	150	161
Carjacking	22	25	22	22
Robbery	149	196	139	280
Aggravated Assault	1,498	1,404	1,226	1,175
Burglary	2,069	1,304	1,650	2,228
Larceny	5,993	5,696	6,643	8,002
Vehicle Theft	896	1,017	914	914
Arson	6	13	7	16
Simple Assault	7,095	7,790	7,351	2,826
Sex Offenses	89	102	102	94
Narcotic Laws	1,697	1,475	1,665	1,590
Weapons Offence	913	705	630	504
Forgery-Counterfeiting	250	147	173	276
D.U.I.	264	309	304	349
All Other Offenses	24,480	26,629	26,726	24,942
Total Tickets				
Following too close	6	13	36	43
Run red light	342	673	893	930
Run stop sign	232	537	531	781
Speeding	1,308	3,406	3,515	3,806
Speeding in school zone	84	11	8	44
Mobile Fire Rescue Department				
Total calls answered	50,893	48,926	42,187	35,389
Inspections	5,679	3,817	2,556	2,915
Plans reviewed	1,328	1,376	1,317	1,586
Permits issued	771	784	1,006	984
Mobile Municipal Court				
Domestic violence cases	1,422	1,511	1,274	1,395
Environmental cases	1,598	1,286	370	1,437
Traffic cases	10,634	18,937	19,631	24,804
Criminal cases	4,942	4,924	4,771	5,972
Finance				
Human Resources				
Medical claims	139	137	212	176
Indemnity claims	39	22	26	31

2018	2017	2016	2015	2014	2013
29	45	44	23	26	29
7	6	*	1	4	-
1	-	*	-	2	-
155	119	78	136	146**	29
36	33	*	10	12	17
352	439	459	427	431	452
1,283	1,335	1,165	1,225	1,136	1,272
2,820	3,142	2,621	2,275	2,878	2,828
9,058	9,583	8,834	8,367	8,824	9,384
1,345	1,380	850	623	727	742
35	71	*	47	56	42
3,113	3,163	*	2,067	2,134	2,140
104	103	*	131	120	123
1,120	1,024	*	1,429	2,148	3,897
506	434	*	230	274	440
323	260	*	315	226	325
291	298	*	422	448	405
29,762	30,160	*	26,888	26,606	29,750
43	41	65	51	79	66
651	763	820	904	1,654	1,585
315	537	473	802	1,156	1,248
5,170	5,816	7,320	8,589	12,551	11,854
102	14	24	319	557	512
38,149	37,658	38,832	35,619	33,486	31,906
1,481	795	812	1,064	1,339	5,731
943	428	771	317	698	792
857	517	846	414	415	1,037
1,279	1,232	1,130	1,305	2,704	1,520
1,167	1,472	1,765	2,246	4,092	2,720
21,020	24,874	29,365	33,644	67,096	52,622
4,882	5,318	5,495	5,632	12,714	8,797
194	205	207	234	221	262
28	25	31	35	31	42

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

Function	2022	2021	2020	2019
Public works				
Flood control				
Debris removed (cubic yards)	9,001	36,347	24,611	12,830
Work on ditches (miles)	18	6	35	31
Administration				
Disciplinary actions processed	421	355	110	72
Claims/reports processed	64	58	69	51
Concrete and sidewalk repair				
Concrete poured	144	370	185	300
Repairs	63	58	540	500
Replacements	-	-	-	-
Right-of-way maintenance				
Material hauled (cubic yards)	4,011	702	710	26,094
Material used (cubic yards)	4,011	400	350	13,088
Repairs	212	223	175	239
Asphalt street repair				
Asphalt used (tons)	484	518	551	633
Repairs	9,698	9,065	10,517	10,163
Street Sweeping				
Miles sweeper swept	21,121	11,838	16,458	21,177
Debris removed (cubic yards)	11,092	13,681	14,672	16,486
Water used (gallons)	297,775	329,750	359,136	513,070
Dredge				
Material dredged/removed (cubic yards)	*	*	*	*
Storm drain and heavy equipment				
Drains cleaned	9,555	8,800	6,040	4,409
Material hauled (cubic yards)	19,365	36,347	12,193	2,870
Solid waste				
Waste removal (tons)	59,460	62,185	59,224	41,573
Other waste removal (tons)	-	-	-	14
Special events (tons)	185	-	387	528
Carcass removal	1,082	2,383	1,139	1,217
Trash division				
Trash picked up	175,984	307,034	213,990	188,486
Pay pile loads	664	560	880	937
Environmental Response Crew				
Collections (gallons)	1,196	1,008	1,706	901
Other Collections (yards)	-	-	-	-
Cleaned (feet)	-	-	-	8,415

* Data not available

** Method for reporting has changed.

Source: Various City Departments

2018	2017	2016	2015	2014	2013
2,838	1,076	9,620	10,153	6,582	5,642
25	16	19	16	13	17
51	88	209	208	171	191
74	153	171	153	122	189
278	1,003	1,330	1,341	1,743	3,198
546	253	480	378	595	500
-	2	1	2	3	5
25,163	20,474	19,952	16,765	27,609	28,985
6,143	8,105	5,503	4,304	14,265	17,700
281	200	179	54	156	157
500	540	860	727	1,112	1,071
8,388	10,018	13,325	14,382	18,096	16,725
12,043	11,634	10,372	11,324	19,252	31,003
10,599	12,091	13,715	14,460	17,944	19,142
140,250	208,749	208,620	144,123	211,500	242,500
*	15,000	32,456	17,272	23,147	29,508
3,047	2,553	3,885	1,686	3,884	2,797
1,920	1,520	615	1,275	2,730	7,824
47,756	54,536	57,976	55,413	53,125	52,615
108	141	436	414	318	305
217	314	400	350	345	330
937	1,126	1,158	1,200	3,650	3,617
190,315	200,816	199,331	192,281	164,200	171,260
604	1,034	1,104	778	680	542
951	1,709	1,447	1,772	1,499	1,215
-	-	-	-	-	-
7,010	5,190	5,251	6,478	25,928	29,666