

# CITY OF MOBILE, ALABAMA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

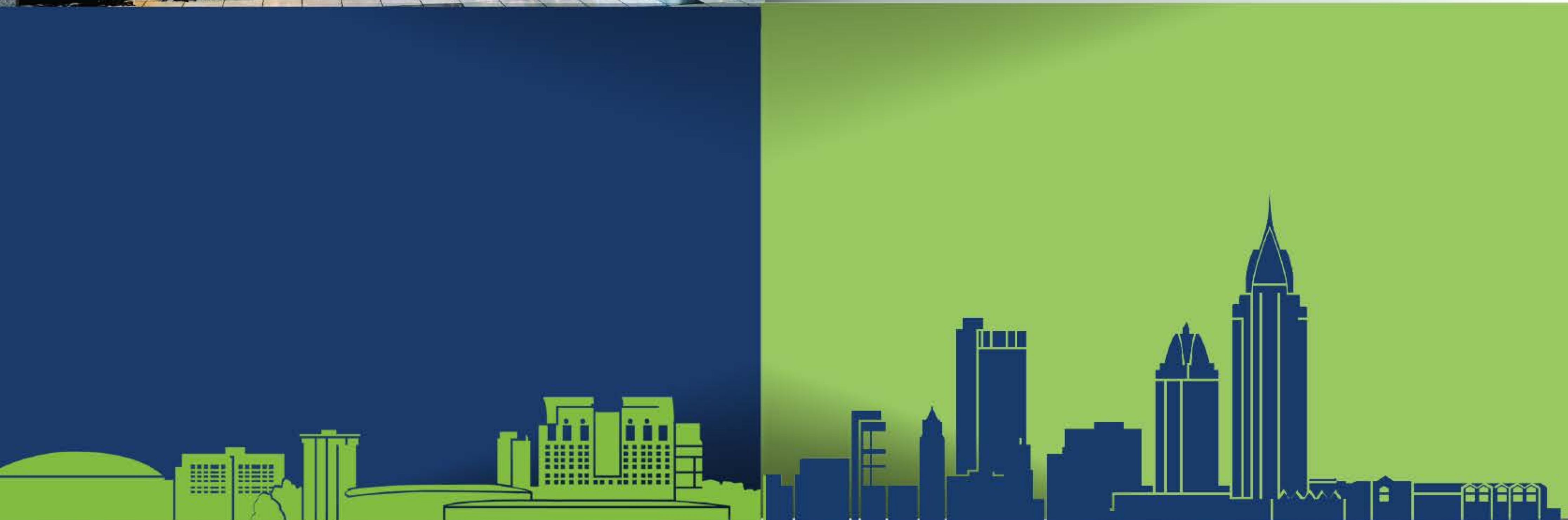
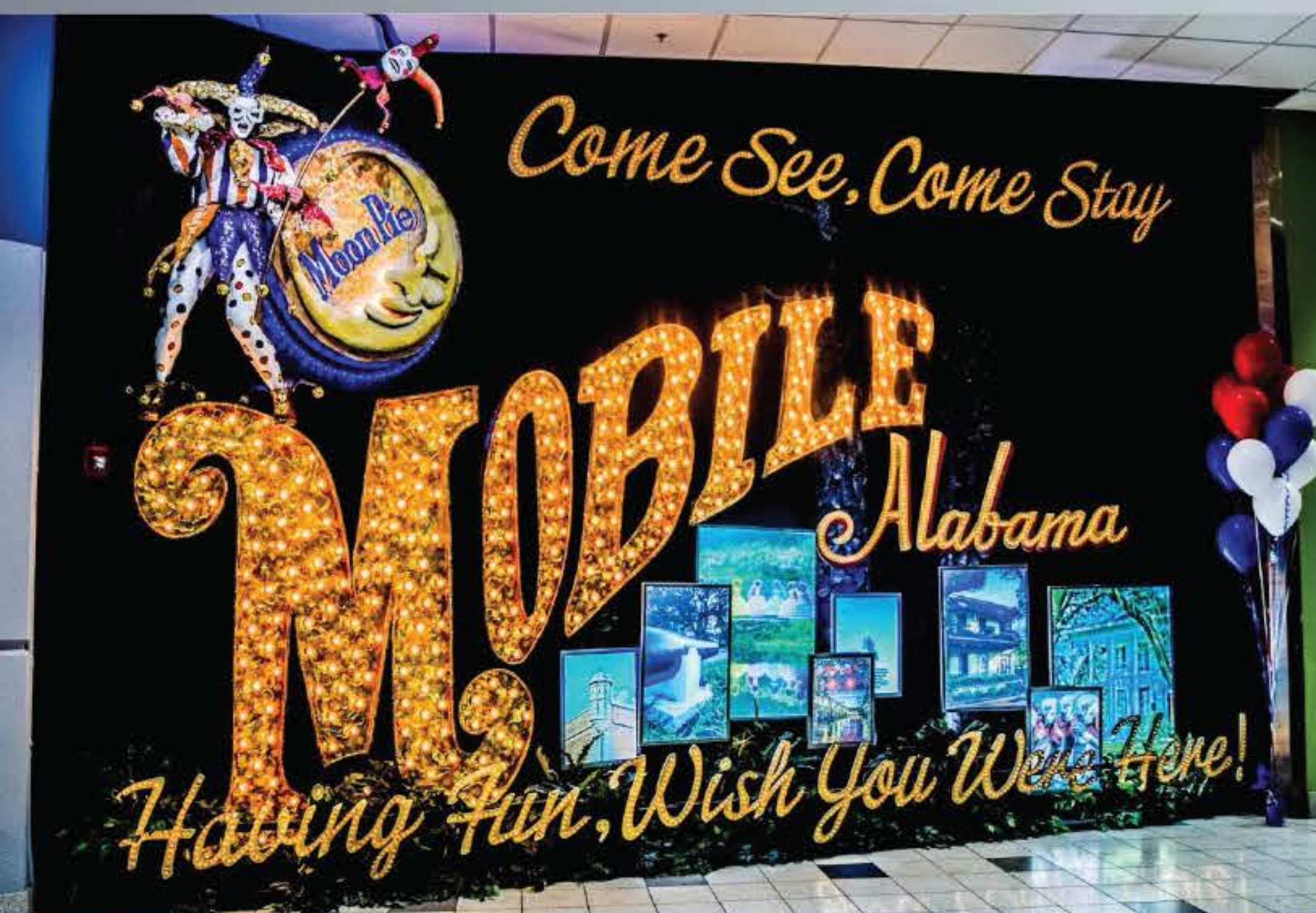
### FISCAL YEAR ENDED SEPTEMBER 30, 2018



#### *community*

A feeling of fellowship with others, as a result of sharing common attitudes, interests, and goals.

2018



**WILLIAM S. STIMPSON, MAYOR**  
**PAUL C. WESCH, EXECUTIVE DIRECTOR OF FINANCE**  
**REBECCA B. CHRISTIAN, COMPTROLLER**







**CITY OF MOBILE, ALABAMA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

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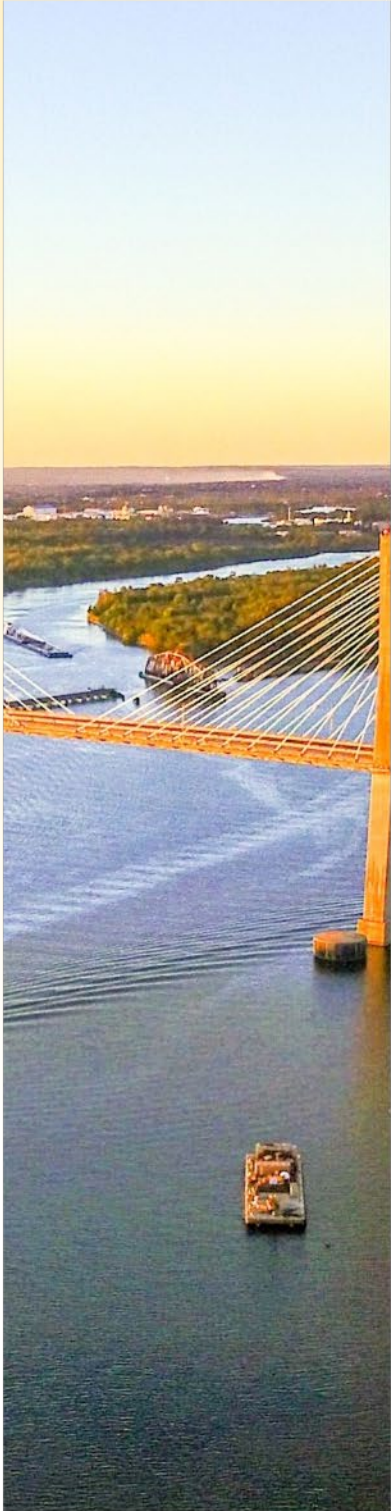




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## PART I: INTRODUCTORY SECTION



***Cochrane-Africatown Bridge  
Over the Mobile River***









March 21, 2019

TO THE CITIZENS OF  
THE CITY OF MOBILE, ALABAMA:

Enclosed is the Comprehensive Annual Financial Report (CAFR) of the City of Mobile, Alabama (the City) for the fiscal year ended September 30, 2018. The CAFR is provided to give detailed information about the financial position and activities of the City to its citizens, City Council, City staff and other readers.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Mobile management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City as a whole and the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Alabama state law requires an annual audit of the City's financial statements by independent certified public accountants who must conduct the audit in accordance with generally accepted auditing standards. The accounting firm of Wilkins Miller LLC conducted the audit and their report on the City's basic financial statements is included herein. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The audit is underway and the separately issued Single Audit Report will be available for review at the Federal Audit Clearinghouse.

Management's discussion and analysis (the MD&A) immediately follows the independent auditors' report. It provides a narrative introduction, overview and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.



## PROFILE OF THE CITY

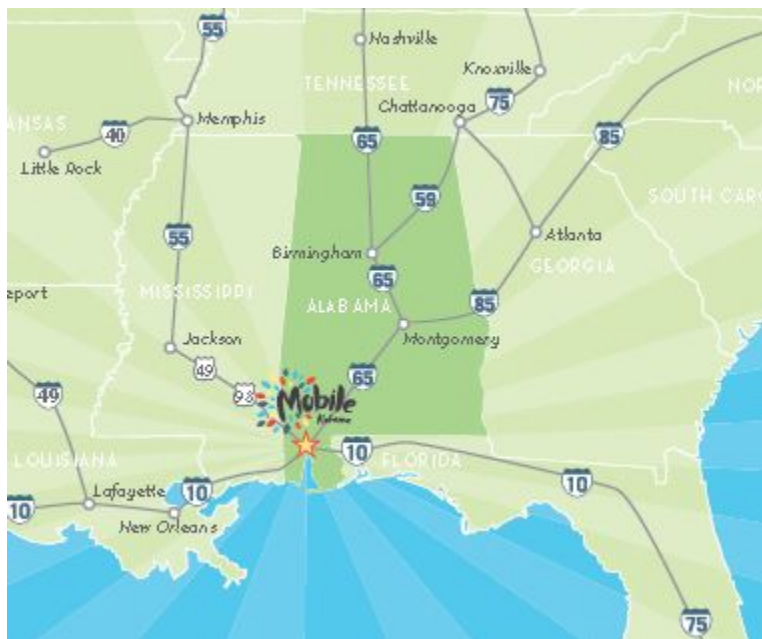


*Photo by Tad Denson*

Three-hundred-year-old historic Mobile is the county seat of Mobile County and is located in the southwestern section of Alabama, at the head of Mobile Bay, thirty-one miles from the Gulf of Mexico.

The city covers an area of 188.5 square miles including 148.2 and 40.3 square miles of land and water respectively. In 2017, the United States Census Bureau estimated that there were 190,265 people residing within the city limits of Mobile and that there were 413,955 people in Mobile County, the third largest metropolitan statistical area in Alabama.

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



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



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

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



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

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



## FINANCIAL CONDITION

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

Fiscal Year 2014 began with a negative \$4.3 million fund balance in the General Fund. Successive operating surpluses have repaid the General Fund and resulted in an unassigned fund balance of \$37,935,527 as of September 30, 2018.

Mobile has approximately \$231 million in long-term debt outstanding from bonds, warrants, and notes payable. This is more than a 26% reduction in indebtedness from several years ago. Over the last three years, most of the City's bond issues have been refinanced to take advantage of lower interest rates while taking care not to lengthen payment terms or borrow any "new money."

## ECONOMIC CONDITION

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

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

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

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

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

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

Other recent economic development successes include (1) Amazon, which opened a 350,000 square-foot sortation center in the Mobile area that is expected to employ more than 360 part-time employees and an additional 1,000 seasonal employees; and (2) Wal-Mart, which opened a \$135,000,000, 2.5 million-square-foot direct import distribution center in Mobile. The Wal-Mart distribution facility stocks the company's other distribution centers along the central Gulf coast and is expected to create 550 new jobs. In August 2018, Continental Motors began construction of a 275,000 square-foot manufacturing facility for the production of piston and turbine engines for light aircraft. This \$75 million retention and expansion project continues the more than 50-year presence of Continental Motors in Mobile.

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

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



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*Austal USA, Mobile  
photo courtesy Austal USA*

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

## **EDUCATION AND CULTURE**

Mobile is home to the University of South Alabama which is currently educating more than 15,000 students in more than 100 academic programs. Founded in 1963, South's 1,200-acre campus has been transformed over the past decade with new facilities. South's health care facilities provide economic stability to Mobile, employing 5,200.



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*University of South Alabama  
Moulton Tower and Alumni Plaza  
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.

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



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*Mobile Museum of Art*

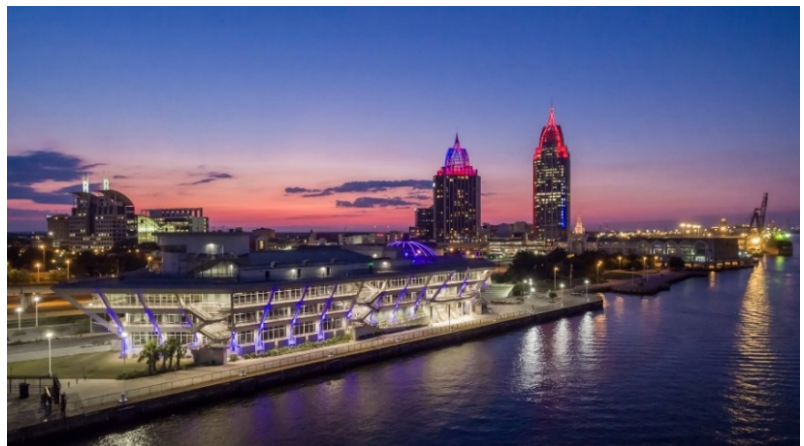
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The GulfQuest National Maritime Museum of the Gulf of Mexico offers immersive experiences in an array of maritime topics including early settlements and trade routes, marine commerce and shipbuilding, ship navigation and communication, offshore oil/gas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

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

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

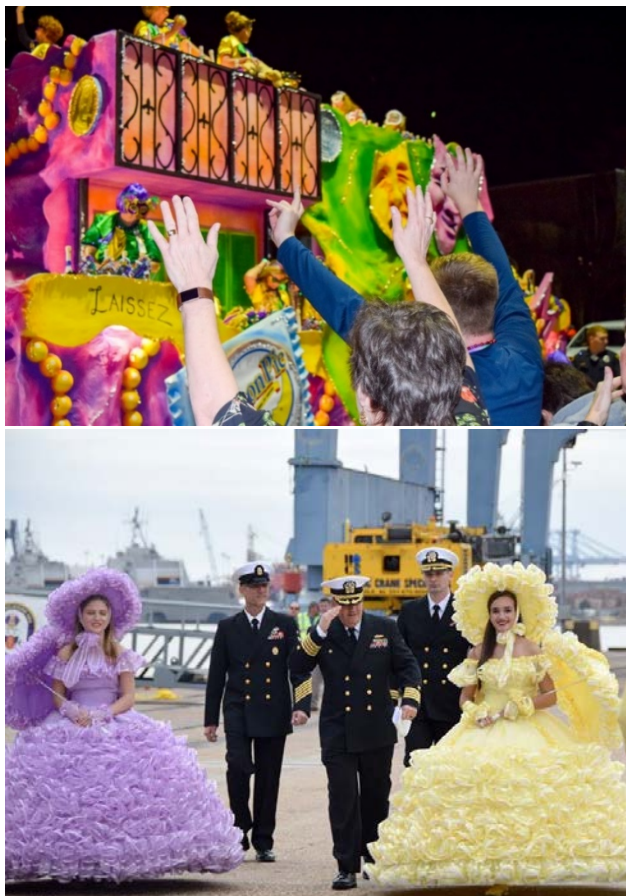
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*Saenger Theater*

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





## **MANAGEMENT OF CITY RESOURCES**

A significant factor in assessing the economic health of the City of Mobile and the City's finances is the credit rating assigned by credit rating agencies because of their in-depth review of economic conditions and City financial performance.

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

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

The City has maintained its Aa2 and AA- ratings for FY 2018.

## **RELEVANT FINANCIAL POLICIES**

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

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

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

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

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

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

Cash temporarily idle during the fiscal year was invested in government securities and bank certificates of deposit. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by Federal Depository Insurance or collateralized. The deposits that were not insured by Federal Depository Insurance were covered under the Security for Alabama Funds Enhancement (SAFE) program. Each of the banks holding the City's deposits is a certified participant in the SAFE program. Through the SAFE program, all public funds are protected through a collateral pool administered by the Alabama State Treasury.

The City is self-insured for claims and judgments, general liability and general automobile liability. These liabilities were estimated to be approximately \$638,228 at September 30, 2018 and were accounted for in the Liability Insurance Internal Service Fund. Claim settlement and loss expenses are accrued in this fund for estimated reported claims. Past experience indicates that incurred but not reported claims, in aggregate, do not represent a material amount and, therefore, have not been accrued at year-end.

The City is self-insured for workers' compensation claims, up to \$750,000 per accident/claim, to include medical expenses and indemnity payments to the injured worker. The city is fully insured over the \$750,000 self-insured retention, through the Municipal Workers Compensation Fund (MWCF). The City contracts with a third-party administrator for claims administration of claims that occurred prior to participation in MWCF on January 1, 2017. These liabilities were estimated to be approximately \$21.4 million at September 30, 2018 and are accounted for in the Government-wide financial statements.

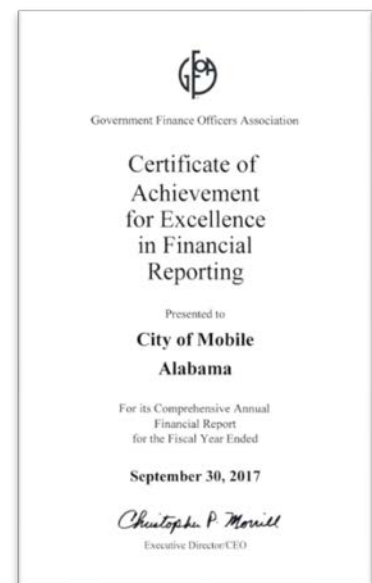
The liability for employee health insurance claims of approximately \$2.0 million is reported in the Employee Health Plan Fund (Internal Service Fund).

The cost of providing benefits to City retirees is a significant commitment of current and future resources. The City pays 100% of benefit costs after employee contributions and plan earnings. The City has met all its obligations and incorporated the effect of expected benefit cost increases in making annual budget decisions. During Fiscal Year 2016, City management made modifications to its employee health plan and to its separate retiree health plans to lessen the impact to the City of rising costs.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its September 30, 2017 comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.





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

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul C. Wesch', with a long horizontal flourish extending to the right.

Paul C. Wesch  
Executive Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Mobile  
Alabama**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2017**

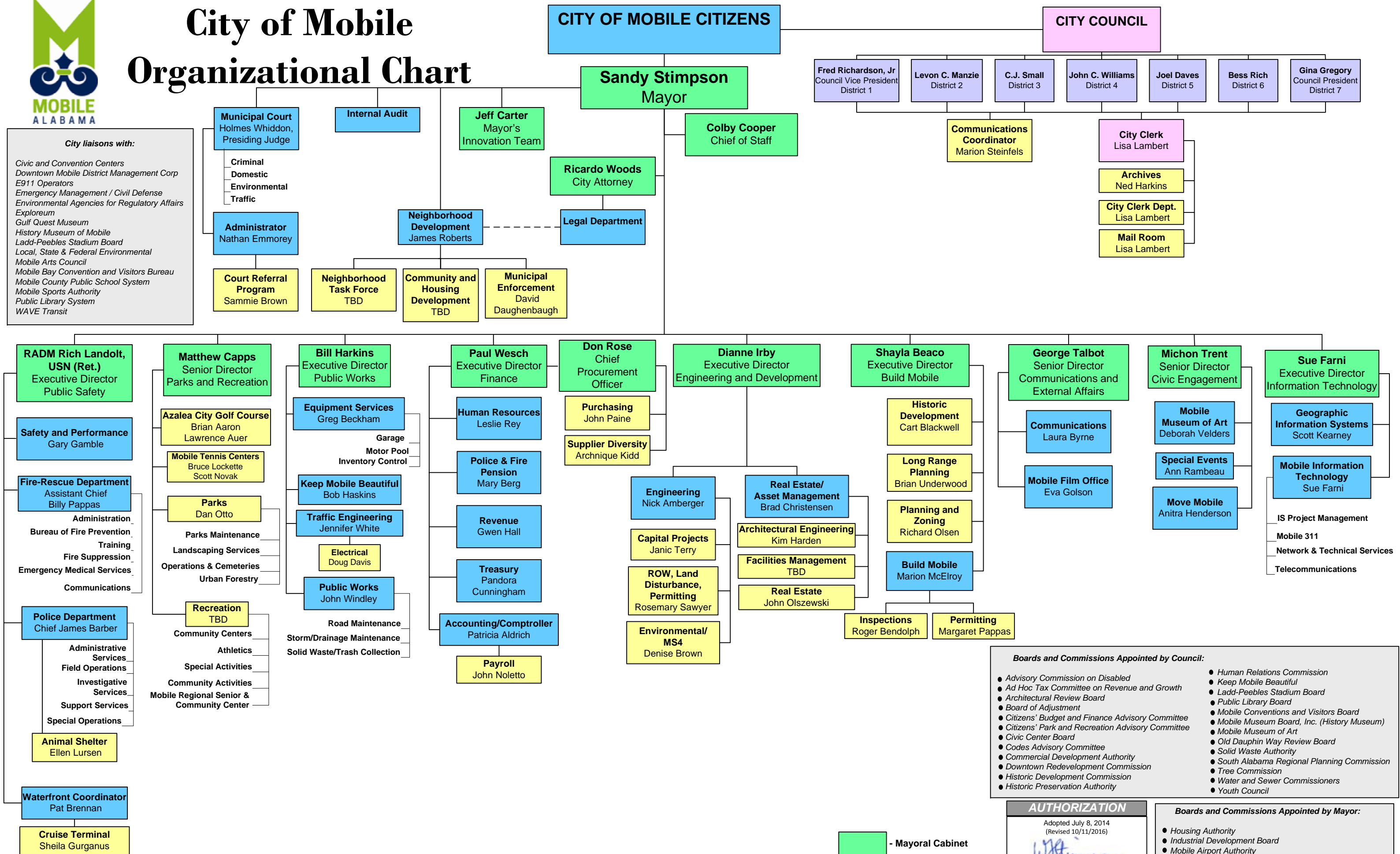
*Christopher P. Morrill*

Executive Director/CEO

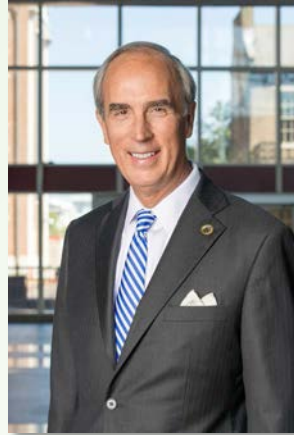




# City of Mobile Organizational Chart



**MAYOR**



William S. Stimpson

**CITY COUNCIL**



Fredrick D. Richardson, Jr.  
District 1



Levon C. Manzie  
District 2



C.J. Small  
District 3



John C. Williams  
District 4



Joel Daves  
District 5



Bess Rich  
District 6

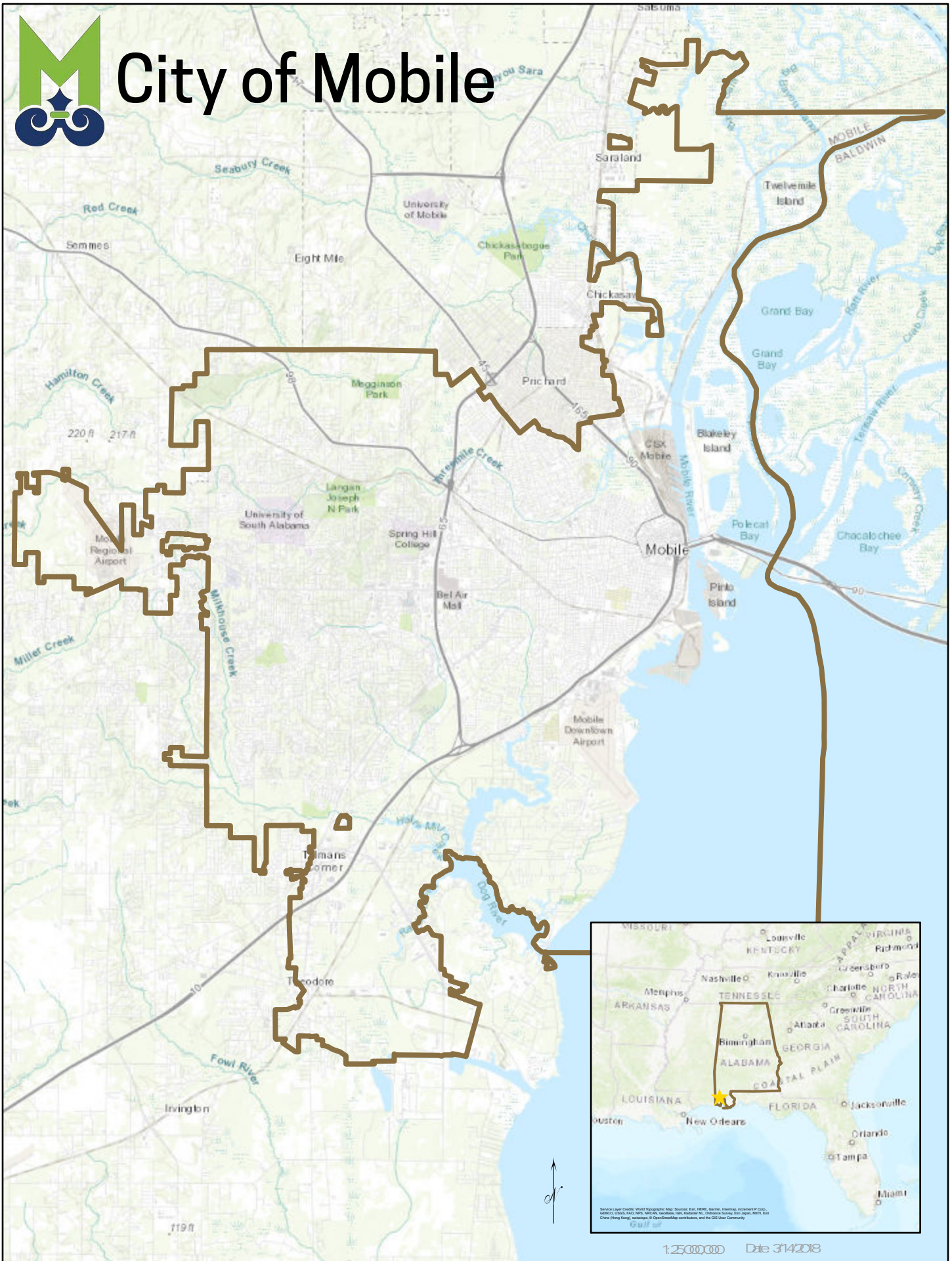


Gina Gregory  
District 7





# City of Mobile





## PART II: FINANCIAL SECTION



***Mobile Convention Center***







wilkinsmiller.com

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council of  
the City of Mobile, Alabama  
Mobile, Alabama

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mobile, Alabama (the City), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of WAVE Transit System, the Mobile Public Library, and the Public Park and Recreation Board which represent 1.69 percent, 0.37 percent, and 0.12 percent, respectively, of the assets, 2.79 percent, (0.54) percent, and 0.25 percent, respectively, of the net position, and 1.48 percent, 0.32 percent, and 0.29 percent, respectively, of the revenues of the City. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for WAVE Transit System, the Mobile Public Library, and the Public Park and Recreation Board, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mobile, Alabama as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Wilkins Miller LLC

Certified Public Accountants + Advisors

41 West Interstate 65 Service Rd. North, Suite 400 Mobile, Alabama 36608 | P.O. Box 70047 Mobile, Alabama 36670 | 251.410.6700 fax: 251.410.6799  
56 South Section Street Fairhope, Alabama 36532 | 251.928.0929



### ***Change in Accounting Principle***

As discussed in Notes 1 and 19 to the basic financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

### ***Prior Period Adjustment***

As discussed in Note 19 to the financial statements, a prior period adjustment was made to correct the beginning balance related to the compensated absences liability on the government-wide Statement of Net Position. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and Required Supplementary Information other than MD&A, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mobile, Alabama's basic financial statements. The Introductory Section, Combining Financial Statements, Other Supplementary Information, and Statistical Section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Financial Statements and Other Supplementary Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2019 on our consideration of the City of Mobile's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performance with *Government Auditing Standards* in considering the City of Mobile's internal control over financial reporting and compliance.

*Williams Miller, LLC*

Mobile, Alabama  
March 21, 2019

# MANAGEMENT'S DISCUSSION AND ANALYSIS







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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Mobile's Comprehensive Annual Financial Report (CAFR) presents City management's discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2018. Please read this in conjunction with the City's financial statements, which follow this section, and the additional information furnished in the letter of transmittal, which can be found in the introductory section of the CAFR.

### FINANCIAL HIGHLIGHTS

- ◆ The assets and deferred outflows of the City of Mobile exceeded its liabilities and deferred inflows at the close of the fiscal year by \$352.0 million (net position). Of this amount the City had a deficit in unrestricted net position of \$223.9 million offset by \$28.6 million in restricted net position and \$547.3 million in net investment in capital assets.
- ◆ The City's total net position increased \$44.5 million, or 14.5% because of this year's operations. Net position of governmental activities increased \$49.8 million, or 22.7%, and net position of business-type activities decreased \$5.3 million, or 6.0%.
- ◆ The City made prior period adjustments in the current year which affected beginning net position related to an adjustment to the beginning balance of compensated absences and the implementation of GASB Statement No. 75. A detailed explanation of these adjustments can be found at Note 19.
- ◆ At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$141.8 million. This was an increase of \$26.1 million or 22.6% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General Fund was \$44.0 million, an increase of \$15.3 million (53.6%) from the prior year. This is due to unbudgeted growth in tax revenues along with cost savings across departments.
- ◆ Sales and use tax, the City's single largest revenue source, increased \$7.5 million or 4.0% from the prior year primarily due to economic growth over the prior year.
- ◆ The City had two bond refundings during the fiscal year (see Note 9 for additional information).
  - On December 6, 2017 the City issued the following:
    - General Obligation Warrants, Series 2017C in the principal amount of \$8,935,000 to refund the City's outstanding Taxable General Obligation Warrants, Series 2008B.
    - General Obligation Warrants, Series 2017D in the principal amount of \$48,770,000 to refund the City's outstanding General Obligation Refunding Warrants, Series 2009A.



## OVERVIEW OF THE FINANCIAL STATEMENTS

The 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.

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

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

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT			
INTRODUCTORY SECTION			
FINANCIAL SECTION	FINANCIAL SECTION		
	Management's Discussion and Analysis (MD&A)		
	Summary ←-----→ Detail		
	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 MD&A		
Information on individual nonmajor funds and other supplementary information that is not required			
STATISTICAL SECTION			

## USING THIS ANNUAL REPORT

The Statement of Net Position and the Statement of Activities, (pages 18-20) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

Fund financial statements start on page 21. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 34.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget starting on page 106.

	Government-Wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
<b>Scope</b>	Entire City government and the City's component units	The activities of the City that are not proprietary, such as police, fire, and public works	Activities the City operates similar to private businesses such as WAVE Transit, Civic Center, and the Civic and Convention Centers
<b>Required financial statements</b>	1. Statement of net position 2. Statement of activities	1. Balance sheet 2. Statement of revenues, expenditures, and changes in fund balance	1. Balance sheet 2. Statement of revenues, expenses, and changes in net position 3. Statement of cash flows
<b>Accounting basis &amp; measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>Type of asset/liability</b>	All assets, deferred inflows, liabilities, and deferred outflows, both financial and capital, short-term and long-term	Only assets and deferred inflows expected to be used up and liabilities and deferred outflows that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets, deferred inflows, liabilities, and deferred outflows, both financial and capital, short-term and long-term
<b>Type of inflow/outflow</b>	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year and expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenue and expenses during the year, regardless of when cash is received or paid



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

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

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

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

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

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

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

### **Fund Financial Statements**

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

Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report. The City's two kinds of funds - governmental and proprietary - use different accounting approaches.

- **Governmental funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Government fund information helps you determine whether there are more or fewer resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a separate reconciliation following each fund financial statement.

- **Proprietary funds** - When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities - such as the City's Motor Pool. Because internal service funds primarily serve governmental functions, they are included within the governmental activities of the government-wide financial statements.

## **THE CITY AS A WHOLE - CONDENSED FINANCIAL INFORMATION**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's net position at fiscal year-end is \$352.0 million. This is a \$44.5 million increase over last year's adjusted net position.

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

**CITY OF MOBILE, ALABAMA**  
**Net Position**  
**September 30, 2017 and 2018**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total		Amount	%
	2018	2017*	2018	2017	2018	2017*	Change	Change
Current and other assets	\$ 175,395	\$ 149,226	\$ 16,758	\$ 19,004	\$ 192,153	\$ 168,230	\$ 23,923	14.22%
Capital assets(net)	687,561	681,399	83,821	86,873	771,382	768,272	3,110	0.40%
Total assets	862,956	830,625	100,579	105,877	963,535	936,502	27,033	2.89%
Deferred outflows of resources*	50,841	51,071	3,796	3,832	54,637	54,903	(266)	-0.48%
Total assets and deferred outflows of resources	913,797	881,696	104,375	109,709	1,018,172	991,405	26,767	2.70%
Current and other liabilities	53,113	57,814	4,627	3,847	57,740	61,661	(3,921)	-6.36%
Long-term liabilities*	576,205	601,198	11,111	12,514	587,316	613,712	(26,396)	-4.30%
Total liabilities	629,318	659,012	15,738	16,361	645,056	675,373	(30,317)	-4.49%
Deferred inflows of resources	15,561	3,527	5,517	4,930	21,078	8,457	12,621	149.24%
Total Liability and deferred inflows of resources	644,879	662,539	21,255	21,291	666,134	683,830	(17,696)	-2.59%
<b>NET POSITION</b>								
Net investment in capital assets	463,460	466,797	83,821	86,872	547,281	553,669	(6,388)	-1.15%
Restricted	28,640	25,669	-	-	28,640	25,669	2,971	11.57%
Unrestricted*	(223,182)	(273,309)	(701)	1,546	(223,883)	(271,763)	47,880	-17.62%
Total net position	\$ 268,918	\$ 219,157	\$ 83,120	\$ 88,418	\$ 352,038	\$ 307,575	\$ 44,463	14.46%

\* restated

The largest portion of the City's net assets (155.5%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, equipment, etc.) less any related debt used to acquire those assets that are still outstanding, excluding any unspent proceeds of the debt issued. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (8.1%) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net assets may normally be used to meet the City's on-going obligations to citizens and creditors.

At the end of the current fiscal year unrestricted net assets has a deficit balance of \$223.9 million for governmental activities. This deficit arose mainly because of the way the City is required to account for its other post-employment benefits (OPEB) and pension liabilities. The City has elected to fund its OPEB obligation on a pay as you go basis. Therefore, the City is required to record the total OPEB liability of \$192.0 million as actuarially determined. An additional \$145.6 million of the deficit can be attributed to the implementation of GASB Statement No. 68 requiring the Net Pension Liability be recorded on the Statement of Net Position. These two substantial liabilities reduce the amount of unrestricted net position by \$337.6 million.



The unrestricted net assets for business-type activities has a deficit balance of \$0.7 million which is a \$2.2 million decrease from the prior year. This decrease is due primarily to the following:

- A budgeted transfer of \$5.8 million from the Cruise Terminal to the General Fund for prior year accumulation of excess fund balance offset against positive Cruise Terminal operating income in the amount of \$3.4 million.
- Net transfers out of the Convention Center totaling \$8.0 million related primarily to debt service, which contributed to a \$2.3 million net decrease in fund net position.
- Other less significant changes in net position in other enterprise funds.

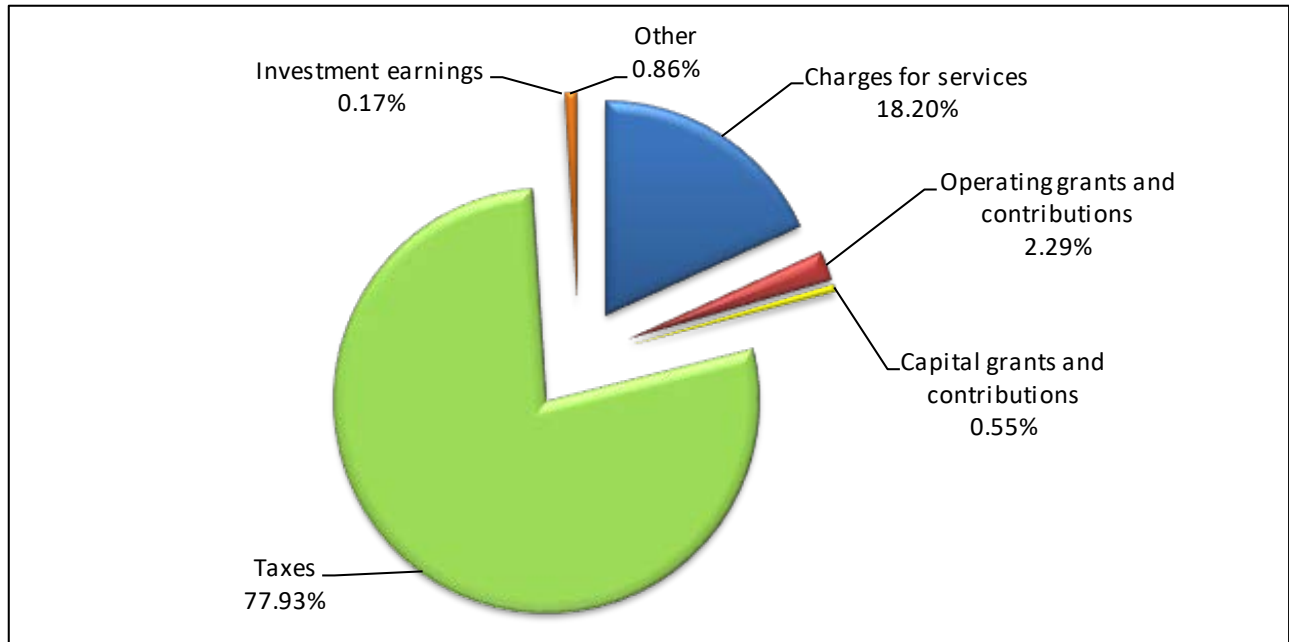
Comparative data is accumulated and presented to assist analysis. The following table provides a summary of the City's changes in net position.

CITY OF MOBILE, ALABAMA								
Changes in Net Position								
September 30, 2018								
(amounts expressed in thousands)								
	Governmental Activities		Business-type Activities		Total		Amount	%
	2018	2017*	2018	2017	2018	2017*	Change	Change
<b>REVENUES</b>								
Program revenues:								
Charges for services	\$ 56,337	\$ 56,474	\$ 25,151	\$ 22,818	\$ 81,488	\$ 79,292	\$ 2,196	2.77%
Operating grants and contributions	7,089	6,659	3,753	1,937	10,842	8,596	2,246	26.13%
Capital grants and contributions	1,714	2,928	546	270	2,260	3,198	(938)	-29.33%
General revenues:								
Taxes	241,274	232,074	11,778	11,778	253,052	243,852	9,200	3.77%
Investment earnings	514	204	1	2	515	206	309	150.00%
Other	2,667	3,723	-	33	2,667	3,756	(1,089)	-28.99%
Total revenues	309,595	302,062	41,229	36,838	350,824	338,900	11,924	3.52%
<b>EXPENSES</b>								
Governmental activities:								
General government	49,876	57,338	-	-	49,876	57,338	(7,462)	-13.01%
Culture and recreation	24,667	25,120	-	-	24,667	25,120	(453)	-1.80%
Economic development	933	1,128	-	-	933	1,128	(195)	-17.29%
Engineering, development & build Mobile	15,461	15,477	-	-	15,461	15,477	(16)	100.00%
Finance	6,325	6,184	-	-	6,325	6,184	141	2.28%
Public safety	117,811	118,270	-	-	117,811	118,270	(459)	-0.39%
Public works	38,136	36,948	-	-	38,136	36,948	1,188	3.22%
Interest on long-term debt	8,015	10,957	-	-	8,015	10,957	(2,942)	-26.85%
Business-Type activities:								
Azalea City Golf Course	-	-	1,642	1,596	1,642	1,596	46	2.88%
Civic Center	-	-	3,644	3,539	3,644	3,539	105	2.97%
Convention Center	-	-	8,671	8,434	8,671	8,434	237	2.81%
Cruise Terminal	-	-	2,929	2,610	2,929	2,610	319	12.22%
Emergency Medical Services	-	-	13,452	11,122	13,452	11,122	2,330	20.95%
Mobile Tennis Center	-	-	865	794	865	794	71	8.94%
Neighborhood Renewal Program	-	-	82	11	82	11	71	645.45%
Parking Garage	-	-	229	234	229	234	(5)	-2.14%
Saenger Theater	-	-	1,539	1,009	1,539	1,009	530	52.53%
Wave Transit System	-	-	12,084	11,645	12,084	11,645	439	3.77%
Total expenses	261,224	271,422	45,137	40,994	306,361	312,416	(6,055)	-1.94%
Change in net position before transfers	48,371	30,640	(3,908)	(4,156)	44,463	26,484	17,979	67.89%
Transfers	1,390	(1,886)	(1,390)	1,886	-	-	-	0.00%
Change in net position	49,761	28,754	(5,298)	(2,270)	44,463	26,484	17,979	67.89%
Net position - beginning	193,883	165,129	88,418	90,688	282,301	255,817	26,484	10.35%
Prior period adjustment	25,274	-	-	-	25,274	-	25,274	N/A
Net position - beginning, restated	219,157	165,129	88,418	90,688	307,575	255,817	51,758	20.23%
Net position - ending	\$ 268,918	\$ 193,883	\$ 83,120	\$ 88,418	\$ 352,038	\$ 282,301	\$ 69,737	24.70%

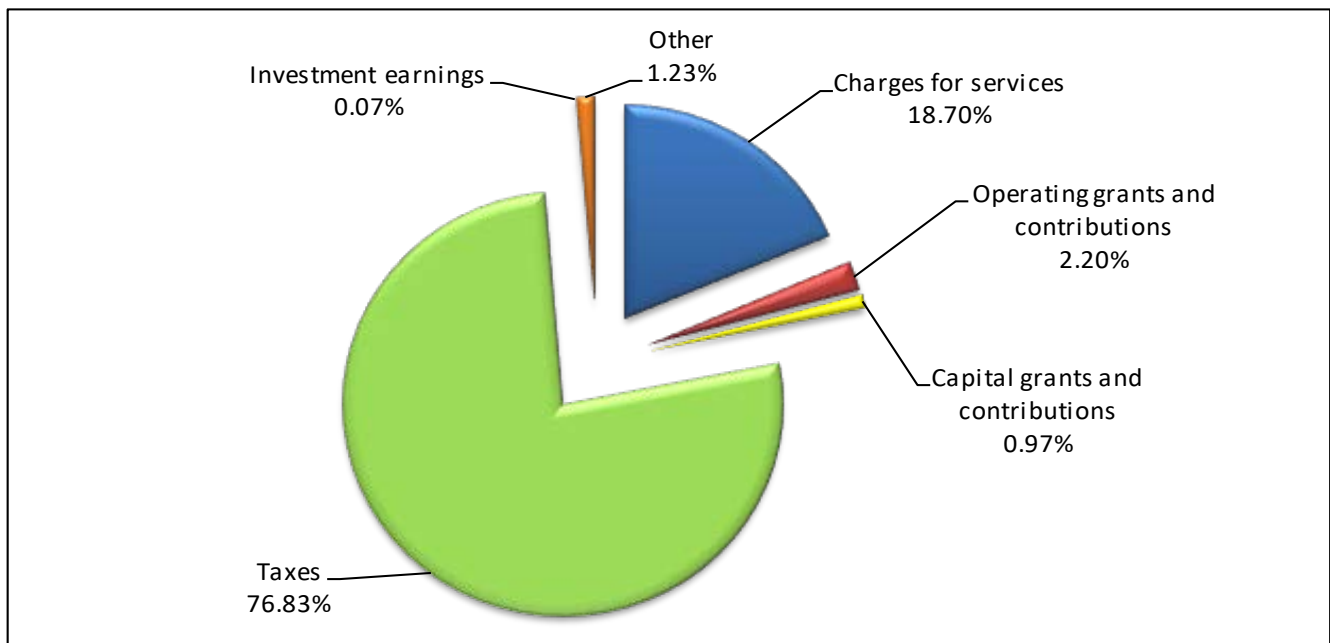
\*Prior period adjustments were made in accordance with current generally accepted accounting principles. See Note 19 for further explanation.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal year 2018.

### GOVERNMENTAL REVENUES 2018

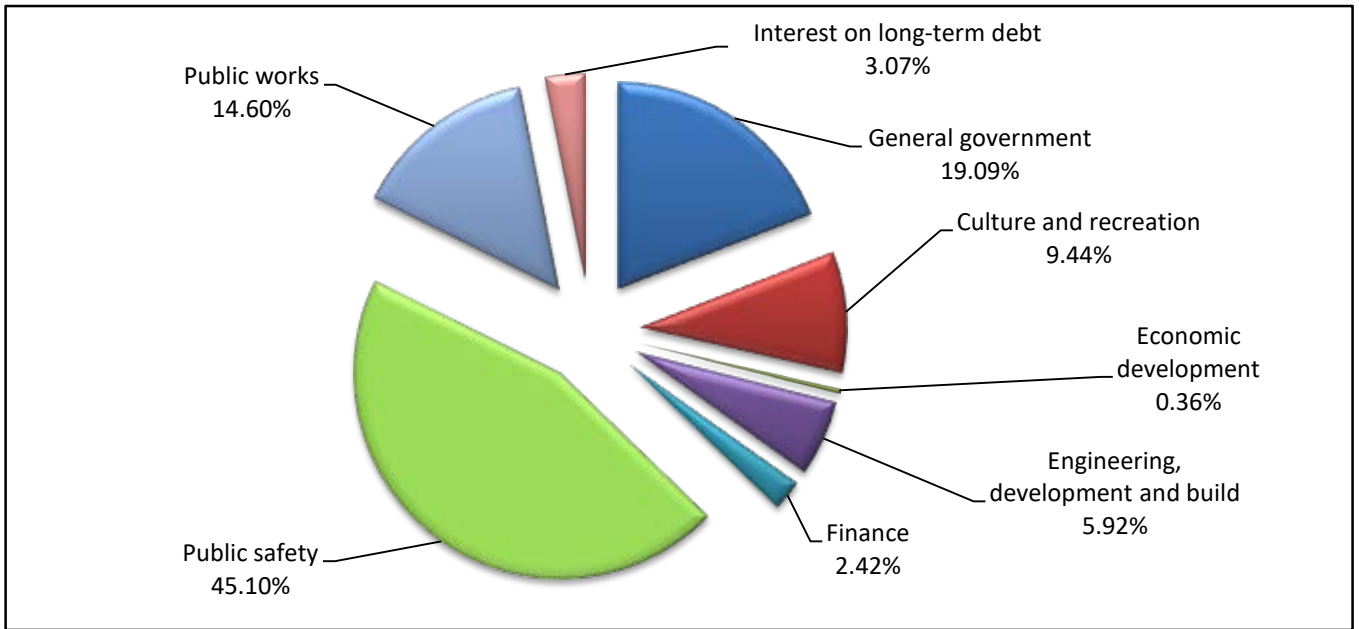


### GOVERNMENTAL REVENUES 2017

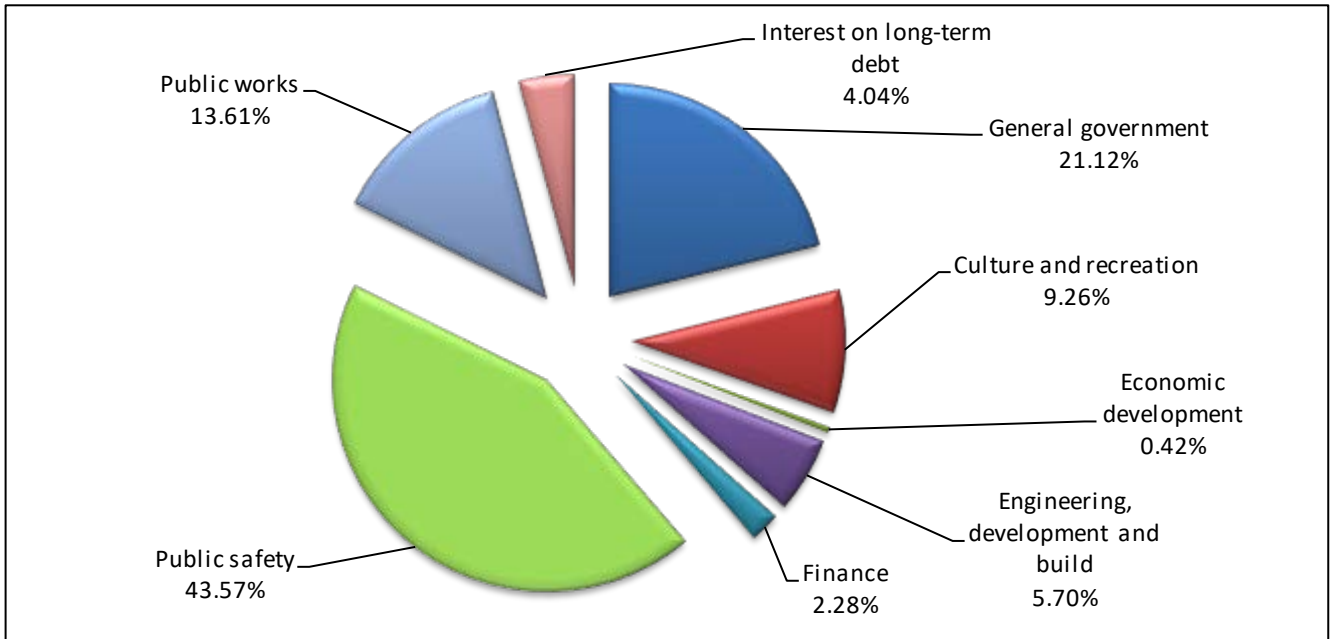


As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 77.93% and 76.83% of the City's total governmental revenues in fiscal years 2018 and 2017, respectively.

## GOVERNMENTAL FUNCTIONAL EXPENSES 2018



## GOVERNMENTAL FUNCTIONAL EXPENSES 2017





## **Governmental activities**

Governmental activities increased the City's net assets by \$49.8 million. The key elements of this change are as follows:

- Excess expenses over revenue for governmental activities amounted to \$196.1 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$513,561 which was an increase of \$309,471 from the prior year.
- Tax revenues amounted to \$241.3 million which was an increase of 4.0% over the prior year and was due primarily to stable economic conditions.
- Other revenue amounted to \$2.7 million.
- Net transfers into governmental activities totaled \$1.4 million.

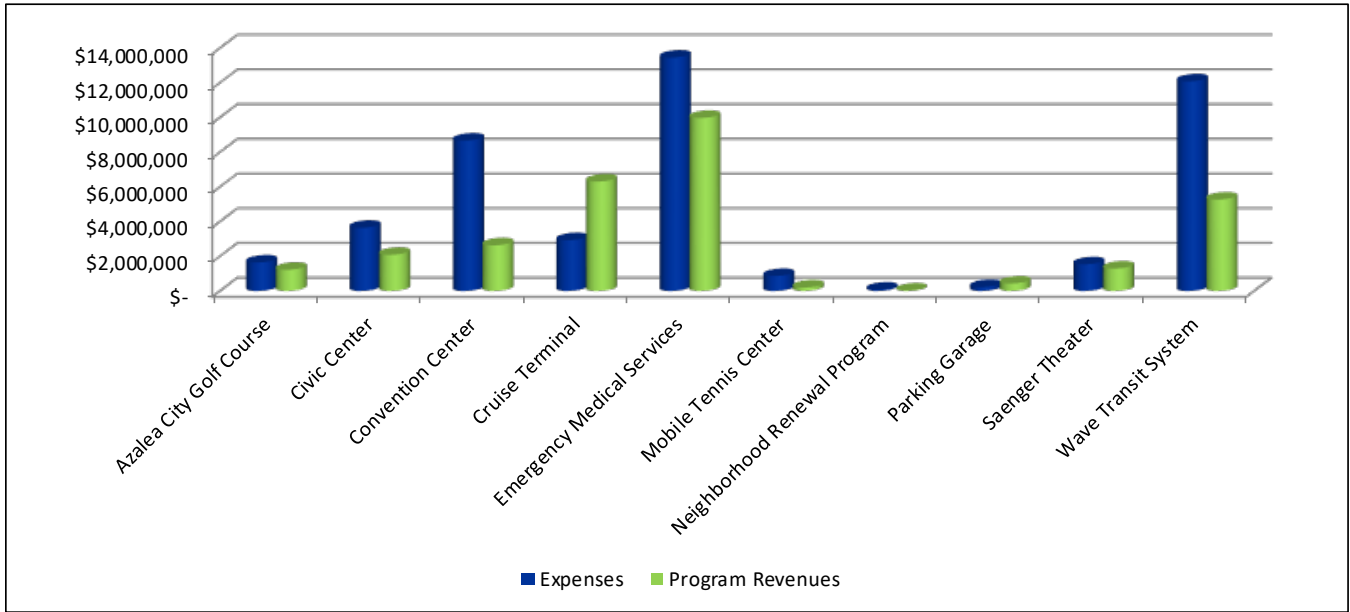
Governmental activity expenses decreased by \$10.2 million (3.8%) from the prior year. For the government-wide full accrual statements, capital outlay expenses were eliminated, and capital assets were reported. City management made intentional efforts to control costs in governmental activities.

## **Business-type activities**

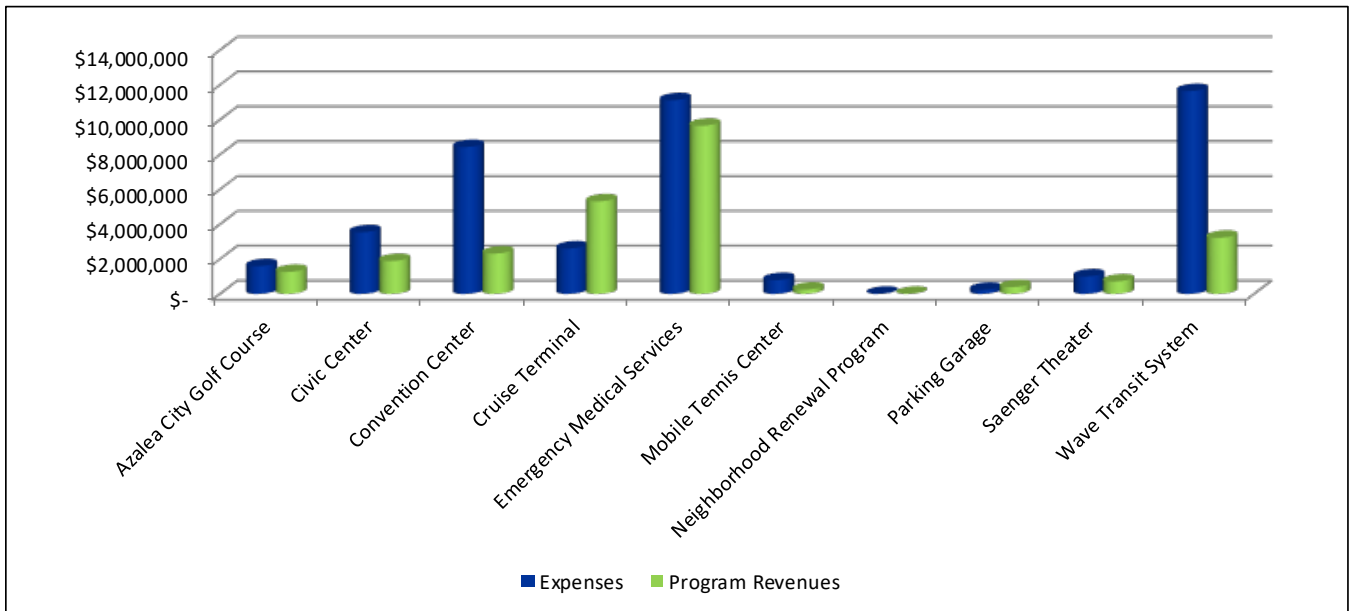
Business-type activities decreased the City's total net assets by \$5.3 million. Business-type activities are shown comparing costs to revenues generated by related services. The cruise terminal and parking garage business-type activities are self-supporting with user charges and other revenues designed to recover costs.

The civic center, convention center, golf course, emergency medical services, tennis center, Saenger theater, neighborhood renewal program and WAVE transit provided services with user charges that did not recover costs in the current year. The convention center receives a portion of the room and food tax by ordinance to help cover their expenses. The civic center, golf course, emergency medical services, tennis center, Saenger theater, and WAVE transit activities required subsidization by the City.

### BUSINESS-TYPE ACTIVITIES REVENUES VS. COSTS 2018



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



## **THE CITY'S FUNDS**

### **Governmental Funds**

The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of expendable resources. Such information is useful in comparing the City's resources at the end of the year with upcoming financing requirements. Governmental funds reported ending fund balance of \$141.8 million, of which \$37.9 million is unassigned. The nonspendable fund balance is \$2.5 million and stems from inventory and prepaid expenses. Restricted fund balance is \$16.5 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$13.1 million and comprises funds with constraints imposed by formal action of the City Council. Finally, assigned fund balance is \$71.8 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 \$26.1 million increase from the prior year. This is due to a \$15.3 million increase in the fund balance of the General Fund, an increase of \$7.9 million in the Capital Improvements Fund, and a \$2.8 million increase in nonmajor governmental funds. The increase in the General Fund is primarily due to increased tax revenues related to economic growth and cost savings in departments. The increase in the Capital Improvements Fund relates to the accumulation of resources to fund capital projects which have not yet been expended. Changes in nonmajor governmental funds relate primarily to debt service and grant activity.

#### **Major Governmental Funds**

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance in the General Fund increased by approximately \$15.3 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$66.6 million which includes a net increase of \$7.9 million. This change is primarily due to additional funding for capital projects which have not yet been fully expended.

### **Proprietary Funds**

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

#### **Enterprise Funds**

The City's enterprise funds consist of the Alabama Cruise Terminal, the Mobile Civic Center, the Municipal Parking Garage, the Azalea City Golf Course, Emergency Medical Services, Mobile Convention Center, the Mobile Tennis Center, Neighborhood Renewal Program, Saenger Theater and WAVE Transit. The total net position of the Enterprise Funds decreased by \$5.3 million during the current fiscal year. See the prior discussion of changes in Business-Type activities for details on this change.



## Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. The City's three internal service funds include the Motor Pool Fund, Insurance Fund and Employee Health Fund. The net assets of the funds increased by \$8.6 million from the prior year, primarily due to \$4.4 million in transfers of governmental capital asset vehicle equipment purchased from governmental funds and transferred into the Motor Pool Fund to centralize administration of rolling-stock fleet, along with changes in the inter-departmental rates for motor pool rentals and health plan contributions.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The excess of revenues over expenditures (excluding other financing sources and uses) on a budgetary basis during the year was \$20.7 million. The following are the main components of the excess:

- Tax revenue was over expected budgeted amounts by \$10.9 million.
- Departmental expenditures and debt service were under budget by \$14.0 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 \$0.9 million.
- Total revenues were approximately \$10.8 million over budget while total expenditures were \$13.0 million under budget. This was due primarily to cost savings in departments and cost centers during the year.
- See Required Supplementary Information for more information on the General Fund Budget.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### Capital Assets

As of September 30, 2018, the City's net investment in capital assets for governmental and business-type activities was \$463.5 million and \$83.8 million, respectively, a decrease of \$6.4 million from 2017 for the City as a whole. See Note 7 for additional information about changes in capital assets during the fiscal year.

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

**CITY OF MOBILE, ALABAMA**  
**Comparative Statement of Capital Assets**  
**September 30, 2017 and 2018**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total		Amount	%
	2018	2017	2018	2017	2018	2017	Change	Change
Non-depreciable capital assets:								
Land	\$ 27,375	\$ 27,425	\$10,933	\$10,912	\$ 38,308	\$ 38,337	\$ (29)	-0.08%
Construction-in-progress	53,399	67,255	214	281	53,613	67,536	(13,923)	-20.62%
Intangible assets	4,768	4,740	-	-	4,768	4,740	28	0.59%
Total non-depreciable capital assets	85,542	99,420	11,147	11,193	96,689	110,613	(13,924)	-12.59%
Depreciable capital assets:								
Buildings	143,859	145,849	126,877	126,852	270,736	272,701	(1,965)	-0.72%
Improvements	131,268	116,316	18,102	17,953	149,370	134,269	15,101	11.25%
Vehicular	75,298	65,207	13,201	12,772	88,499	77,979	10,520	13.49%
Other equipment	46,166	47,896	7,551	7,320	53,717	55,216	(1,499)	-2.71%
Infrastructure	557,628	539,469	-	-	557,628	539,469	18,159	3.37%
Total depreciable capital assets	954,219	914,737	165,731	164,897	1,119,950	1,079,634	40,316	3.73%
Less: accumulated depreciation	352,200	332,757	93,057	89,216	445,257	421,973	23,284	5.52%
Total depreciable capital assets, net	602,019	581,980	72,674	75,681	674,693	657,661	17,032	2.59%
Total capital assets, net	\$687,561	\$681,400	\$83,821	\$86,874	\$ 771,382	\$ 768,274	\$ 3,108	0.40%

**Long-Term Debt**

As of September 30, 2018, the City had \$231.0 million of long-term debt outstanding, including bonds and warrants payable and notes payable. In the current fiscal year, the City retired principal on long-term debt (bonds, warrants, and notes) in the amount of \$14.7 million. Interest payments on long-term debt totaled \$8.0 million. More information on long-term debt activity can be found in the Notes to the Financial Statements in Note 8 - Long Term Debt. The following table summarizes the City's long-term debt:

**CITY OF MOBILE, ALABAMA**  
**Outstanding Long-Term Debt**  
**September 30, 2017 and 2018**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total		Amount	%
	2018	2017	2018	2017	2018	2017	Change	Change
Bonds/warrants, net	\$ 229,342	\$ 243,512	\$ -	\$ -	\$ 229,342	\$ 243,512	\$ (14,170)	-5.82%
Notes payable	1,635	2,010	-	-	1,635	2,010	(375)	-18.66%
Total long-term debt	230,977	245,522	-	-	230,977	245,522	(14,545)	-5.92%

The City's underlying debt rating is now AA- for S&P Global Ratings (formerly Standard & Poor's Financial Services LLC) and Aa2 for Moody's Investor Services. Under current State of Alabama statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 20 percent of total assessed value of real and personal property. As of September 30, 2018, the City's permissible debt limit exceeded actual debt by approximately \$389.4 million.

## **ECONOMIC FACTORS**

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

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

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

On July 1, 2018, Airbus acquired a majority ownership in a joint venture with Bombardier which will entail construction of a second aircraft assembly plant at the Brookley Aeroplex for the production of a newly named A220 Series narrow body aircraft for United States customers. Construction of the facility commenced in January 2019.

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

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

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



Paul C. Wesch  
Executive Director of Finance





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# BASIC FINANCIAL STATEMENTS



South Alabama  
Jaguars



Brown Bag in  
Bienville Square



Reese's  
Senior Bowl



USA Children's &  
Women's Hospital



Mardi Gras  
in Mobile



USS Alabama Battleship  
Memorial Park



Harmon Thomas  
Community Center



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**CITY OF MOBILE, ALABAMA**

**Statement of Net Position**

**September 30, 2018**

	Primary Government			
	Governmental	Business-type		
	Activities	Activities	Total	Component Units
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 143,514,343	\$ 13,138,564	\$ 156,652,907	\$ 3,411,531
Restricted cash - capital purchases	83,720	-	83,720	-
Receivables (net)	28,924,615	3,462,352	32,386,967	228,824
Internal balances	363,186	(363,186)	-	-
Inventory & prepaid expenses	2,509,613	520,078	3,029,691	28,958
Total current assets	175,395,477	16,757,808	192,153,285	3,669,313
Noncurrent assets:				
Investments	-	-	-	204,040
Land	27,375,079	10,932,788	38,307,867	248,225
Construction-in-progress	53,399,403	213,937	53,613,340	-
Intangible assets	4,767,690	-	4,767,690	-
Buildings	143,858,672	126,877,149	270,735,821	1,172,578
Improvements	131,267,895	18,102,579	149,370,474	-
Vehicular	75,298,408	13,200,869	88,499,277	209,099
Other equipment	46,165,747	7,550,850	53,716,597	4,586,134
Infrastructure	557,628,255	-	557,628,255	-
Accumulated depreciation	(352,199,859)	(93,057,176)	(445,257,035)	(5,094,401)
Total noncurrent assets	687,561,290	83,820,996	771,382,286	1,325,675
Total assets	862,956,767	100,578,804	963,535,571	4,994,988
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	5,136,366	-	5,136,366	-
Deferred pension outflows	41,336,614	3,796,391	45,133,005	654,214
Deferred OPEB outflows	4,367,859	-	4,367,859	-
Total deferred outflows of resources	50,840,839	3,796,391	54,637,230	654,214
Total assets and deferred outflows of resources	913,797,606	104,375,195	1,018,172,801	5,649,202
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	14,942,890	2,369,508	17,312,398	315,001
Unearned revenue	956,409	1,103,292	2,059,701	189,792
Pension employer contribution payable	16,847,396	1,042,920	17,890,316	-
Bonds and warrants payable, current portion	13,863,000	-	13,863,000	-
Notes payable, current portion	250,000	-	250,000	-
Compensated absences, current portion	2,043,982	111,351	2,155,333	40,830
Insurance claims, current portion	4,155,782	-	4,155,782	-
Landfill postclosure liability, current portion	53,943	-	53,943	-
Total current liabilities	53,113,402	4,627,071	57,740,473	545,623
Noncurrent liabilities:				
Bonds and warrants payable, long-term portion	215,479,047	-	215,479,047	-
Notes payable, long-term portion	1,385,000	-	1,385,000	-
Compensated absences, long-term portion	12,041,041	425,376	12,466,417	505,321
Self-insured liability - legal, long-term portion	638,228	-	638,228	-
Insurance claims, long-term portion	19,288,013	-	19,288,013	-
Landfill postclosure liability, long-term portion	515,989	-	515,989	-
Net pension liability	134,833,542	10,685,330	145,518,872	4,368,343
Postemployment benefits	192,024,334	-	192,024,334	-
Total noncurrent liabilities	576,205,194	11,110,706	587,315,900	4,873,664
Total liabilities	629,318,596	15,737,777	645,056,373	5,419,287
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	-	3,558,673	3,558,673	-
Deferred pension inflows	15,560,954	1,958,310	17,519,264	1,134,093
Total deferred inflows of resources	15,560,954	5,516,983	21,077,937	1,134,093
Total liabilities and deferred inflows of resources	644,879,550	21,254,760	666,134,310	6,553,380
<b>NET POSITION</b>				
Net investment in capital assets	463,460,102	83,820,996	547,281,098	1,121,635
Restricted for:				
Capital projects	8,873,181	-	8,873,181	-
Debt Service	153,275	-	153,275	-
Economic development	12,994,788	-	12,994,788	-
Grant programs	6,618,812	-	6,618,812	-
Unrestricted	(223,182,102)	(700,561)	(223,882,663)	(2,025,813)
Total net position	\$ 268,918,056	\$ 83,120,435	\$ 352,038,491	\$ (904,178)

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Statement of Activities**  
**For the Year Ended September 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 49,876,175	\$ 49,800,454	\$ 3,744,280	\$ -
Culture and recreation	24,667,442	228,072	308,775	-
Economic development	933,158	-	-	1,655,241
Engineering, development & build Mobile	15,460,518	2,417,052	24,875	30,490
Finance	6,324,506	-	-	-
Public safety	117,810,593	3,884,100	3,011,404	-
Public works	38,135,993	7,255	-	28,573
Interest on long-term debt	8,015,023	-	-	-
Total governmental activities	261,223,408	56,336,933	7,089,334	1,714,304
Business-type activities:				
Azalea City Golf Course	1,642,458	1,223,954	-	-
Civic Center	3,644,260	2,087,435	-	-
Convention Center	8,671,027	2,634,263	-	-
Cruise Terminal	2,929,012	6,307,190	-	-
Emergency Medical Services	13,452,009	9,974,678	-	-
Mobile Tennis Center	865,150	201,261	-	-
Neighborhood Renewal Program	82,219	28,198	-	-
Parking Garage	228,529	432,563	-	-
Saenger Theater	1,538,821	1,292,985	-	-
Wave Transit System	12,083,817	968,036	3,753,467	546,292
Total business-type activities	45,137,302	25,150,563	3,753,467	546,292
Total primary government	\$ 306,360,710	\$ 81,487,496	\$ 10,842,801	\$ 2,260,596
<b>Component units:</b>				
Mobile Public Library	\$ 9,525,139	\$ 543,945	\$ 117,375	\$ 7,189
Public Park and Recreation Board	1,162,257	949,798	-	87,421
Solid Waste Disposal Authority	2,453,631	-	2,297,322	-
Total component units	\$ 13,141,027	\$ 1,493,743	\$ 2,414,697	\$ 94,610

General revenues:
Real and personal property tax
Sales tax
Gasoline tax
Room tax
Beer and liquor tax
Rental and leasing tax
Cigarette stamp tax
Other tobacco tax
Financial excise tax
Other tax revenue
Grants and contributions not restricted to specific programs
Investment earnings
Other
Payments from local governments
Transfers
Total general revenues and transfers
Change in net position
Net position - beginning
Adjustments to beginning net position
Net position - ending

See Accompanying Notes to the Financial Statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ 3,668,559	\$ -	\$ 3,668,559	\$ -
(24,130,595)	-	(24,130,595)	-
722,083	-	722,083	-
(12,988,101)	-	(12,988,101)	-
(6,324,506)	-	(6,324,506)	-
(110,915,089)	-	(110,915,089)	-
(38,100,165)	-	(38,100,165)	-
(8,015,023)	-	(8,015,023)	-
(196,082,837)	-	(196,082,837)	-
-	(418,504)	(418,504)	-
-	(1,556,825)	(1,556,825)	-
-	(6,036,764)	(6,036,764)	-
-	3,378,178	3,378,178	-
-	(3,477,331)	(3,477,331)	-
-	(663,889)	(663,889)	-
-	(54,021)	(54,021)	-
-	204,034	204,034	-
-	(245,836)	(245,836)	-
-	(6,816,022)	(6,816,022)	-
-	(15,686,980)	(15,686,980)	-
(196,082,837)	(15,686,980)	(211,769,817)	-
-	-	-	(8,856,630)
-	-	-	(125,038)
-	-	-	(156,309)
-	-	-	(9,137,977)
21,800,271	-	21,800,271	-
186,851,875	9,874,297	196,726,172	-
10,497,553	-	10,497,553	-
6,984,611	1,903,676	8,888,287	-
2,165,235	-	2,165,235	-
9,536,273	-	9,536,273	-
1,429,212	-	1,429,212	-
727,337	-	727,337	-
905,789	-	905,789	-
375,176	-	375,176	-
-	-	-	337,353
513,561	1,290	514,851	116,197
2,667,025	-	2,667,025	-
-	-	-	8,706,899
1,390,034	(1,390,034)	-	-
245,843,952	10,389,229	256,233,181	9,160,449
49,761,115	(5,297,751)	44,463,364	22,472
193,882,559	88,418,186	282,300,745	(926,650)
25,274,382	-	25,274,382	-
\$ 268,918,056	\$ 83,120,435	\$ 352,038,491	\$ (904,178)





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

General Fund

Capital Improvements Fund



**CITY OF MOBILE, ALABAMA**

**Balance Sheet**

**Governmental Funds**

**September 30, 2018**

	General Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 36,879,480	\$ 64,778,122	\$ 30,528,064	\$ 132,185,666
Restricted cash - capital purchases	-	-	83,720	83,720
Receivables (net)	21,513,051	4,498,863	2,328,074	28,339,988
Due from other funds	1,395,167	-	-	1,395,167
Inventory & prepaids	2,509,613	-	-	2,509,613
Total assets	<u>\$ 62,297,311</u>	<u>\$ 69,276,985</u>	<u>\$ 32,939,858</u>	<u>\$ 164,514,154</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 8,728,377	\$ 2,717,151	\$ 452,682	\$ 11,898,210
Pension employer contributions payable	6,826,272	-	15,086	6,841,358
Unearned revenue	147,193	-	809,216	956,409
Due to other funds	600,663	-	431,318	1,031,981
Compensated absences - terminated employees	340,664	-	-	340,664
Insurance claims payable	358,180	-	-	358,180
Escrowed funds liability	1,289,695	-	1,043	1,290,738
Total liabilities	<u>18,291,044</u>	<u>2,717,151</u>	<u>1,709,345</u>	<u>22,717,540</u>
<b>FUND BALANCES</b>				
Nonspendable	2,509,612	-	-	2,509,612
Restricted	-	-	16,526,953	16,526,953
Committed	-	-	13,051,089	13,051,089
Assigned	3,561,128	66,559,834	1,652,471	71,773,433
Unassigned	37,935,527	-	-	37,935,527
Total fund balances	<u>44,006,267</u>	<u>66,559,834</u>	<u>31,230,513</u>	<u>141,796,614</u>
Total liabilities and fund balances	<u>\$ 62,297,311</u>	<u>\$ 69,276,985</u>	<u>\$ 32,939,858</u>	<u>\$ 164,514,154</u>

See Accompanying Notes to the Financial Statements



**CITY OF MOBILE, ALABAMA**  
**Reconciliation of the Balance Sheet**  
**To the Statement of Net Position**  
**September 30, 2018**

<b>Fund balances of governmental funds</b>	<b>\$ 141,796,614</b>
--	-----------------------

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

Governmental capital assets	959,689,090	
Less accumulated depreciation	<u>(306,929,234)</u>	
		652,759,856

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

Bonds and warrants payable	(229,342,047)	
Notes payable	(1,635,000)	
Deferred amount on refunding	<u>5,136,366</u>	
		(225,840,681)

Other long-term items not reported in governmental funds:

Accrued interest payable	(1,101,944)	
Pension employer contribution payable	(10,003,896)	
Compensated absences	(13,744,359)	
Insurance claims payable	(21,078,915)	
Landfill postclosure liability	(569,933)	
Net pension liability	(134,833,542)	
Deferred pension outflows	41,336,614	
Deferred pension inflows	(15,560,954)	
Total OPEB liability	(192,024,334)	
Deferred OPEB outflows	4,367,859	
Note receivable	<u>415,000</u>	
		(342,798,404)

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.

43,000,671

<b>Net position of governmental activities</b>	<b>\$ 268,918,056</b>
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See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2018**

	General Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 187,504,851	\$ 44,838,029	\$ 8,930,451	\$ 241,273,331
Licenses and permits	36,038,062	3,335,632	-	39,373,694
Intergovernmental	54,044	-	-	54,044
Charges for services	6,289,227	342,982	8,000	6,640,209
Fines and forfeitures	1,915,301	-	450,400	2,365,701
State and federal assistance	65,628	-	8,710,397	8,776,025
Investment income	509,474	-	4,089	513,563
Other revenue	761,351	2,081,048	178	2,842,577
Total revenues	233,137,938	50,597,691	18,103,515	301,839,144
<b>EXPENDITURES</b>				
Current:				
General government	11,778,843	-	3,608,265	15,387,108
Culture and recreation	12,944,452	-	357,291	13,301,743
Economic development	794,389	-	-	794,389
Engineering, development & build Mobile	12,992,101	-	165,206	13,157,307
Finance	5,385,038	-	-	5,385,038
Public safety	90,759,572	-	3,529,184	94,288,756
Public works	27,287,363	-	2,763,621	30,050,984
Non-departmental	49,413,177	-	-	49,413,177
Debt service:				
Administrative charges	-	13,008	138	13,146
Bond issuance costs	-	-	385,276	385,276
Interest	10,248	-	8,525,719	8,535,967
Principal retirement	90,000	-	14,628,000	14,718,000
Interest reimbursement	-	(746,881)	-	(746,881)
Capital outlay:				
Capital outlay	-	31,002,506	1,424,025	32,426,531
Total expenditures	211,455,183	30,268,633	35,386,725	277,110,541
Excess (deficiency) of revenues over expenditures	21,682,755	20,329,058	(17,283,210)	24,728,603
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	47	7,675	-	7,722
Refunding debt issued	-	-	57,705,000	57,705,000
Payment to refunding bond escrow agent	-	-	(57,858,848)	(57,858,848)
Premium on debt issued	-	-	539,124	539,124
Transfers in	11,189,783	4,782,016	25,762,660	41,734,459
Transfers out	(17,525,278)	(17,176,398)	(6,018,605)	(40,720,281)
Total other financing sources (uses)	(6,335,448)	(12,386,707)	20,129,331	1,407,176
Net change in fund balances	15,347,307	7,942,351	2,846,121	26,135,779
Fund balances - beginning	28,658,960	58,617,483	28,384,392	115,660,835
Fund balances - ending	\$ 44,006,267	\$ 66,559,834	\$ 31,230,513	\$ 141,796,614

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, 2018**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 26,135,779</b>
---	----------------------

Amounts reported for governmental activities in the statement of net position are different because:

Governmental funds report the acquisition of capital assets as expenditures.	
Expenditures for capital assets	24,682,733
Less depreciation expense	(19,064,396)
Contributions of capital assets are not reported as income in governmental funds	27,611
Capital assets transferred from (to) business-type activities	(4,394,177)
Gain (loss) on disposal of capital assets	<u>(654,031)</u>
	597,740

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	14,343,000
Principal payments - notes payable	375,000
Amortization of deferred amount on refunding	(1,422,553)
Amortization of current year bond premium	1,409,333
Amortization of current year bond discount	(11,183)
Capital-related debt issued	(57,705,000)
Payment to refunding bond escrow agent	57,858,848
Premium on bonds issued	<u>(539,124)</u>
	14,308,321

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	(95,470)
Change in long-term insurance claims	(6,121,403)
Change in landfill post-closure liability	51,868
Change in accrued interest	196,887
Change in pension contribution payable	1,557,694
Change in net pension liability	21,397,953
Change in deferred pension inflows	(12,033,515)
Change in deferred pension outflows	(35,947)
Change in OPEB liability	(4,726,592)
Change in deferred OPEB outflows	43,029
Change in long-term notes receivable	<u>(90,000)</u>
	144,504

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.

8,574,771

<b>Change in net position of governmental activities</b>	<b>\$ <u>49,761,115</u></b>
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See Accompanying Notes to the Financial Statements

# PROPRIETARY FUNDS

***Fort of Colonial Mobile  
Royal Street***



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

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





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**CITY OF MOBILE, ALABAMA**

**Statement of Net Position**

**Proprietary Funds**

**September 30, 2018**

	Business-type Activities		
	Civic Center	Cruise Terminal	WAVE Transit System
<b>ASSETS</b>			
Current assets:			
Cash, equity in pooled cash and investments	\$ 513,353	\$ 1,454,681	\$ 103,864
Receivables (net)	106,757	-	215,667
Due from other funds	-	-	600,663
Inventory & prepaid expenses	35,591	-	200,040
Total current assets	<u>655,701</u>	<u>1,454,681</u>	<u>1,120,234</u>
Noncurrent assets:			
Non-depreciable capital assets	224,350	-	2,355,433
Depreciable capital assets, net	5,364,405	15,334,375	12,854,643
Total noncurrent assets	<u>5,588,755</u>	<u>15,334,375</u>	<u>15,210,076</u>
Total assets	<u>6,244,456</u>	<u>16,789,056</u>	<u>16,330,310</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	-	-	1,002,697
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>1,002,697</u>
Total assets and deferred outflows of resources	<u>6,244,456</u>	<u>16,789,056</u>	<u>17,333,007</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	396,998	260,573	639,340
Pension employer contributions payable	-	5,528	317,745
Unearned revenue	188,795	-	-
Due to other funds	-	-	963,849
Compensated absences - terminated employees	-	-	111,351
Insurance claims payable	-	-	-
Total current liabilities	<u>585,793</u>	<u>266,101</u>	<u>2,032,285</u>
Noncurrent liabilities:			
Compensated absences - terminated employees	-	-	425,376
Self-insured legal liability	-	-	-
Net pension liability	-	-	3,816,098
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,241,474</u>
Total liabilities	<u>585,793</u>	<u>266,101</u>	<u>6,273,759</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement receipts	-	-	-
Deferred pension inflows	-	-	1,269,263
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,269,263</u>
Total liabilities and deferred inflows of resources	<u>585,793</u>	<u>266,101</u>	<u>7,543,022</u>
<b>NET POSITION</b>			
Net investment in capital assets	5,588,755	15,334,375	15,210,076
Unrestricted	69,908	1,188,580	(5,420,091)
Total net position	<u>\$ 5,658,663</u>	<u>\$ 16,522,955</u>	<u>\$ 9,789,985</u>

See Accompanying Notes to the Financial Statements

Business-type Activities					Governmental Activities
Convention Center	Parking Garage	Emergency Medical Services	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 8,334,725	\$ 853,506	\$ -	\$ 1,878,435	\$ 13,138,564	\$ 11,328,679
1,021,536	272,473	1,837,580	8,339	3,462,352	169,627
-	-	-	-	600,663	-
72,329	-	-	212,118	520,078	-
9,428,590	1,125,979	1,837,580	2,098,892	17,721,657	11,498,306
5,213,512	1,895,790	-	1,457,640	11,146,725	-
32,142,396	2,806,209	128,160	4,044,083	72,674,271	34,801,433
37,355,908	4,701,999	128,160	5,501,723	83,820,996	34,801,433
46,784,498	5,827,978	1,965,740	7,600,615	101,542,653	46,299,739
-	-	2,793,694	-	3,796,391	-
-	-	2,793,694	-	3,796,391	-
46,784,498	5,827,978	4,759,434	7,600,615	105,339,044	46,299,739
415,359	-	209,750	447,488	2,369,508	651,996
-	-	701,262	18,385	1,042,920	2,144
61,374	-	65	853,058	1,103,292	-
-	-	-	-	963,849	-
-	-	-	-	111,351	-
-	-	-	-	-	2,006,700
476,733	-	911,077	1,318,931	5,590,920	2,660,840
-	-	-	-	425,376	-
-	-	-	-	-	638,228
-	-	6,869,232	-	10,685,330	-
-	-	6,869,232	-	11,110,706	638,228
476,733	-	7,780,309	1,318,931	16,701,626	3,299,068
-	3,558,673	-	-	3,558,673	-
-	-	689,047	-	1,958,310	-
-	3,558,673	689,047	-	5,516,983	-
476,733	3,558,673	8,469,356	1,318,931	22,218,609	3,299,068
37,355,908	4,701,999	128,160	5,501,723	83,820,996	34,801,433
8,951,857	(2,432,694)	(3,838,082)	779,961	(700,561)	8,199,238
\$ 46,307,765	\$ 2,269,305	\$ (3,709,922)	\$ 6,281,684	\$ 83,120,435	\$ 43,000,671



**CITY OF MOBILE, ALABAMA**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2018**

	Business-type Activities		
	Civic Center	Cruise Terminal	WAVE Transit System
<b>OPERATING REVENUES</b>			
Charges for services	\$ 848,814	\$ 2,992,848	\$ 809,069
Internal charges	-	-	-
Employee contributions	-	-	-
Facility rent	427,521	8,481	-
Sales revenue	-	-	-
Parking fees	261,665	3,250,692	-
Concessions	295,566	-	-
Retiree drug subsidy	-	-	-
Other revenue	253,869	55,169	158,967
Total operating revenues	<u>2,087,435</u>	<u>6,307,190</u>	<u>968,036</u>
<b>OPERATING EXPENSES</b>			
Personnel services	2,034,995	572,405	7,305,733
Commodities	90,595	24,696	1,964,504
Utilities	600,859	244,026	174,313
Professional and technical	313,024	543,054	438,674
Maintenance and repairs	16,097	73,386	-
Printing and reproduction	3,887	2,833	-
Insurance payments	87,467	92,694	671,780
Event expenses	90,485	-	-
Cost of goods sold	-	-	-
Increase (decrease) in provision for self-insurance loss	-	-	-
Other charges	78,175	969,057	231,562
Depreciation	328,676	406,861	1,297,251
Contractual allowance	-	-	-
Bad debt	-	-	-
Total operating expenses	<u>3,644,260</u>	<u>2,929,012</u>	<u>12,083,817</u>
Operating income (loss)	<u>(1,556,825)</u>	<u>3,378,178</u>	<u>(11,115,781)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes	-	-	-
State and federal assistance	-	-	3,753,467
Investment income	-	-	-
Damaged vehicles reimbursement	-	-	-
Gain (loss) from disposal of assets	-	-	-
Capital grants and contributions	-	-	546,292
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>4,299,759</u>
Income (loss) before contributions and transfers	<u>(1,556,825)</u>	<u>3,378,178</u>	<u>(6,816,022)</u>
Transfers in	1,258,127	-	7,017,325
Transfers out	-	(5,800,000)	(898,849)
Change in net position	<u>(298,698)</u>	<u>(2,421,822)</u>	<u>(697,546)</u>
Total net position - beginning	<u>5,957,361</u>	<u>18,944,777</u>	<u>10,487,531</u>
Total net position - ending	<u>\$ 5,658,663</u>	<u>\$ 16,522,955</u>	<u>\$ 9,789,985</u>

See Accompanying Notes to the Financial Statements

Business-type Activities					Governmental Activities
Convention Center	Parking Garage	Emergency Medical Services	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 952,691	\$ -	\$ 9,974,678	\$ 1,904,650	\$ 17,482,750	\$ 1,355,962
-	-	-	-	-	31,589,070
-	-	-	-	-	6,583,908
627,394	432,563	-	259,945	1,755,904	-
-	-	-	178,277	178,277	-
121,057	-	-	-	3,633,414	-
860,997	-	-	190,253	1,346,816	-
-	-	-	-	-	31,166
72,124	-	-	213,273	753,402	-
2,634,263	432,563	9,974,678	2,746,398	25,150,563	39,560,106
3,024,803	-	5,618,514	2,438,174	20,994,624	144,652
158,722	-	721,331	284,844	3,244,692	2,567,436
499,707	-	39,102	290,418	1,848,425	38,135
3,044,554	-	186,624	268,276	4,794,206	1,985,468
91,761	-	160,391	16,539	358,174	-
1,796	-	116	4,999	13,631	2,943
311,348	-	-	79,147	1,242,436	25,907,307
39,139	-	-	-	129,624	-
-	-	-	195,220	195,220	-
-	-	-	-	-	(1,018,172)
151,910	26,885	470,621	195,215	2,123,425	928,510
1,347,287	201,644	16,836	349,658	3,948,213	5,633,261
-	-	2,487,422	-	2,487,422	-
-	-	3,751,052	-	3,751,052	-
8,671,027	228,529	13,452,009	4,122,490	45,131,144	36,189,540
(6,036,764)	204,034	(3,477,331)	(1,376,092)	(19,980,581)	3,370,566
11,777,973	-	-	-	11,777,973	-
-	-	-	-	3,753,467	-
-	1,290	-	-	1,290	-
-	-	-	-	-	255,828
-	-	-	(6,158)	(6,158)	178,344
-	-	-	-	546,292	4,394,177
11,777,973	1,290	-	(6,158)	16,072,864	4,828,349
5,741,209	205,324	(3,477,331)	(1,382,250)	(3,907,717)	8,198,915
4,320,000	-	3,997,575	1,062,336	17,655,363	2,375,856
(12,346,548)	-	-	-	(19,045,397)	(2,000,000)
(2,285,339)	205,324	520,244	(319,914)	(5,297,751)	8,574,771
48,593,104	2,063,981	(4,230,166)	6,601,598	88,418,186	34,425,900
\$ 46,307,765	\$ 2,269,305	\$ (3,709,922)	\$ 6,281,684	\$ 83,120,435	\$ 43,000,671

**CITY OF MOBILE, ALABAMA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2018**

	Business-type Activities		
	Civic Center	Cruise Terminal	WAVE Transit System
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers and users	\$ 848,814	\$ 2,993,348	\$ 973,710
Cash received from sales revenue	-	-	-
Cash received from internal billings	-	-	-
Cash received from employee contributions	-	-	-
Cash received from facility & other rent	459,255	7,981	-
Cash received from parking fees	261,665	3,250,692	-
Cash received from concessions	295,566	-	-
Cash received from miscellaneous	(16,823)	55,169	-
Cash payments for operating expenses	(1,162,506)	(1,871,455)	(3,142,603)
Cash payments for insurance claims	-	-	-
Cash payments for internal services	(24,013)	(26,399)	-
Cash payments to employees for services	(2,034,995)	(542,625)	(6,957,772)
Payments to suppliers	-	(47,003)	-
Net cash provided (used) by operating activities	(1,373,037)	3,819,708	(9,126,665)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Taxes	-	-	-
Non-capital grants and contributions	-	-	3,753,467
Transfers in from other funds	1,258,127	-	6,648,993
Transfers out to other funds	-	(5,800,000)	(1,279,929)
Retiree drug subsidy	-	-	-
Net cash provided (used) by noncapital financing activities	1,258,127	(5,800,000)	9,122,531
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	-	-	(682,865)
Proceeds from sale of capital assets	-	-	-
Reimbursement for damaged vehicles	-	-	-
Capital grants and contributions	-	-	682,865
Net cash provided (used) by capital and related financing activities	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	-	-	-
Net cash provided (used) by investing activities	-	-	-
Net increase (decrease) in cash and cash equivalents	(114,910)	(1,980,292)	(4,134)
Balances - beginning of year	628,263	3,434,973	107,998
Balances - end of the year	\$ 513,353	\$ 1,454,681	\$ 103,864
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating Income	\$ (1,556,825)	\$ 3,378,178	\$ (11,115,781)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	328,676	406,861	1,297,251
Non-cash items included in operating income	-	-	184,774
Non-capital financing cash flow included in operating income	-	-	-
Changes in assets and liabilities:			
Accounts Payable - Supplier	96,205	31,288	211,684
Accounts Receivable	31,734	500	(166,361)
Self-insurance liability	-	-	-
Insurance claims payable	-	-	-
Compensated absences	-	-	21,284
Inventory and prepaid expenses	(2,135)	-	298,581
Salaries & Benefits Payable	-	3,381	6,221
Pension Contribution Payable	-	-	135,682
Advance collections	(270,692)	(500)	-
Net cash provided (used) by operating activities	\$ (1,373,037)	\$ 3,819,708	\$ (9,126,665)

See Accompanying Notes to the Financial Statements

Business-type Activities					Governmental Activities	
Convention Center	Parking Garage	Emergency Medical Services	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds	
\$ 952,691	\$ (37,473)	\$ 3,933,141	\$ 1,932,737	\$ 11,596,968	\$ 1,514,805	
-	-	-	147,079	147,079	-	
-	-	-	-	-	31,589,070	
-	-	-	-	-	6,583,908	
473,249	330,522	-	271,617	1,542,624	-	
121,057	-	-	-	3,633,414	-	
860,997	-	-	190,253	1,346,816	-	
71,161	-	-	482,381	591,888	-	
(4,162,439)	(26,886)	(1,457,617)	(1,176,655)	(13,000,161)	(5,875,429)	
-	-	-	-	-	(25,727,800)	
(16,776)	-	(875,081)	(188,065)	(1,130,334)	-	
(3,024,803)	-	(5,598,018)	(2,243,346)	(20,401,559)	(143,904)	
-	-	-	-	(47,003)	-	
(4,724,863)	266,163	(3,997,575)	(583,999)	(15,720,268)	7,940,650	
11,777,973	-	-	-	11,777,973	-	
-	-	-	-	3,753,467	-	
4,320,000	-	3,997,575	1,062,336	17,287,031	2,375,856	
(12,346,548)	-	-	-	(19,426,477)	(2,000,000)	
-	-	-	-	-	31,166	
3,751,425	-	3,997,575	1,062,336	13,391,994	407,022	
(82,892)	-	-	(143,275)	(909,032)	(7,294,137)	
-	-	-	6,064	6,064	669,316	
-	-	-	-	-	228,462	
-	-	-	-	682,865	-	
(82,892)	-	-	(137,211)	(220,103)	(6,396,359)	
-	1,290	-	-	1,290	-	
-	1,290	-	-	1,290	-	
(1,056,330)	267,453	-	341,126	(2,547,087)	1,951,313	
9,391,055	586,053	-	1,537,309	15,685,651	9,377,366	
\$ 8,334,725	\$ 853,506	\$ -	\$ 1,878,435	\$ 13,138,564	\$ 11,328,679	
\$ (6,036,764)	\$ 204,034	\$ (3,477,331)	\$ (1,376,092)	\$ (19,980,581)	\$ 3,370,566	
1,347,287	201,644	16,836	349,658	3,948,213	5,633,261	
-	-	(873,797)	-	(689,023)	-	
-	-	-	-	-	(31,166)	
88,036	-	(58,983)	136,118	504,348	(172,730)	
(103,225)	(37,474)	197,764	8,672	(68,390)	158,843	
-	-	-	-	-	(1,018,172)	
-	-	-	-	-	(700)	
-	-	-	-	21,284	-	
6,069	-	-	15,431	317,946	-	
-	-	198,764	15,898	224,264	748	
-	-	-	-	135,682	-	
(26,266)	(102,041)	(828)	266,316	(134,011)	-	
\$ (4,724,863)	\$ 266,163	\$ (3,997,575)	\$ (583,999)	\$ (15,720,268)	\$ 7,940,650	





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***GM&O Building***  
***Home to WAVE Transit***



***Cooper-Riverside Park***

Component Units are separate legal entities from the primary government and are governed by separate boards. The discretely presented component units have a financial benefit or burden relationship to the primary government. Financial accountability for component units as defined by GASB Statement No. 61 does not imply that the City is legally responsible for the obligations of the discretely presented component units. See Note 2 for further details.

Mobile Public Library

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

Solid Waste Disposal Authority



**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**Component Units**  
**September 30, 2018**

	Solid Waste Disposal Authority	Mobile Public Library	Public Park and Recreation Board	Total
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ -	\$ 3,109,695	\$ 301,836	\$ 3,411,531
Receivables (net)	-	60,218	168,606	228,824
Inventory & prepaid expenses	-	-	28,958	28,958
Total current assets	-	3,169,913	499,400	3,669,313
Noncurrent assets:				
Investments	-	-	204,040	204,040
Land	248,225	-	-	248,225
Buildings	-	-	1,172,578	1,172,578
Vehicular	-	209,099	-	209,099
Other equipment	-	3,873,251	712,883	4,586,134
Accumulated depreciation	-	(3,665,491)	(1,428,910)	(5,094,401)
Total noncurrent assets	248,225	416,859	660,591	1,325,675
Total assets	248,225	3,586,772	1,159,991	4,994,988
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	-	642,575	11,639	654,214
Total deferred outflows of resources	-	642,575	11,639	654,214
Total assets and deferred outflows of resources	248,225	4,229,347	1,171,630	5,649,202
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	156,309	116,471	42,221	315,001
Unearned revenue	-	-	189,792	189,792
Compensated absences, current portion	-	40,830	-	40,830
Total current liabilities	156,309	157,301	232,013	545,623
Noncurrent liabilities:				
Compensated absences, long-term portion	-	505,321	-	505,321
Net pension liability	-	4,358,181	10,162	4,368,343
Total noncurrent liabilities	-	4,863,502	10,162	4,873,664
Total liabilities	156,309	5,020,803	242,175	5,419,287
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflows	-	1,099,970	34,123	1,134,093
Total deferred inflows of resources	-	1,099,970	34,123	1,134,093
Total liabilities and deferred inflows of resources	156,309	6,120,773	276,298	6,553,380
<b>NET POSITION</b>				
Net investment in capital assets	248,225	416,859	456,551	1,121,635
Unrestricted	(156,309)	(2,308,285)	438,781	(2,025,813)
Total net position	\$ 91,916	\$ (1,891,426)	\$ 895,332	\$ (904,178)

See Accompanying Notes to the Financial Statements



**CITY OF MOBILE, ALABAMA**  
**Statement of Activities**  
**Component Units**  
**For the Year Ended September 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Mobile Public Library				
Culture and recreation	\$ 9,525,139	\$ 543,945	\$ 117,375	\$ 7,189
Total Mobile Public Library	<u>9,525,139</u>	<u>543,945</u>	<u>117,375</u>	<u>7,189</u>
Public Park and Recreation Board				
Culture and recreation	1,162,257	949,798	-	87,421
Total Public Park and Recreation Board	<u>1,162,257</u>	<u>949,798</u>	<u>-</u>	<u>87,421</u>
Solid Waste Disposal Authority				
Public works	2,453,631	-	2,297,322	-
Total Solid Waste Disposal Authority	<u>2,453,631</u>	<u>-</u>	<u>2,297,322</u>	<u>-</u>
Total component units:	<u>\$ 13,141,027</u>	<u>\$ 1,493,743</u>	<u>\$ 2,414,697</u>	<u>\$ 94,610</u>

General revenues:

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

See Accompanying Notes to the Financial Statements

Net (Expense) Revenue and Changes in Net Position			
Solid Waste Disposal Authority	Mobile Public Library	Public Park and Recreation Board	Total
\$ -	\$ (8,856,630)	\$ -	\$ (8,856,630)
-	(8,856,630)	-	(8,856,630)
-	-	(125,038)	(125,038)
-	-	(125,038)	(125,038)
(156,309)	-	-	(156,309)
(156,309)	-	-	(156,309)
(156,309)	(8,856,630)	(125,038)	(9,137,977)
-	337,353	-	337,353
-	114,167	2,030	116,197
-	8,506,899	200,000	8,706,899
-	8,958,419	202,030	9,160,449
(156,309)	101,789	76,992	22,472
248,225	(1,993,215)	818,340	(926,650)
\$ 91,916	\$ (1,891,426)	\$ 895,332	\$ (904,178)



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# NOTES TO THE FINANCIAL STATEMENTS







**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2018**

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

The more significant of the government's accounting policies are described below.

**Basis of Presentation - Government-wide and Fund Accounting**

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The focus is on either the City as a whole or major individual funds. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables, long-term debt and obligations, and deferred inflows and deferred outflows of resources. The City generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public works, public safety, etc.) which are otherwise being supported by general government revenues (taxes, licenses and permits, etc.). The Statement of Activities reduces gross expenses, including depreciation, by related program revenues (charges for services, operating and capital grants, and contributions). The program revenues must be directly associated with a function or a business-type activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Direct expenses are not eliminated from the various functional categories. The City does not allocate indirect expenses. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The governmental funds financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is presented which briefly explains the adjustments necessary to reconcile the governmental fund statements to the government-wide statements' governmental column.

The focus of this reporting model is on the City as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the component units. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

In the fund financial statements, the City's accounting records are organized and operated on a fund basis. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on the specific activities or attaining certain objectives, in accordance with special regulations, restrictions or limitations.

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The types of funds used in accounting for the financial operations of the City and their nature and purpose are as follows:

**Governmental Funds** - Governmental funds are those through which most governmental functions of the City are financed. The acquisition, use and balances of the City's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the City's governmental funds:

**General Fund** - The General Fund is the general operating fund of the City and is considered a major governmental fund. All general tax revenue and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures, fixed charges and capital improvement costs that are not paid through other funds, are paid from the General Fund.

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

- Capital Improvements - This fund is considered a major governmental fund and is used to provide for necessary capital improvements and is financed by a portion of the sales tax.
- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- Flood Management - This fund is used to hold funds collected from developers to help defray the cost of future drainage in an area. This fund was established by ordinance passed by the City Council.
- 1996 General Obligation Capital Projects - This fund is used to provide for several projects; the renovation of Ladd Memorial Stadium, several drainage projects, street improvements, and water quality studies. This fund was financed by the 1996 General Obligation Capital Improvement Warrants.
- 1998 General Obligation Capital Projects - This fund is used to provide for several projects including modular buildings at Strickland Youth Center and the construction and installation of certain improvements to the City's storm water drainage system.
- 1998 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects, including addition to Public Library, Fine Arts Museum, GM&O Terminal renovations, Public Safety buildings, and City/County Misdemeanor facility.
- 2000 Capital Projects - This fund is used to provide for improvements to the City's parks and recreational facilities and for storm water drainage and sewer improvements.

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- 2006 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects of the City. This fund was financed by the 2006 General Obligation Refunding and Capital Warrants.
- 2008 General Capital Improvements Projects - This fund is used to provide for certain capital improvement projects of the City.
- 2008B General Obligation Capital Improvement Projects - This fund is used for certain capital improvement projects of the City.
- 2012 General Obligation Private Placement Capital Improvements - This fund is used to purchase police, fire and public service equipment.
- 2016C General Obligation Taxable Warrants – This fund is used to refund the 2008C Taxable General Obligation Warrants with stated maturities, or subject to mandatory redemption, in 2019 and thereafter.
- 2017A General Obligation Warrants – This fund is used in coordination with 2017B General Obligation Warrants Fund to refund the 2002 Limited Obligation Warrants, 2008 General Obligation Warrants, and the 2008B General Obligation Warrants.
- 2017B General Obligation Warrants – This fund is used in coordination with 2017A General Obligation Warrants Fund to refund the 2002 Limited Obligation Warrants, 2008 General Obligation Warrants, and the 2008B General Obligation Warrants.
- 2017C General Obligation Warrants – This fund is used in coordination with 2017C General Obligation Warrants Fund to refund the remaining 2008B General Obligation Warrants.
- 2017D General Obligation Warrants – This fund is used in coordination with 2017D General Obligation Warrants Fund to refund the 2009A General Obligation Warrants.

**Debt Service Funds** - These funds are nonmajor governmental funds used to account for assets held for the repayment of principal and interest on the City's outstanding bond issues. Debt service funds used by the City are as follows:

- Bank Service Charges - Various Issues - This fund is used to pay agent and trustee fees for defeased debt.
- 2006 General Obligation Private Placement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Private Placement Warrants.



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- 2008B & C General Obligation Refunding and Capital Improvement Warrants - This fund is used to service the debt outstanding on both 2008B and 2008C General Obligation Refunding and Capital Improvement Warrants.
- 2009A General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the 2009A General Obligation Refunding Warrants.
- 2009B General Obligation BAB Capital Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Build America Warrants Series 2009B (Taxable).
- 2009C General Obligation ARRA Capital Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Recovery Zone Economic Development Warrants Series 2009C (Taxable).
- 2010 Small Issue General Obligation Warrants - This fund is used to service the remaining debt outstanding on the General Obligation Taxable Build America Warrant, Series 2010.
- 2011 General Obligation Private Placement Warrants - This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2011.
- 2012 General Obligation Private Placement Warrants - This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2012.
- 2016 General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the General Obligation Refunding Warrants, Series 2016.
- 2016C General Obligation Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Taxable Warrants, Series 2016C.
- 2017A General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017A.
- 2017B General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017B.
- 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.

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**Special Revenue Funds** - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The Special Revenue Funds are considered nonmajor governmental funds. Special Revenue Funds used by the City are as follows:

- Tax Increment - This fund is used to account for revenues generated by tax collections under the Tax Increment Financing Plan and used to pay for redevelopment projects in the downtown area.
- Four-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay for street resurfacing.
- Five-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of construction, improvement, maintenance and supervision of highways, bridges and streets, including the retirement of bonds for the payment of which such revenues have been or may hereafter be pledged.
- Seven-cent Gasoline Tax - This fund accounts for tax revenues to be used to pay the cost of electricity for street lights and the cost of operating the concrete and storm sewer maintenance, street sweeping, street repair, ditch cleaning, pipe-laying and heavy equipment departments.
- Fuel Inspection Fees - This fund accounts for a special inspection fee levied by the State of Alabama to be used for street improvements and City planning purposes.
- Economic Development Escrow - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning.
- Drug Enforcement Fund - This fund is used to account for federal, state, and local equitable sharing funds which are required to be segregated and used for a law enforcement purpose.
- Court Referral Officers Program Fund - This fund is used to account for activities funded by state grants and user fees related to the Court Referral Officers Program.
- Municipal Court Judicial Administration Fund - This fund is used to account for activities funded by dedicated revenues established by State statute which are required to be used for the judicial administration of the Municipal Court.
- Storm Water Fund – This fund is used to account for activities funded by dedicated revenues established by local ordinance which levied a storm water fee to be used for storm water management activities.
- General Activities Grants - This fund is used to account for activities funded by federal, state, local, and private grants received which are not related to public safety or received from the U.S. Department of Housing and Urban Development.

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- 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 service or product. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The City's proprietary funds are as follows:

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

- Mobile Civic Center - This major enterprise fund is used to account for the operations of the Mobile Civic Center which include activities such as sporting events, social events, musical performances, and theatrical performances.
- Alabama Cruise Terminal - This major enterprise fund is used to account for the operations of the Alabama Cruise Terminal, a cruise ship homeport, which includes an arrival and departure terminal facility and secured parking facilities.
- WAVE Transit - This major enterprise fund is used to account for the operations of the City's public transportation system which derives most of its income from passenger fare revenues and various government subsidies.
- Mobile Convention Center - This major enterprise fund is used to account for the operations of the Mobile Convention Center which includes activities such as business conventions and social events.
- Municipal Parking Garage - This major enterprise fund is used to account for the operations of the Municipal Parking Garage which is rented to the general public on a daily basis.

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- Emergency Medical Services (Firemedics) - This major enterprise fund is used to account for the operations of the firemedics division which provides pre-hospital/basic and advanced life support management of acute illness or injury through aggressive field stabilization and rapid transport to the appropriate medical facility; and offers support services to other divisions of the Department.
- Saenger Theater - This fund is used to account for the operations of the Saenger Theater which include activities such as social events, musical performances, and theatrical performances.
- Mobile Tennis Center - This fund is used to account for the operations of the Tennis Center which derives most of its income from tennis court rentals.
- Azalea City Golf Course - This fund is used to account for the operations of the Azalea City Golf Course which derives revenues from course and cart rental.
- Neighborhood Renewal Program - This fund is used to account for the operations of the Neighborhood Renewal Program which derives most of its income from the sale of real property inventory.

Internal Service Funds - These funds are used to account for the financing of goods or services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis. The internal service funds are included in governmental activities for government-wide reporting purposes. The excess revenue or expenses for the funds are allocated to the appropriate functional activity (governmental activities). Excess amounts have not been allocated to any business-type activity since these amounts would be insignificant. The City's internal service funds are as follows:

- Motor Pool - This fund is used to account for vehicles and equipment provided and maintained by the Motor Pool for other departments of the City.
- Employee Health Fund - This fund is used to account for assets held in trust by the City for the payment of health insurance claims.
- Liability Insurance Fund - This fund is used to account for automobile and general liability claims and expenses paid for other departments of the City.

**Basis of Accounting** - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

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

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**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 recorded as revenue when received in cash because they are generally not measurable until received.

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

Proprietary Funds

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



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**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 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 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 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 Tax Collector to the City of Mobile. All tax levies are collected and remitted to the City of Mobile by the end of the City's fiscal year; consequently, the financial statements do not have accounts receivable or allowance for uncollected tax levies.

Other material revenue which is susceptible to accrual includes sales tax, interest income and state-shared revenue. Revenue which is not both available and measurable and is thus not susceptible to accrual includes property and franchise taxes and business licenses.

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

**Encumbrances** - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the General Fund and Capital Projects Funds.

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Encumbrances outstanding at year-end for specific purposes are included within restricted, committed, or assigned fund balance as appropriate. For budgetary purposes, current year encumbrances are treated as expenditures and any unencumbered balances lapse at year-end. Encumbrances have been recorded in the General Fund and Capital Projects Funds.

**Pooled Cash and Investments** - Pooled cash and investments consist of cash, government securities, certificates of deposit, and repurchase agreements. Cash balances and the requirements of all funds are considered in determining the amount to be invested. Interest earned on pooled cash and investments is recorded as General Fund revenue and allocated between funds based upon balances (see Note 3).

The City reports its money market investments and investments in short-term debt securities that have remaining maturities of one year or less at cost, which approximates fair value. The City's long-term investments are stated at fair value. For securities traded on a major exchange, market values are priced as of the statement date. The method and frequency of pricing assets not traded on major exchanges varies depending on the type of assets. Investments for which quotations are not readily available are valued at their fair value as provided by the investment custodians under the direction of City management.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation in fair value of investments 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 on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories held by the General Fund consist principally of traffic engineering, municipal garage, public buildings, electrical, mechanical maintenance, public works, police and fire department supplies. Inventories are stated at average or weighted average cost. Appropriate allowances have been recorded for obsolete and surplus items.

**Interfund Transactions** - On fund financial statements, receivables and payables resulting from outstanding balances are classified as "interfund receivables/payables" (See Note 6). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Flow of cash or goods from one fund to another without a requirement for repayment is reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. The government-wide statements eliminate interfund transfers and receivables/payables as reported within the segregated governmental and business-type activities column. Only transfers and receivables/payables between the two columns appear in this statement, which zero in total. Interfund services provided and used are not eliminated in the process of consolidation.

**Capital Assets** - The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

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Government-wide Financial Statements

In the government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Donated capital assets are reported at acquisition value. The City capitalizes assets with a unit cost of \$5,000 or more as purchase and construction outlays occur.

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

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

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

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

<u><b>Types of Assets</b></u>	<u><b>Estimated Useful Life</b></u>
Buildings	25-60 years
Improvements	20 years
Infrastructure (Drainage, Streets, Bridges, Sidewalks and Docking)	50 years
Infrastructure (Utilities and Landscaping)	25 years
Machinery and equipment	5-10 years
Automotive equipment	3-15 years
Office equipment	6 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

**Bond Discounts, Premiums and Issuance Costs** - In the governmental funds, bond discounts, premiums and issuance costs are treated as period costs in the year of issue.

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

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

The current portion of this debt is estimated based on historical trends. In the enterprise funds, the compensated absences liability is presented in the balance sheet and is classified as current and non-current. In the governmental fund financial statements, amounts that would normally be paid with expendable available financial resources once the liability has matured, for example those resulting from employee resignations and retirements, are recorded in the General Fund, and the amounts considered noncurrent are not reported in the fund financial statements. Amounts paid or payable within 60 days are deemed to be payable from expendable financial resources.

### **Equity Classifications**

#### Government-wide Financial Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds and mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) the City's own laws through its enabling legislation and other provisions of its laws and regulations (See Note 11).
- Unrestricted net position - All other net position which does not meet the definition of "restricted" or "net investment in capital assets."

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

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Fund Financial Statements

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

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

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

- Non-spendable Fund Balance - Inventory, prepaid items and other similar assets not in a spendable form that are contractually required to be maintained intact are classified as non-spendable fund balance.
- Restricted Fund Balance - Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.
- Committed Fund Balance - Amounts formally designated by City Council through equally binding ordinances or resolutions for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.
- Assigned Fund Balance - Amounts constrained by City Council or the Executive Director of Finance for a specific purpose normally through the appropriations process in establishing and amending budgets. Furthermore, funds in special revenue, capital project, and permanent fund are by their nature assigned to the purpose for which the resources are collected. The policy used by the governing body to authorize the assignment of fund balance was passed by the City Council in Resolution 60-609 on December 13, 2011.
- Unassigned Fund Balance - Amounts that may be used for any governmental purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When an expenditure qualifies to be used from more than one fund balance classification identified above, it is the City's policy to use resources in the following order: restricted, committed, assigned, and then unassigned.

The fund equity of the proprietary fund financial statements is classified in the same manner as the government-wide financial statements.



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**Statement of Cash Flows** - For the purposes of the Statement of Cash Flows, the proprietary funds consider cash and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

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

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

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

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

Other Postemployment Benefits (OPEB) refers to the benefits, other than pensions, that the City provides as part of an employee's retirement benefits. In order to improve the financial reporting of these benefits, the City has implemented GASB Statement No. 75, which is explained further under the section related to the adoption of new GASB pronouncements.

**Adoption of new GASB pronouncements**

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

Issued June 2015, this Statement requires, among other things, that governments report a liability on the face of the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities.

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The primary objective of GASB 75 is to improve financial reporting by state and local governments in regard to postemployment benefits other than pensions (OPEB). These improvements provide users of financial statement decision-useful information, supports assessments of accountability and interperiod equity, and creates additional transparency. This Statement is effective for fiscal years beginning after June 15, 2017 (Fiscal Year Ending September 30, 2018).

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

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

GASB Statement No. 85, *Omnibus 2017*

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

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

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

**Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2018:**

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

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

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GASB Statement No. 84, *Fiduciary Activities*

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

GASB Statement No. 87, *Leases*

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

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

Issued May 2017, this Statement is intended to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also intends to improve accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018 (Fiscal Year Ending September 30, 2019).

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

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

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

Issued August 2018, this statement is intended to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment.

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The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (Fiscal Year Ending September 30, 2020).

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

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY**

**Organization**

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

**Reporting Entity**

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

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

**Discretely Presented Component Units**

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

Mobile Public Library  
700 Government Street  
Mobile, AL 36602

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

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

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

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

Related Organizations

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

The City's related organizations are as follows:

- **Board of Water and Sewer Commissioners of the City of Mobile (BWSC)** – BWSC is a separate governmental unit granted independent authority by the State of Alabama General Statutes. All five board members are appointed by the Council of the City of Mobile. BWSC can issue its own debt, and its operations are financed through water and sewer usage fees.



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- **Mobile Housing Board** - The Mayor appoints members to the governing board and can remove members for cause. The Housing Board has complete legislative and administrative authority. The Housing Board's primary revenues come from rents and monies received from the Federal government.
- **Mobile Airport Authority** - The Mayor appoints members to the governing board and can remove members for cause. The Airport Authority has complete legislative and administrative authority and can issue its own debt. Its operations are financed through aviation revenues and monies received from the Federal government.
- **Mobile Museum Board** – The City Council appoints members to the governing board. The Board has separate administrative authority for the museum. The 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 Board of Health** - The Mayor and the Council of the City of Mobile do not appoint the board members for the Mobile Board of Health. The City is legally required to contribute financial support to the Board of Health on an annual basis. The City contributed \$600,000 to the Mobile Board of Health during the fiscal year ended September 30, 2018. The Mobile Board of Health receives contributions from other municipalities included within Mobile County as well as from Mobile County. Of the contributing entities, not one entity has unilateral control over the operations of the Mobile Board of Health. In addition, the Mobile Board of Health receives State and Federal financial assistance. The City has no equity interest in the Mobile Board of Health. Complete financial statements for the Mobile Board of Health may be obtained from their administrative office at 251 North Bayou Street, Mobile, Alabama 36601.
- **Mobile Emergency Management** - The board members for Mobile Emergency Management are the mayors for the municipalities in Mobile County and the President of the Mobile County Commission or their appointees. The City is legally required to contribute financial support to Mobile Emergency Management on an annual basis. The City contributed \$536,293 to Mobile Emergency Management during the fiscal year ended September 30, 2018. Mobile Emergency Management receives contributions from other municipalities included within Mobile County as well as State and Federal financial assistance. The City has no equity interest in Mobile Emergency Management. Complete financial statements for Mobile Emergency Management may be obtained from their administrative office at 348 North McGregor Avenue, Mobile, Alabama 36618.

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- **Mobile Personnel Board** - The five board members are appointed by a supervisory committee. The supervisory committee consists of the mayors for all cities in Mobile County, the County Sheriff, the County License Commissioner, the County Revenue Commissioner and various county judges. The City is legally required to contribute financial support to the Personnel Board on an annual basis. The City contributed \$1,351,891 to the Mobile Personnel Board during the fiscal year ended September 30, 2018. The Mobile Personnel Board also receives contributions from all municipalities included within Mobile County as well as from Mobile County. The City has no equity interest in the Mobile Personnel Board. Complete financial statements for the Mobile Personnel Board may be obtained from their administrative office at P.O. Box 66794, Mobile, Alabama 36660-1794.
- **Juvenile Court and Youth Center** - An act was adopted by the Alabama Legislature in 1919 which directs the City to pay one-half of all expenses within thirty days after receiving the bill. During the fiscal year ended September 30, 2018, the City contributed \$3,308,096 to the Juvenile Court and Youth Center. It is funded by Mobile County, the City of Mobile, the Department of Youth Services and various grants from the State of Alabama.

**NOTE 3 - CASH, EQUITY IN POOLED CASH AND INVESTMENTS**

**Deposits**

Cash balances available for investment by most City funds are maintained in pooled cash and investment accounts to improve investment opportunities. The equity in pooled cash and investment balances in the accompanying combined balance sheet represents the undivided interest of each respective fund in pooled accounts.

Included as deposits are bank accounts and certificates of deposit. Each of the banks holding the City's unrestricted deposits, as well as those of the Component Units, is a certified participant in the Security for Alabama Funds Enhancement (SAFE) program. Through the SAFE program, all public funds are protected through a collateral pool administered by the Alabama State Treasury.

The City's primary government deposits and City's restricted cash were fully insured or collateralized at September 30, 2018. At year-end, the carrying amount of the City's cash and cash equivalent deposits was \$141,851,208 and the bank balance was \$141,917,642. Of the total bank balance, \$3,354,711 was covered by Federal Depository Insurance and \$138,562,931 was covered under the SAFE program. The City also held investments totaling \$14,885,419 detailed further below.

**Investments**

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

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As of September 30, 2018, the City had the following investments held in a custodial trust account:

Investment Category	Investment Maturities (Fair Value)			
	Less than 1 Year	1 to 2 Years	2 to 3 Years	Total Fair Value
US Treasury	\$ 4,098,512	\$ 2,589,986	\$ 2,245,083	\$ 8,933,581
Federal Agency	1,996,593	2,726,400	1,283,366	6,006,358
Total Fair Value*	<u>\$ 6,095,105</u>	<u>\$ 5,316,386</u>	<u>\$ 3,528,449</u>	<u>\$ 14,939,940</u>

*\*Includes accrued interest receivable totaling \$54,521*

**Fair Value of Financial Instruments**

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB Statement No. 72), established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement. The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

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

The following table sets forth by level, within the fair value hierarchy, the City's assets at fair value as of September 30, 2018:

Investment Category	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
US Treasury	\$ -	\$ 8,903,228	\$ -	\$ 8,903,228
Federal Agency	-	5,982,191	-	5,982,191
Total Fair Value	<u>\$ -</u>	<u>\$ 14,885,419</u>	<u>\$ -</u>	<u>\$ 14,885,419</u>

**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, 2018, the City's investments in money market accounts are under the SAFE program.

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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. Such risks are mitigated through the City's Investment Policy which states the following.

The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, 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, 2018, consist of the following:

	<u><b>Governmental Activities</b></u>	<u><b>Business-Type Activities</b></u>	<u><b>Total Primary Government</b></u>
<b>Receivables</b>			
Taxes	\$ 19,264,656	\$ 845,755	\$ 20,110,411
Customers and other	2,068,453	5,134,260	7,202,713
Other governmental units	8,681,541	-	8,681,541
<b>Gross receivables</b>	30,014,650	5,980,015	35,994,665
Allowance for uncollectibles	(1,090,035)	(2,517,663)	(3,607,698)
<b>Net receivables</b>	<u>\$ 28,924,615</u>	<u>\$ 3,462,352</u>	<u>\$ 32,386,967</u>

Substantially all receivables are due in fiscal year 2019.

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**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, 2018, are as detailed below:

	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Major Governmental Funds</b>		
General Fund		
Capital Improvements Fund	\$ 1,313,395	\$ 563,265
Other Governmental Funds	1,177,539	1,750,795
Internal Service Funds	2,000,000	2,375,856
Mobile Civic Center	-	1,258,127
Cruise Terminal	5,800,000	-
WAVE Transit	898,849	6,517,325
Emergency Medical Services	-	3,997,575
Other Enterprise Funds	-	1,062,336
Total General Fund	<u>11,189,783</u>	<u>17,525,279</u>
Capital Improvements Fund		
General Fund	563,265	1,313,395
Other Governmental Funds	3,330,854	11,043,003
WAVE Transit	-	500,000
Mobile Convention Center	887,897	4,320,000
Total Capital Improvements Fund	<u>4,782,016</u>	<u>17,176,398</u>
<b>Other Governmental Funds</b>		
General Fund	1,750,795	1,177,539
Capital Improvements Fund	11,043,003	3,330,854
Other Governmental Funds	1,510,211	1,510,211
Mobile Convention Center	11,458,651	-
Total Other Governmental Funds	<u>25,762,660</u>	<u>6,018,604</u>
<b>Internal Service Funds</b>		
General Fund	2,375,856	2,000,000
Total Internal Service Funds	<u>2,375,856</u>	<u>2,000,000</u>
<b>Major Enterprise Funds</b>		
Mobile Civic Center		
General Fund	1,258,127	-
Total Mobile Civic Center	<u>1,258,127</u>	<u>-</u>
Mobile Convention Center		
Capital Improvements Fund	4,320,000	887,897
Other Governmental Funds	-	11,458,651
Total Mobile Convention Center	<u>4,320,000</u>	<u>12,346,548</u>
WAVE Transit		
General Fund	6,517,325	898,849
Capital Improvements Fund	500,000	-
Total WAVE Transit	<u>7,017,325</u>	<u>898,849</u>
Cruise Terminal		
General Fund	-	5,800,000
Total Cruise Terminal	<u>-</u>	<u>5,800,000</u>
Emergency Medical Services		
General Fund	3,997,575	-
Total Emergency Medical Services	<u>3,997,575</u>	<u>-</u>
<b>Other Enterprise Funds</b>		
General Fund	1,062,336	-
Total Other Enterprise Fund	<u>1,062,336</u>	<u>-</u>
<b>Total Transfers</b>	<u>\$ 61,765,678</u>	<u>\$ 61,765,678</u>



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**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

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

Interfund receivables and payables at September 30, 2018, are as follows:

	<b><u>Due To</u></b> <b><u>Other Funds</u></b>	<b><u>Due From</u></b> <b><u>Other Funds</u></b>
<b>Major Governmental Funds</b>		
General Fund		
Other Governmental Funds	\$ -	\$ 431,318
WAVE Transit	600,663	963,849
Total General Fund	<u>600,663</u>	<u>1,395,167</u>
<b>Other Governmental Funds</b>		
General Fund	431,318	-
Total Other Governmental Funds	<u>431,318</u>	<u>-</u>
<b>Major Enterprise Funds</b>		
WAVE Transit		
General Fund	963,849	600,663
Total WAVE Transit	<u>963,849</u>	<u>600,663</u>
<b>Total Interfund Balances</b>	<u><u>\$ 1,995,830</u></u>	<u><u>\$ 1,995,830</u></u>

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

**NOTE 7 - CAPITAL ASSETS**

Governmental Activities

The following is a summary of changes in capital assets for the year ended September 30, 2018:

	<b><u>Capital Assets, Not Depreciated</u></b>		
	Land	Construction in Progress	Intangible Assets
Balance, beginning	\$27,425,179	\$ 67,255,062	\$4,740,078
Additions	-	19,293,539	27,612
Deductions	(50,100)	(33,149,198)	-
Capital Assets, Net	<u><u>\$27,375,079</u></u>	<u><u>\$ 53,399,403</u></u>	<u><u>\$4,767,690</u></u>

**CITY OF MOBILE, ALABAMA**  
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	<b>Capital Assets, Depreciated</b>					<b>Totals</b>
	<b>Buildings</b>	<b>Improvements Other than Buildings</b>	<b>Vehicular Equipment</b>	<b>Other Equipment</b>	<b>Infrastructure</b>	
Balance, beginning	\$ 145,848,672	\$ 116,316,208	\$ 65,206,895	\$47,895,476	\$ 539,469,175	\$1,014,156,745
Additions	-	15,002,516	13,810,551	4,224,223	18,159,083	70,517,524
Deductions	(1,990,000)	(50,829)	(3,719,038)	(5,953,952)	(3)	(44,913,120)
Balance, ending	143,858,672	131,267,895	75,298,408	46,165,747	557,628,255	1,039,761,149
Accumulated Depreciation, beg.	37,802,886	65,341,512	38,833,879	35,778,948	155,000,052	332,757,277
Additions	3,030,362	4,213,341	5,119,948	1,402,943	10,928,031	24,694,625
Deductions	(1,417,249)	(45,747)	(3,282,449)	(506,598)	-	(5,252,043)
Accumulated Depreciation, end.	39,415,999	69,509,106	40,671,378	36,675,293	165,928,083	352,199,859
Capital Assets, Net	\$ 104,442,673	\$ 61,758,789	\$ 34,627,030	\$ 9,490,454	\$ 391,700,172	\$ 687,561,290

Construction in progress consists of the following:

<b>Asset</b>	<b>Project</b>	<b>Balance, 09/30/2017</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance, 09/30/2018</b>
79239	FT. CONDE WELCOME CENTER - ROOF REPAIRS	\$ 635,838	\$ -	\$ (635,838)	\$ -
79240	CDBG 2011 ANN STREET DRAINAGE	481,978	-	-	481,978
79244	CDBG 2012 - THEODORE PARK IMPROVEMENTS	265,250	-	(265,250)	-
79247	NEW ERP SYSTEM - MUNIS	6,172,280	1,987,048	(8,159,328)	-
79248	PARKS - HERNDON PARK IMPROVEMENTS	2,384,227	69,654	-	2,453,881
79251	CDBG 2013 - TOULMINVILLE SIDEWALKS	580,031	-	(580,031)	-
79254	INFRA - ADA MODIFICATIONS (PROJ 618)	1,502,319	-	-	1,502,319
79255	CITY SHARE - ZEIGLER BLVD (PROJ 906)	1,164,975	39,516	-	1,204,491
79256	RESURF 4CT GAS TAX PROJECT (PROJ 6001)	10,424,160	1,675,609	-	12,099,769
79257	HILLSDALE HEIGHTS SIDEWALKS (PROJ 7316)	26,909	-	(26,909)	-
79259	MPO MCGREGOR AVE - WIDENING (PROJ 7338)	389,027	23,741	-	412,768
79262	ED - PINEBROOK - MCGREGOR (PROJ 7352)	193,222	-	(193,222)	-
79264	2007 DRAINAGE AREAS 1 & 2 (PROJ 1280)	27,920	-	(27,920)	-
79265	ANN ST. (TENN TO MCDONALD) (PROJ 7348)	435,726	17,001	-	452,727
79271	MOBILE ST. IMPROVEMENTS (PROJ 7103)	255,743	-	(255,743)	-
79285	PARKS - PUB SAFETY SKATEBOARD PARK RESTR	151,716	-	(151,716)	-
79286	PARKS - MARDI GRAS PARK	3,102,866	5,961	-	3,108,827
79287	PARKS - LYONS PARK IMPROVEMENT	59,533	-	-	59,533
79288	HANK AARON STADIUM IMPROVEMENTS	1,319,335	61,792	(1,381,127)	-
79291	CDBG 2011- 3 MILE CREEK BIKE TRAIL	108,839	-	(108,839)	-
79292	CDBG 2014-CRAWFORD-MURPHY WALKING TRAIL	117,686	-	(117,686)	-
79296	POLICE-200 GOVERNMENT ST PURCH & RENOVAT	456,249	134,219	-	590,468
79298	WATER ST - COMPLETE STREETS - DESIGN	245,000	-	-	245,000
79456	CITYWIDE STORM DRAINS	256,687	6,864	-	263,551
79457	CITYWIDE SIDEWALK REPAIRS	369,564	4,388	(373,952)	-
79458	MPO - DAUPHIN ST - SAGE	-	7,183	-	7,183
79459	CITYWIDE INLET REPAIRS	562,481	-	(562,481)	-
79460	CITYWIDE LITTER/INLET REPAIRS	821,868	-	(821,868)	-
79462	CITYWIDE GUARDRAILS	133,147	-	(133,147)	-
79463	CITYWIDE PIPELINE REPAIR	582,675	-	(582,675)	-
79464	LITTER TRAP & SITE IMPROVEMENTS	63,209	-	(63,209)	-
79465	DRAINAGE-MAUDELA YNE DRIVE REPAIRS	95,877	-	(95,877)	-
79466	MONTLIMAR CREEK REPAIRS	807,557	-	(807,557)	-
79467	DRAINAGE-CORONADO CT DITCH REPAIRS	122,991	-	(122,991)	-
79468	DITCH REPAIRS - MONTLIMAR CANAL & COL	124,318	-	(124,318)	-
79469	CITYWIDE LITTER/INLET REPAIRS	495,093	7,502	(502,595)	-

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<b>Asset</b>	<b>Project</b>	<b>Balance, 09/30/2017</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance, 09/30/2018</b>
79470	PKS-MIMS-RENOVATIONS & REPAIRS	\$ 53,397	\$ -	\$ -	\$ 53,397
79471	PKS-MAITRE PARK IMPROVEMENTS	510,226	12,695	(522,921)	-
79472	LADD STADIUM RENOVATIONS & REPAIRS	107,965	416,294	-	524,259
79474	ARCHITECTURAL ENGINEERING PROJECTS	68,754	29,827	-	98,581
79475	PKS-FIGURES PARK IMPROVEMENTS	132,337	91,371	-	223,708
79476	PKS-FIGURES COMMUNITY CENTER	53,914	234,791	(288,705)	-
79477	FT CONDE VISITORS CENTER	71,668	128,548	-	200,216
79478	CDBG 2014 - AFRICAN AMERICAN ARCHIVES	57,023	-	-	57,023
79479	CDBG 2012 - MOBILE STREET SIDEWALKS	130,745	-	(130,745)	-
79482	DISTRICT 1 BRIDGE AND CULVERT REPAIRS	1,350	-	(1,350)	-
79489	CITYWIDE BRIDGE AND CULVERT REPAIRS	41,632	26,790	(68,422)	-
79497	AIRPORT & SAGE TURNING RADIUS & MO	3,727	-	(3,727)	-
79500	PARKS-SULLIVAN PARK IMPROVEMENTS	16,658	89,290	-	105,948
79501	RECREATION CENTER CAMERAS AND LIGHTING	3,234	167	(3,401)	-
79503	PARKS-HILLSDALE COM CTR-DISTRICT 7	27,927	58,516	-	86,443
79505	STORMWATER-MISC BRIDGE IMPROVEMENTS	17,148	4,746	-	21,894
79506	TRAFFIC CALMING DEVICES PROG	41,380	-	-	41,380
79507	TIF WATER ST STREET LIGHTS AND SIDEWALKS	-	675,052	-	675,052
79509	2017 CITYWIDE ADA ASSESSMENTS	35,920	64,064	-	99,984
79510	SAENGER- RENOVATIONS AND REPAIRS	114,221	6,546	-	120,767
79512	PARKS-MEDAL OF HONOR PARK PROJ	18,000	74,003	-	92,003
79513	CS-ZEIGLER-CODY TO SCHILLINGER	167,000	-	-	167,000
79514	PARKS-LAKE DR TRICENTENNIAL PARK IMPR	7,000	48,598	-	55,598
79516	PARKS-RICKARBY PARK IMPROVEMENTS	106,979	17,121	-	124,100
79519	PARKS-TRINITY GARDEN PK IMP-DIST 1	181,658	58,457	-	240,115
79526	HISTORIC DEV-AFRICAN AMERICAN HTG	31,250	-	-	31,250
79530	GUS REHM/CRICHTON FIRE STATION	1,029,063	1,912,601	-	2,941,664
79532	POLICE HEADQUARTERS UPGRADES	8,671	71,674	-	80,345
79533	PARKS-AARON PARK IMPROVEMENTS	23,469	107,881	-	131,350
79535	PARKS-MCNALLY PARK IMPROVEMENTS	12,370	83,829	-	96,199
79536	PARKS-FRY PARK IMPROVEMENTS	85,869	11,914	-	97,783
79537	FIRE- MISC FIRE STATIONS/BLDGS IMPR	119,858	156,294	(276,152)	-
79539	PARKS-DENTON PARK IMPROVEMENTS	25,758	98,845	-	124,603
79540	PKS-NEW PARK-THEODORE AREA	74,660	199,292	-	273,952
79542	PARKS-UNITY POINT IMPROVEMENTS	28,433	625	-	29,058
79543	TOULMINVILLE LIBRARY	7,313	124,949	(132,262)	-
79546	TRINITY GARDENS-DITCH ENCLOSURES	1,289,455	292,821	-	1,582,276
79548	HILLCREST ROAD ST IMPROVEMENTS	50,178	10,930	-	61,108
79550	WOODCOCK DRAINAGE AIRPORT TO US90	17,500	3,000	-	20,500
79552	PARKS-HELEN WOODS PARK IMPROV	-	15,871	-	15,871
79553	PARKS-TAYLOR PARK IMPROVEMENTS	3,522	46,000	-	49,522
79556	PARK - STOTTS RENOVATION & REPAIRS	-	3,673	-	3,673
79558	WEST REGIONAL LIBRARY IMPROVEMENT	3,300	74,629	-	77,929
79559	PARKS-COPELAND-COX TENNIS CTR-D 7	6,786	-	(6,786)	-
79561	CITYWIDE ROOF REPAIRS	426,657	140,661	(567,318)	-
79563	MILL STREET PARK IMPROVEMENTS	101,002	400	-	101,402
79564	3 MILE CREEK WALKING/BIKE TRAIL	21,980	18,020	(40,000)	-
79566	PARKS-ANNEXED AREA-WEST-MCCANTS PARK	49,998	-	(49,998)	-
79567	BROAD ST IMPROVEMENTS-TIGER	370,770	42,653	-	413,423
79568	ED-WESTWOOD PLAZA	18,270	139,136	-	157,406

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79570	DRAINAGE-LA PINE DR AT CLUBHOUSE	\$ 87,482	\$ -	\$ (87,482)	\$ -
79571	DRAINAGE-FLORIDA ST AT DOHM ST	57,431	-	-	57,431
79572	DRAINAGE-2008 HOLLEMAN DR	96,435	-	(96,435)	-
79573	DRAINAGE-SPRINGHILL/MOBILE INFIRMARY	11,133	-	-	11,133
79574	PARKS-DOTCH COMMUNITY CENTER	34,999	-	(34,999)	-
79575	2016 DOWNTOWN SIDEWALK REP/MAINT	95,245	110,749	(205,994)	-
79576	PARKS-CRAWFORD PARK IMPROVEMENTS	37,560	38,626	-	76,186
79577	PARKS-HARMON RECREATION CENTER	117,902	372,716	-	490,618
79578	PARKS-SPRINGHILL RECREATION CENTER	62,588	-	-	62,588
79579	DOWNTOWN PEDESTRIAN LIGHTING	107,910	21,700	(129,610)	-
79580	STREETSCAPE GATEWAY TO PLATEAU	226,617	-	(226,617)	-
79582	DRAINAGE-BOLTON BR DITCH REPRS-165	61,200	-	(61,200)	-
79583	DRAINAGE-BURMA HILLS REPAIRS	102,107	-	(102,107)	-
79584	DRAINAGE STABILIZATION KNIGHT & LEISURE	-	7,276	(7,276)	-
79585	MOORES CREEK DITCH REPAIRS	472,740	-	(472,740)	-
79586	DRAINAGE-KING ST IMPROVEMENTS	6,840	-	-	6,840
79587	LIGHTING GREYSTONE FACILITY	73,264	-	-	73,264
79588	DRAINAGE-GREENWICH AT DOGWOOD	21,355	-	-	21,355
79589	DRAINAGE-ESLA VA CREEK IMPROVEMENTS	50,220	44,285	-	94,505
79590	DRAINAGE-GA FHILL DR PIPE REPAIRS	54,286	-	(54,286)	-
79591	GOVERNMENT ST REBUILD	6,755	-	-	6,755
79592	SIDEWALKS-MICHAEL BLVD FR MONTLIMAR	249,998	-	(249,998)	-
79593	MCGREGOR SIDEWALKS-OLD SHELL TO DAU	727,897	75,036	-	802,933
79594	TURNING RAIDUS-AIRPORT BLVD	6,625	-	-	6,625
79595	SIGNAL IMPROVEMENTS AIRPORT & SAGE	58,074	523,914	-	581,988
79597	CROSSWALK-SEMINOLE & AIRPORT	676	6,080	-	6,756
79598	COTTAGE HILL & HILLCREST ACCESS MGT IMP	-	183,252	-	183,252
79599	GASLIGHT PIPE REPAIRS	37,401	-	(37,401)	-
79600	SIDEWALKS-MEDAL OF HONOR-HICKORY RIDGE	149,925	-	(149,925)	-
79601	1524 RIDGELAND RD W PIPE REPAIRS	47,532	-	(47,532)	-
79602	CENTER ST OUTFALL-12 MILE CREEK	13,322	-	-	13,322
79603	2505 WOODLAND ROAD DRAINAGE	20,420	-	(20,420)	-
79604	MEDAL OF HONOR PARK PLAYGROUND	1,071,289	-	(1,071,289)	-
79605	AIRWAY PK DR & SCHILLINGER	8,915	140,909	-	149,824
79606	DRAINAGE-GRAHAM RD SOUTH	23,459	-	-	23,459
79607	PARK-LANGAN PK-COPELAND-COX TENNIS	71,041	53,697	-	124,738
79608	12 MI CREEK BANK STABILIZATION PROJ	70,452	-	-	70,452
79609	IRENE & LONGS GARDEN OUTFALL	100	14	-	114
79610	RETENTION POND SUMMER PLACE SUBDIVISION	3,150	-	-	3,150
79611	USA LANDSCAPING & IRRIGATION OLD SHELL	-	136,477	(136,477)	-
79612	PARKS-BOTANICAL GARDENS	150,000	-	(150,000)	-
79613	PARKS-JAPANESE GARDENS	150,000	-	(150,000)	-
79614	TRAFFIC LIGHT-MOFFAT ROAD	9,745	-	(9,745)	-
79615	PARK-COPELAND COX TENNIS CENTER	151,031	68,182	-	219,213
79616	EXPLOREUM RENOVATION & REPAIRS	81,206	14,899	-	96,105
79617	MPL MOORER BRANCH	342,227	-	(342,227)	-
79618	SIDEWALKS-LANGAN PARK AREA	134,971	-	(134,971)	-
79619	BOLTON BR UNIV TO AZALEA	678,775	-	(678,775)	-
79620	DAUPHIN ISLAND PARKWAY	9,367	-	-	9,367
79621	CRUISE TERMINAL-EQUIPMENT & MISC	1,625,086	39,842	-	1,664,928

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79622	PARKS-LANGAN PARK SHADE STRUCTURE	\$ 65,000	\$ -	\$ (65,000)	\$ -
79623	3 MI CREEK-FENNEL ST/BUSH PARK	170,528	-	(170,528)	-
79624	1125 NORTH DR PIPE LINING	46,970	-	(46,970)	-
79625	2556 FLEETWOOD DR N	82,666	-	(82,666)	-
79626	2666 GOVT BLVD PIPE LINING	59,388	-	(59,388)	-
79627	CODY RD-MILKHOUSE CREEK	17,410	-	(17,410)	-
79628	4317 MARQUEETE DR INLET	70,096	-	(70,096)	-
79629	3 MILE CREEK JAPANESE GARDENS	178,446	-	-	178,446
79631	4558 BROOKMORE PIPE LINING	42,044	-	(42,044)	-
79632	2124LUCKNER CT OUTFALL REPAIR	27,153	-	(27,153)	-
79633	ZEIGLER AT 3 MILE CREEK CULVERT	5,950	-	-	5,950
79634	3 MILE CREEK AT BOWIE COURT	13,643	-	(13,643)	-
79635	2409 WOODLAND ROAD DRAINAGE	5,900	-	-	5,900
79636	350 GULFWOOD DR DRAINAGE	23,549	1,851	-	25,400
79637	WATER ST STRIPING/SIGNALS	240,950	99,614	-	340,564
79638	ANN ST (ARLINGTON - DOUGLAS) DRAIN	3,401,035	4,576	-	3,405,611
79641	MOBILE CO RESURFACING CIP 2015-004A	799,000	-	(799,000)	-
79642	CITY SHARE-TOULMINVILLE SIDEWALKS	405,721	-	(405,721)	-
79643	PARKS-CRESTVIEW PARK IMPROV	43,272	-	(43,272)	-
79644	PARKS-DOG RIVER PARK IMPROVEMENT	40,355	67,072	-	107,427
79646	HUDSON MOBILE REG SENIOR CENTER	4,795	76,501	-	81,296
79647	MUSEUM OF ARTS IMPROV	99,466	17,502	-	116,968
79648	MOORER/SPRINGHILL LIBRARY	2,400	3,600	-	6,000
79649	MOBILE GREENWAY INITIATIVE	282,772	266,986	-	549,758
79650	2017 TRAFFIC SIGNAL INTX IMPROV	-	30,642	-	30,642
79652	UNIVERSITY BLVD-USA PED SIGNAL IMP	-	19,595	-	19,595
79654	DAUPHIN ISLAND PARK SIDEWALKS	-	6,680	-	6,680
79662	2017 CITYWIDE GUARDRAILS	-	13,618	-	13,618
79669	CW DRAINAGE REPR CONTRACTS	108,181	1,068,126	-	1,176,307
79722	DISTRICT 1 PARK REPAIR PROJECTS	1,548	12,652	-	14,200
79724	DISTRICT 3 PARK REPAIR PROJECTS	16,567	3,923	-	20,490
79725	DISTRICT 4 PARK REPAIR PROJECTS	-	7,400	-	7,400
79726	DISTRICT 5 PARK REPAIR PROJECTS	1,200	11,143	-	12,343
79728	DISTRICT 7 PARK REPAIR PROJECTS	3,086	33,950	-	37,036
79729	CITYWIDE RESURFACING PROGRAM	3,485,448	51,534	(3,536,982)	-
79730	DISTRICT 1 ROADWAY RESURFACING	462,292	-	(462,292)	-
79731	DISTRICT 2 ROADWAY RESURFACING	813,457	-	(813,457)	-
79732	DISTRICT 3 ROADWAY RESURFACING	311,788	-	(311,788)	-
79733	DISTRICT 4 ROADWAY RESURFACING	534,241	-	(534,241)	-
79734	DISTRICT 5 ROADWAY RESURFACING	513,758	-	(513,758)	-
79735	DISTRICT 6 ROADWAY RESURFACING	595,126	-	(595,126)	-
79736	DISTRICT 7 ROADWAY RESURFACING	519,498	1,119	(520,617)	-
79744	CITYWIDE ROADWAY STRIPING	9,505	557,257	(566,762)	-
79745	DISTRICT 1 SIDEWALK REPAIRS & MAINT	130,791	153,015	-	283,806
79746	DISTRICT 2 SIDEWALK REPAIRS & MAINT	696,756	223,501	-	920,257
79747	DISTRICT 3 SIDEWALK REPAIRS & MAINT	210,822	58,767	-	269,589
79748	DISTRICT 4 SIDEWALK REPAIRS & MAINT	179,464	147,736	-	327,200
79749	DISTRICT 5 SIDEWALK REPAIRS & MAINT	202,791	24,301	-	227,092
79750	DISTRICT 6 SIDEWALK REPAIRS & MAINT	295,852	197,260	-	493,112
79751	DISTRICT 7 SIDEWALK REPAIRS & MAINT	263,941	135,640	-	399,581

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79752	DISTRICT 1 STREET LIGHT IMPROVEMENT	\$ 4,389	\$ 50,000	\$ -	\$ 54,389
79753	DISTRICT 2 STREET LIGHT IMPROVEMENT	49,986	-	(49,986)	-
79754	DISTRICT 3 STREET LIGHT IMPROVEMENT	16,270	-	-	16,270
79755	DISTRICT 4 STREET LIGHT IMPROVEMENT	43,305	-	(43,305)	-
79756	DISTRICT 5 STREET LIGHT IMPROVEMENT	110,119	125,761	(235,880)	-
79757	DISTRICT 6 STREET LIGHT IMPROVEMENT	13,737	-	(13,737)	-
79758	DISTRICT 7 STREET LIGHT IMPROVEMENT	26,749	3,678	-	30,427
79759	CITYWIDE STREET LIGHT IMPROVEMENTS	950	21,385	-	22,335
79976	LA FAYETTE HEIGHTS PARK IMPROVEMENTS	-	2,888	-	2,888
79977	RICHARDS DAR HOUSE - FENCING	81,528	-	(81,528)	-
79978	PROPERTY- ZEIGLER RD	105,782	252,941	-	358,723
79979	PARKS-WOODCOCK TSAC FACILITY IMPROV	3,906	49,806	-	53,712
79980	PARKS - WESTSIDE IMPROVEMENTS	5,700	-	-	5,700
79981	LA VRETTA PARK IMPROVEMENTS	2,425	9,676	-	12,101
79982	TRIMMIER PARK IMPROVEMENTS	10,725	12,287	-	23,012
79983	MAIN LIBRARY IMPROVEMENTS	3,290	-	-	3,290
79984	1453 NAVCO ROAD IMPROVEMENTS	30,106	-	(30,106)	-
79985	2016 SIDEWALK REVITALIZATION	-	11,651	-	11,651
79986	HOPE COMMUNITY CENTER IMPROVEMENTS	-	10,633	-	10,633
79987	MATTHEWS PARK IMPROVEMENTS	61	60,401	-	60,462
79988	WALSH PARK IMPROVEMENTS	343	97,162	-	97,505
79990	TRINITY GARDENS DRAINAGE IMPROVEMENTS	-	30,000	-	30,000
79991	ARC ROAD IMPROVEMENTS	-	7,560	-	7,560
79992	DARWOOD AND HARBOR DR DRAINAGE	-	29,700	-	29,700
79993	BOLTONS BRANCH-DAVIDSON TO MONTLIMAR	-	72,890	-	72,890
79995	WOODCOCK CREEK WEST BRANCH	-	70,000	-	70,000
79996	EAST DRIVE AT 12 MILE CREEK	-	97,357	-	97,357
79997	GLENWOOD ST REHABILITATION	-	46,580	-	46,580
79998	ST. LOUIS ST STREETSCAPES	-	56,135	-	56,135
79999	TEXAS ST REBUILD, ANN TO BROAD	-	78,813	-	78,813
80000	2018 SIDEWALKS	-	17,640	-	17,640
80002	2018 DRAINAGE MISC GROUP A	-	40,485	-	40,485
80003	2018 CITYWIDE DRAINAGE PROJECT	-	39,050	-	39,050
80004	2018 CITYWIDE RESURFACING	-	669,714	-	669,714
80026	TAP SIDEWALK PROJECT- DIP	109,944	-	-	109,944
80027	TAP SIDEWALK - BIT AND SPUR	1,019	845	-	1,864
80028	2016 CRUISE TERMINAL REPAIRS	2,288,260	7,921	-	2,296,181
80033	TAYLOR PARK WALKING TRAIL	16,328	125,950	-	142,278
80034	TIGER - COMPLETE STREETS IMPROVEMENTS	212,258	100,019	-	312,277
80035	JOE J PLAYHOUSE-RENOV, ADA & ROOF REPAIR	164	49,525	(49,689)	-
80036	DRAINAGE - GRAND BLVD	40,838	731,483	-	772,321
80039	CDBG 2015 - BALTIMORE ST REHAB	203,215	-	-	203,215
80351	2018 BRIDGES & CULVERTS	-	472,046	-	472,046
80352	PK-JAMES SEALS PARK NEW PAVILION	-	1,239	-	1,239
80353	PARKS-MEDAL OF HONOR SOCCER LIGHTING	-	20,455	-	20,455
80354	PARKS-MEDAL OF HONOR SPLASH PAD	-	14,187	-	14,187
80355	SPRINGHILL/MOORER BR LIBRARY IMPROVEMENT	-	29,290	-	29,290
80356	AIRPORT BLVD TAP18-MEDIAN MODIFICATIONS	-	9,860	-	9,860
80357	DEARBORN YMCA POOL IMPROVEMENTS	-	30,230	-	30,230
80358	2018 CITYWIDE GUARD RAILS	-	101,272	-	101,272



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80359	LADD STADIUM ROOFING AND INTERIOR IMP	\$ -	\$ 40,021	\$ (40,021)	\$ -
80360	CIP SOFTWARE SYSTEM IMPL AND TRAINING	-	157,240	-	157,240
80361	HACKMEYER PK MASTER PLAN AND IMPROVEMENT	-	13,766	-	13,766
80362	DENTON PARK WALKING TRAIL	-	55,000	(55,000)	-
80363	CHURCH ST CEMETERY WALL REPAIRS	-	188,172	-	188,172
80364	MPL ADMIN BUILDING EXTERIOR REPAIRS	-	272	-	272
80365	COOPER RIVERSIDE PARK FLOATING DOCK	-	130,883	-	130,883
80366	ARCHED WALL REPAIRS TELECOM BLDG	-	3,560	-	3,560
80367	DISTRICT 5 PARKS BOLLARD REPAIR	-	8,460	(8,460)	-
80368	2018 MISC MINOR SIGNAL IMPROVEMENTS	-	4,462	-	4,462
80373	CDBG16-SIDEWALKS & CROSSWALKS	-	266,921	-	266,921
<b>TOTAL</b>		<b>\$ 67,255,062</b>	<b>\$ 19,293,539</b>	<b>\$ (33,149,198)</b>	<b>\$ 53,399,403</b>

Depreciation expense was charged to governmental activities as follows:

<b>Function</b>	<b>Depreciation Expense</b>
General government	\$ 15,911,781
Economic development	2,118
Public safety	3,868,272
Public works	2,326,651
Engineering, development & build Mobile	324,638
Culture & recreation	2,229,952
Finance	31,213
Total depreciation expense	<u>\$ 24,694,625</u>

**Business-type Activities**

The following is a summary of changes in capital assets for the year ended September 30, 2018:

	<b>Capital Assets, Not</b>	
	<b>Land</b>	<b>Construction in Progress</b>
Balance, beginning	\$ 10,912,370	\$ 281,082
Additions	20,418	82,892
Deductions	-	(150,037)
Capital Assets, Net	<u>\$ 10,932,788</u>	<u>\$ 213,937</u>

**CITY OF MOBILE, ALABAMA**  
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	<b>Capital Assets, Depreciated</b>				<b>Totals</b>
	Buildings	Improvements Other than Buildings	Vehicular Equipment	Other Equipment	
Balance, beginning	\$ 126,851,808	\$ 17,952,542	\$ 12,771,720	\$ 7,320,352	\$ 176,089,874
Additions	25,341	150,037	429,149	359,673	1,067,510
Deductions	-	-	-	(129,175)	(279,212)
Balance, ending	126,877,149	18,102,579	13,200,869	7,550,850	176,878,172
Accumulated Depreciation, beg.	61,213,530	11,898,214	10,194,221	5,911,510	89,217,475
Additions	2,431,718	414,907	713,178	388,409	3,948,212
Deductions	-	-	-	(108,511)	(108,511)
Accumulated Depreciation, end.	63,645,248	12,313,121	10,907,399	6,191,408	93,057,176
Capital Assets, Net	<u>\$ 63,231,901</u>	<u>\$ 5,789,458</u>	<u>\$ 2,293,470</u>	<u>\$ 1,359,442</u>	<u>\$ 83,820,996</u>

Approximately \$4.7 million (cost of \$12.0 million and accumulated depreciation of \$7.3 million) of the Municipal Parking Garage property is leased to others as of September 30, 2018. (See Note 12)

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

<b>Fund</b>	<b>Depreciation Expense</b>
Civic center	\$ 328,676
Convention center	1,347,289
Cruise terminal	406,861
WAVE transit	1,297,251
Parking garage	201,643
Emergency medical services	16,834
Golf course	157,304
Tennis center	3,195
Saenger theater	189,159
Total depreciation expense	<u>\$ 3,948,212</u>

Construction in progress consists of the following:

<b>Asset</b>	<b>Project</b>	<b>Balance, 09/30/2017</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance, 09/30/2018</b>
79283	CONV CENTER- EXTERIOR LIGHTING	\$ 150,037	\$ -	\$ (150,037)	-
79557	CONVENTION CENTER-FIRE SPRINKLER	131,045	82,892	-	213,937
TOTAL		<u>\$ 281,082</u>	<u>\$ 82,892</u>	<u>\$ (150,037)</u>	<u>\$ 213,937</u>

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**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, 2018:

<b>Debt Issuance</b>	<b>Principal Balance</b>
\$56,380,000; 2009A General Obligation Refunding Warrants; due semi-annually with interest payable at 3.00% to 5.00% per annum; maturing February 15, 2028	\$ 9,925,000
\$16,765,000; 2009B G.O. Build America Bond Warrants; due semi-annually with interest payable at 6.085% per annum; maturing February 15, 2030	16,765,000
\$6,430,000; 2009C General Obligation Recovery Zone Economic Development Warrants; due semi-annually with interest payable at 6.085% per annum; maturing February 15, 2030	6,430,000
\$13,715,000; 2011 General Obligation Private Placement Warrants; due annually with interest payable semi-annually 2.84% per annum; maturing February 12, 2026	6,705,000
\$39,402,000; 2016 General Obligation Refunding Warrants; due annually with interest payable semi-annually at rates ranging from 4.50% to 5.00% per annum; maturing February 15, 2030	37,626,000
\$17,735,000; 2016C General Obligation Warrants, Taxable; due annually with interest payable semi-annually at rates ranging from 5.40% to 5.50% per annum, maturing February 15, 2030	17,735,000
\$64,610,000; 2017A General Obligation Warrants, Tax-Exempt; due annually with interest payable semi-annually at rates ranging from 3.00% to 5.00% per annum, maturing February 15, 2030	64,610,000
\$4,430,000; 2017B General Obligation Warrants, Tax-Exempt; due annually with interest payable semi-annually at rates ranging from 3.00% to 4.00% per annum, maturing February 15, 2023	3,745,000
\$8,935,000; 2017C General Obligation Warrants, Tax-Exempt; due annually with interest payable semi-annually at 5.00% per annum, maturing February 15, 2020	8,935,000
\$48,770,000; 2017D General Obligation Warrants, Taxable; due annually with interest payable semi-annually at rates ranging from 2.40% to 3.12% per annum, maturing February 15, 2028	48,770,000
<b>Total bonds/warrants payable</b>	<b><u><u>\$221,246,000</u></u></b>

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<b>Debt Issuance</b>	<b>Principal Balance</b>
\$1,275,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$40,000 to \$115,000 through August 2022, semi-annual interest payments ranging from 0.57% to 2.45%	\$ 415,000
\$2,695,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$105,000 to \$200,000 through August 2025, semi-annual interest payments at 2.70%	1,220,000
<b>Total notes payable</b>	<b>\$ 1,635,000</b>

The principal maturities and related interest requirements for the bonds, warrants and notes payable for the next five fiscal years and thereafter are as follows:

<b>Bonds/Warrants Payable</b>			
Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2019	\$ 13,863,000	\$ 8,403,996	\$ 22,266,996
2020	15,109,000	7,767,825	22,876,825
2021	16,340,000	7,133,915	23,473,915
2022	17,122,000	6,567,119	23,689,119
2023	18,314,000	6,055,889	24,369,889
2024-2028	97,057,000	20,420,996	117,477,996
2029-2030	43,441,000	2,202,082	45,643,082
Subtotals	221,246,000	58,551,822	279,797,822
Plus: Bond Premium	8,096,047	(8,096,047)	-
Less: Deferred amount on refunding	(5,136,366)	5,136,366	-
Totals	\$ 224,205,681	\$ 55,592,141	\$ 279,797,822

<b>Notes Payable</b>			
Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2019	250,000	77,562	\$ 327,562
2020	260,000	67,328	327,328
2021	265,000	56,532	321,532
2022	285,000	45,153	330,153
2023	185,000	32,781	217,781
2024-2025	390,000	33,790	423,790
Totals	\$ 1,635,000	\$ 313,146	\$ 1,948,146

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The following is a summary of the changes in liabilities reported in the Statement of Net Position for the year ended September 30, 2018:

	<b>Balance, October 1</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance, September 30</b>	<b>Due Within One Year</b>
<b><u>Governmental Activities</u></b>					
General and limited obligation bonds/warrants	\$ 233,014,000	\$ 57,705,000	\$ 69,473,000	\$ 221,246,000	\$ 13,863,000
Plus: Bond premium	10,509,599	539,124	2,952,676	8,096,047	-
Less: Bond discount	(11,183)		(11,183)	-	-
Total general and limited obligation bonds/warrants	243,512,416	58,244,124	72,414,493	229,342,047	13,863,000
Notes payable	2,010,000	-	375,000	1,635,000	250,000
Compensated absences, restated	14,008,206	76,817	-	14,085,023	2,043,982
Self-insured legal liability	1,641,500	-	1,003,272	638,228	-
Insurance claims	17,410,653	32,361,680	26,328,538	23,443,795	4,155,782
Landfill postclosure liability	621,801	-	51,869	569,932	53,943
OPEB liability, restated	187,297,742	12,180,733	7,454,141	192,024,334	-
Net pension liability	156,231,494	11,271,902	32,669,854	134,833,542	-
Total governmental activities	622,733,812	114,135,256	140,297,167	596,571,901	20,366,707
<b><u>Business-type Activities</u></b>					
Compensated absences	515,443	534,341	513,057	536,727	111,351
Net pension liability	12,099,210	598,219	2,012,099	10,685,330	-
Total business-type activities	12,614,653	1,132,560	2,525,156	11,222,057	111,351
Total primary government	<u>\$ 635,348,465</u>	<u>\$ 115,267,816</u>	<u>\$ 142,822,323</u>	<u>\$ 607,793,958</u>	<u>\$ 20,478,058</u>

Repayment of principal and interest maturities is made from sales taxes. Also, for governmental activities, compensated absences, pension obligations, and net other postemployment benefit obligations are generally liquidated by the general fund.

Under State law, the City's legal debt may not exceed 20% of the total assessed value of real and personal property within the City. At September 30, 2018, the permissible debt limit exceeded actual debt by approximately 389.4 million.

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**NOTE 9 – DEBT REFUNDING & DEFEASANCE OF PRIOR DEBT**

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

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

Series 2017C Tax-Exempt General Obligation Warrants (the “Series 2017C Warrants”) were issued for \$8,935,000 with interest of 5.00 percent per annum maturing on February 15, 2020. The Series 2017C Warrants were issued at a premium of \$539,124 less underwriter’s discount of \$26,805. Net proceeds were \$9,447,319. Issuance costs totaled \$36,282. The 2017C Warrants resulted in a deposit to the trust escrow fund totaling \$9,411,037.

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

To effect the refunding of the Refunded 2008B Warrants, the City and Regions Bank, Birmingham, Alabama, entered into an escrow trust agreement simultaneously with the issuance of the Series 2017C Warrants. The City established an irrevocable trust fund for the benefit of the holders of the Refunded 2008B Warrants and deposited therein a portion of the proceeds of the Series 2017C Warrants. The amount so deposited in the Series 2008B Escrow Fund was used to purchase certain United States government securities. The cash flow from such securities, without reinvestment, when added to any uninvested cash in the Series 2008B Escrow Fund, was sufficient to pay the redemption price (principal, premium, and accrued interest) of Refunded 2008B Warrants maturing on and after February 15, 2019, which were called for redemption on February 15, 2018.

The net effect of the issuance of the Series 2017C Warrants was a decrease in total debt service of \$422,310 in gross savings, or \$415,470 in present value savings.

**2017D General Obligation Warrants, Taxable**

Series 2017D Taxable General Obligation Warrants (the “2017D Series Warrants”) were issued for \$48,770,000 with interest of 2.40 to 3.12 percent per annum. The Series 2017D Warrants were issued at par less underwriter’s discount of \$146,310. Net proceeds were \$48,623,690. Issuance costs totaled \$175,879. The 2017D Warrants resulted in a deposit to the trust escrow fund totaling \$48,447,811.



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

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

The cash flow from such securities, without reinvestment, when added to any uninvested cash in the Series 2009A Escrow Fund, will be sufficient to pay (i) the principal and interest requirements on the Refunded 2009A Warrants maturing on and after February 15, 2022 and (ii) the redemption price (principal, premium, and accrued interest) of Refunded 2009A Warrants maturing on and after the same date, which will be called for redemption on February 15, 2019. Therefore, the Series 2009A Refunded Warrants will be considered defeased as of September 30, 2018.

The net effect of the issuance of the Series 2017D Warrants was a decrease in total debt service of \$4,325,411 in gross savings, or \$4,200,145 in present value savings.

**NOTE 10 - RETIREMENT PLANS AND 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)	\$ 4,681,719
Police and Firefighters Retirement Plan (PFFRP)	18,717,733
Transit Workers Pension Plan (TWPP)	592,745
General Municipal Employee Pension Trust Fund (GMEPTF)	8,963
Total	<u>\$ 24,001,160</u>

The City has entered into 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.

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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	\$ 212,133,645	\$ 308,975,629	\$ 17,087,052	\$ -	\$ 538,196,326
Plan Fiduciary Net Position	156,296,287	223,110,213	13,270,954	-	\$ 392,677,454
Net Pension Liability	<u>\$ 55,837,358</u>	<u>\$ 85,865,416</u>	<u>\$ 3,816,098</u>	<u>\$ -</u>	<u>\$ 145,518,872</u>

	ERSA	PFFRP	TWPP	GMEPTF	Total
Deferred Outflows of Resources	\$ 9,209,127	\$ 34,921,181	\$ 1,002,697	\$ -	\$ 45,133,005
Deferred Inflows of Resources	7,636,913	8,613,088	1,269,263	-	17,519,264
Pension Expense/Expenditures	\$ 5,238,352	\$ 7,795,278	\$ 777,519	\$ 8,963	\$ 13,820,112

Employees' Retirement System of Alabama

**General Plan Information**

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

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

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

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

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

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

Tier 1 and Tier 2 participants vest after 10 years of service. Vesting means the member has earned enough service credit to be eligible for a lifetime retirement benefit. Members have a vested status in the ERS after accumulating 10 years of creditable service. Members cannot convert unused sick leave to retirement credit in order to meet the minimum 10 years of service required for vesting.

For Tier 1 participants, a member attaining the earlier of age 60 with 10 years of creditable service or after completing 25 or more creditable years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. While members may not convert sick leave to qualify for the 10-year requirement for vesting, eligible members may convert unused sick leave days to service credit to meet the minimum requirement of 25 years of service for retirement. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

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

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

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*Membership.* The ERS serves approximately 875 local participating employers. These participating employers include 294 cities, 65 counties, and 516 other public entities. City of Mobile ERS membership as of September 30, 2017 consisted of:

<b>Category</b>	<b>Members</b>
Retired members or their beneficiaries currently receiving benefit	749
Vested inactive members	23
Non-vested inactive members	114
Active members	1,141
Post-DROP retired members still in active service	9
Total	<u>2,036</u>

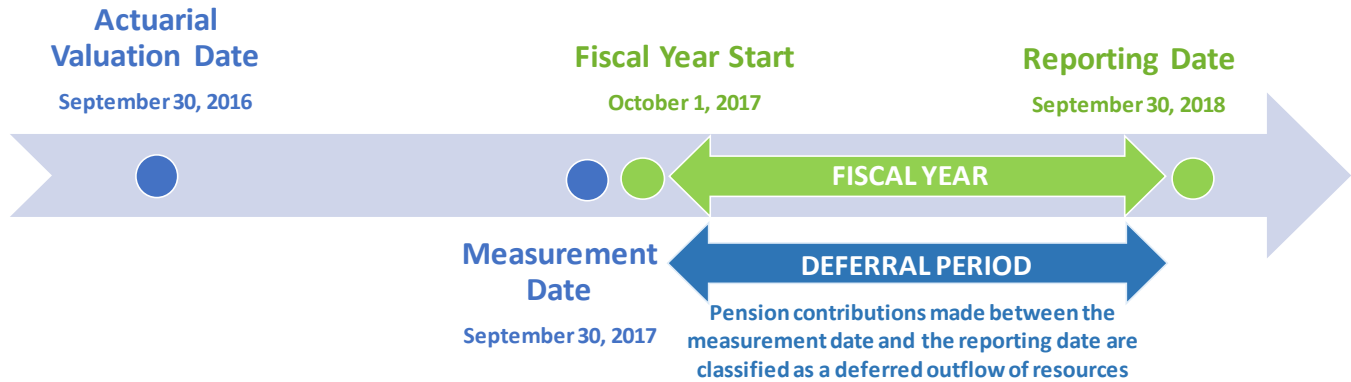
*Contributions.* City Tier 1 employees participating in the Plan are required to contribute 5% of their earnable compensation to the Plan. Tier 2 employees participating in the Plan are required to contribute 6% of their earnable compensation to the Plan. Earnable compensation cannot exceed 120% of base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

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, 2018, the City's average active employee contribution rate was 5.22% percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 10.64% of covered payroll.

The City's contractually required contribution rate for Tier 1 employer contributions during fiscal 2018 were based on 11.18% of pensionable pay. Tier 2 employer contributions during fiscal 2018 were based on 8.52% of pensionable pay. These required contribution rates are based upon the actuarial valuation dated September 30, 2015, 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 2018 amounted to \$6,986,700 of which \$4,681,720 and \$2,304,980 were made by the City of Mobile and its employees, respectively.

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**Net Pension Liability**



The City's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2016 rolled forward to September 30, 2017 using standard roll-forward techniques shown in the following table:

<b>Roll-Forward of the Total Pension Liability</b>	<b>Expected</b>	<b>Actual</b>
Total pension liability		
as of September 30, 2016 (a)	\$ 210,260,991	\$ 207,931,228
Discount rate (b)	7.75%	7.75%
Entry Age Normal Cost for		
October 1, 2016 - September 30, 2017 (c)	3,655,533	3,655,533
Transfers among employers (d)	-	154,026
Actual Benefit Payments and Refunds		
for October 1, 2016 - September 30, 2017 (e)	<u>(15,135,319)</u>	<u>(15,135,319)</u>
Total Pension Liability		
as of September 30, 2017		
$[(a) \times (1+(b))] + (c) + (d) + [(e) \times (1 + 0.5 \times (b))]$	<u>\$ 214,489,938</u>	<u>\$ 212,133,645</u>
Difference between Expected and Actual Experience		\$ (2,356,293)
Less: Liability Transferred for Immediate Recognition		<u>154,026</u>
Experience (Gain)/Loss (i) = (g) - (h)		\$ (2,510,319)

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*Actuarial assumptions.* The total pension liability in the September 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	29.5 years
Asset valuation method	Five-year smoothed market
Inflation	3.00%
Salary increases	3.75% - 7.25%
Investment rate of return	8.00%, net of pension plan investment expense

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

The actuarial assumptions used in the actuarial valuation as of September 30, 2016, were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

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

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

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

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



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

	<b>Increase (Decrease)</b>		
<b>Changes in Net Pension Liability</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances at 9/30/2016	\$ 210,260,991	\$ 145,935,174	\$ 64,325,817
Changes for the year:			
Service cost	3,655,533	-	3,655,533
Interest	15,708,733	-	15,708,733
Differences between expected and actual experience	(2,510,319)	-	(2,510,319)
Contributions-employer	-	4,719,340	(4,719,340)
Contributions-employee	-	2,438,330	(2,438,330)
Net investment income	-	18,184,736	(18,184,736)
Benefit payments, including refunds of employee contributions	(15,135,319)	(15,135,319)	-
Administrative expense	-	-	-
Changes in benefit terms	-	-	-
Changes in assumptions or other inputs	-	-	-
Transfers among employers	154,026	154,026	-
Net changes	1,872,654	10,361,113	(8,488,459)
Balances at 9/30/2017	\$ 212,133,645	\$ 156,296,287	\$ 55,837,358

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

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
City's Net Pension Liability	\$ 77,745,793	\$ 55,837,358	\$ 37,148,979

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended

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September 30, 2017. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2017. The auditor's report dated August 31, 2018, on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at [www.rsa-al.gov](http://www.rsa-al.gov).

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

For the year ended September 30, 2018 the City recognized pension expense (income) of \$5,238,352.

**Components of pension expense are as follows:**

Service Cost	\$ 3,655,533
Interest on the total pension liability	15,708,733
Current-period benefit changes	-
Expensed portion of the current-period difference between expected and actual experience	(482,754)
Expensed portion of current-period changes of assumptions	-
Member contributions	(2,438,330)
Projected earnings on plan investments	(11,006,811)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(1,435,585)
Transfers among employers	-
Recognition of beginning deferred outflows as pension expense	1,613,947
Recognition of beginning deferred inflows as pension expense	(376,381)
Pension Expense (Income)	<u><u>\$ 5,238,352</u></u>

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to ERS pension of the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 1,668,435	\$ 2,893,240
Changes of assumptions or other inputs	3,022,391	-
Net difference between projected and actual earnings on pension plan investments	-	4,743,673
Employer contributions subsequent to the measurement date*	4,518,301	-
Total	<u><u>\$ 9,209,127</u></u>	<u><u>\$ 7,636,913</u></u>

*\*Employer contributions made from 10/01/2017-09/30/2018, related to normal and accrued liability components of employer rate net of any refunds or error service payments. These amounts will be recognized in 2019 as a reduction of the net pension liability.*

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

<b>Year ended September 30:</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
2019	\$ 1,340,235	\$ 2,021,006	\$ (680,771)
2020	1,340,235	978,433	361,802
2021	1,340,235	2,622,586	(1,282,351)
2022	670,121	1,918,339	(1,248,218)
2023	-	96,549	(96,549)
Thereafter	-	-	-
	<u>\$ 4,690,826</u>	<u>\$ 7,636,913</u>	<u>\$ (2,946,087)</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.

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The PFFRP issues a stand-alone financial report which may be obtained by contacting the Mobile Police and Firefighters' Retirement Plan Board at Post Office Box 1827, Mobile, AL 36633-1827.

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

*Retirement.* The Plan provides that a participant, who was hired prior to March 28, 1990, with at least 20 years of service (the last 10 years of service being without a break in service exceeding one year) and who has attained 50 years of age, may retire and receive a monthly payment equal to 2.5% of his or her final average salary (average of the highest salary for 36 months of the previous ten years of service) multiplied by the number of years in service and divided by twelve. The benefit, however, cannot exceed 75% of the participant's final average salary. The Plan provides that a participant, who was hired on or after March 28, 1990, with 20 years of service (the last 10 years of service being without a break in service exceeding one year) and who has attained 55 years of age, may retire and receive a monthly payment equal to 2.5% of his or her final average salary (average of the highest salary for 60 months of the previous ten years of service) multiplied by the first 20 years of service, and 2.25% of his or her final average salary for years of service in excess of 20 years. The benefit, however, is not to exceed 72.5% of the participant's final average salary.

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

*Disability.* If a participating member of the police or fire department who has at least 15 years of service becomes permanently physically or mentally disabled other than while performing his or her duties as a uniformed officer by reason other than hypertension, heart disease, respiratory disease, AIDS, hepatitis, or cancer, he or she shall receive a monthly disability benefit equal to 2.5% of his or her final salary multiplied by his or her years of service, but not more than 60% of his or her final salary. If any participant becomes permanently physically or mentally disabled while performing his or her duties as a uniformed officer other than due to hypertension, heart disease, respiratory disease, AIDS, hepatitis, or cancer; or, any participant who has completed three years of service as a uniformed officer becomes permanently physically or mentally disabled due to hypertension, heart disease, respiratory disease, AIDS, hepatitis, or cancer, the participant shall receive a monthly disability benefit equal to 45% of his or her final salary at the time the participant became disabled. However, any participant who can demonstrate to the Board of Trustees that he or she is totally disabled from gainful employment, he or she shall receive a disability benefit equal to 60% of his or her final salary at the time the participant became disabled.

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

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

*Contributions.* The Act requires that employees who have earned less than 30 years of service contribute to the fund 8% of their basic salary, as defined by the Plan. Employer contributions are actuarially determined. The City is required to contribute an amount each plan year which, when added to the member contributions and other contributions for that plan year, is equal to the actuarially determined contribution for that plan year. The City's contribution is determined as of each October 1 and the contribution must be made within 18 months of that October 1. Also contributed by the City are 5% of certain Municipal Court fines and 2% of the gross fire insurance premiums collected on policies which cover property within the City of Mobile limits and its police jurisdiction. These receipts are included in employer contributions. The City reimburses the PFFRP for the liability for the pre-retirement lump sum death benefit equal to a match of the employee contributions up to \$5,000.

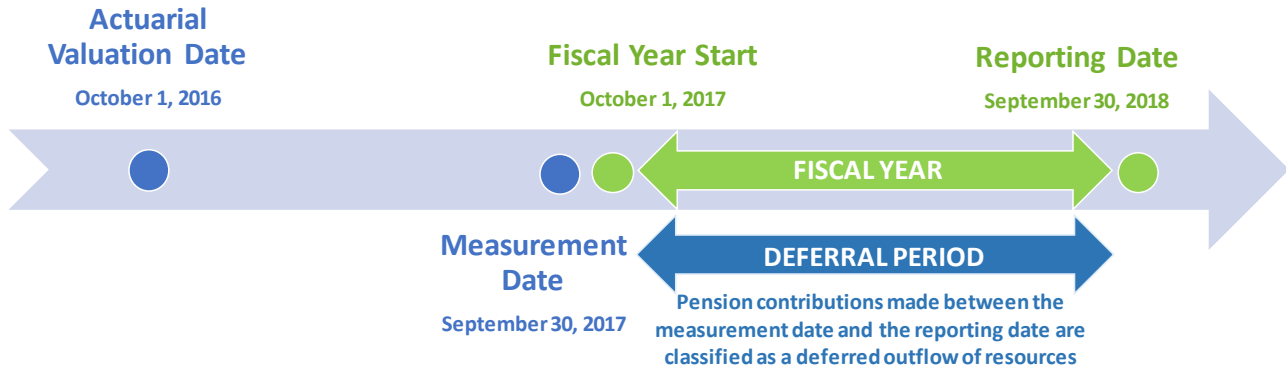
For the year ended September 30, 2018, the City's active employee contribution rate was 8.0 percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 45.8 percent of covered payroll. Total contributions to the Plan during fiscal year 2018 amounted to \$21,996,968 of which \$18,717,416 and \$3,279,552 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, 2017, according to the latest actuarial valuations, was comprised of the following:

<b>Category</b>	<b>Members</b>
Retirees and beneficiaries currently receiving benefits	726
Vested terminated employees	19
Active employees	989
Total	<u>1,734</u>

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**Net Pension Liability**



The City's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2016 rolled forward to September 30, 2017 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	7.00%
Inflation	2.50%
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, 2016 valuations were based on results of an actuarial experience study for the period October 1, 2006 through September 30, 2016.

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

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

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



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

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

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

	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
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	100.00%	5.07%

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Changes in Net Pension Liability</b>	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances at 9/30/2016	\$ 260,638,251	\$ 160,740,776	\$ 99,897,475
Changes for the year:			
Service cost	1,576,326	-	1,576,326
Expected interest growth	18,546,963	11,916,334	6,630,629
Unexpected investment income	-	8,159,471	(8,159,471)
Demographic experience	9,154,812	-	9,154,812
Contributions-employer	-	19,977,104	(19,977,104)
Contributions-employee	-	3,306,936	(3,306,936)
Benefit payments, including refunds of employee contributions	(19,059,277)	(19,059,277)	-
Administrative expense	-	(49,685)	49,685
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Net changes	10,218,824	24,250,883	(14,032,059)
Balances at 9/30/2017	\$ 270,857,075	\$ 184,991,659	\$ 85,865,416

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

	<b>1% Decrease (6.32%)</b>	<b>Current Discount Rate (7.32%)</b>	<b>1% Increase (8.32%)</b>
City's Net Pension Liability	\$ 117,437,359	\$ 85,865,416	\$ 59,877,625

*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, 2018 the City recognized pension expense (income) of \$7,795,278.

**Components of pension expense are as follows:**

Service Cost	\$ 1,576,326
Expected interest growth	6,630,629
Investment gain/loss	1,680,453
Demographic gain/loss	1,165,121
Employee contributions	(3,306,936)
Benefit payments and refunds	-
Administrative expenses	49,685
Changes in benefit terms	-
Changes in assumptions or other inputs	-
Pension Expense (Income) for the year ended 9/30/2018	<u>\$ 7,795,278</u>

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At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to PFFRP of the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Balance as of September 30, 2016	\$ 31,901,807	\$ 2,484,111
Amortization payments	(4,876,068)	(2,030,494)
Prior year employer contributions paid subsequent to the measurement date (10/01/16-09/30/17)	(19,977,103)	
Investment gain/loss	-	8,159,471
Demographic gain/loss	9,154,812	-
Changes in assumptions or other inputs	-	-
Employer contributions subsequent to the measurement date*	18,717,733	-
Balance as of September 30, 2017	<u>\$ 34,921,181</u>	<u>\$ 8,613,088</u>

*\*Employer contributions made from 10/01/2017-09/30/2018, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amount will be recognized in 2019 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:

<b>Year ended September 30</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
2019	\$ 4,876,068	\$ 2,030,492	\$ 2,845,576
2020	4,876,068	1,987,473	2,888,595
2021	1,281,421	1,987,472	(706,051)
2022	1,281,421	1,748,195	(466,774)
2023	1,281,421	116,300	1,165,121
Thereafter	2,607,049	743,156	1,863,893
	<u>\$ 16,203,448</u>	<u>\$ 8,613,088</u>	<u>\$ 7,590,360</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, 2018, 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.

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As a result of such a review as of September 30, 2018, 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, 2018 were \$8,963.

Transit Workers Pension Plan

**General Plan Information**

*Plan description.* The Plan was adopted in June 2003, retroactively effective to July 1, 2002 which contractually obligated the City (as Plan sponsor) to reimburse the contracted transit operator for the payment of any pension plan or other employee benefits. The Transit Workers Pension Plan (TWPP) is a single-employer defined benefit pension plan established to provide pension benefits to participants, retired participants and beneficiaries that are equivalent to those benefits that were previously offered under the Employees Retirement Systems of Alabama (ERS).

The TWPP covers employees of the contracted transit operator (former employees of the City) and was established under the Urban Mass Transportation Act, specifically 49 U.S.C. section 1609, which requires provisions for the preservation of rights, privileges and benefits, including the continuation of pension rights and benefits. All full-time employees of the contracted transit operator, other than the general manager, are eligible to participate in the Plan. The plan year begins July 1 and ends June 30.

The responsibilities for general administration of the Plan are entrusted to an independent Board of Trustees. The Plan's assets are held in trust by Regions Morgan Keegan Trust. The Board of Trustees may terminate the Plan at any time for any reason, provided that such termination is permitted by State law. Upon termination of the Plan or the complete termination of contributions to the Plan, the rights of all participants to benefits accrued to the date of such termination or discontinuance to the extent funded shall be non-forfeitable.

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

*Benefits provided.* The Plan provides retirement benefits as well as death and disability benefits. Members vest after 5 years of service. Employees attaining the earlier of age 60 or completing 25 or more creditable years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Participants receive credited service for all periods of full-time covered employment as well as for the period during which the participant was a member of the ERS, including periods of purchased creditable service under the ERS, as well as for the period beginning with the date the participant was no longer an active member of ERS and ending on June 30, 2002.

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Members receive payments based on 2.0125% of average monthly compensation (best 3 of the last 10 years) multiplied by credited service, offset by the monthly accrued benefit payable from the ERS and attributable to service recognized as credited service under the Plan. The Plan permits early retirement at the age of 60 upon completion of 5 years of creditable service.

Active employees who become disabled receive disability benefits which are calculated in the same manner as that used for service retirement benefits. These benefits are paid until the earlier of death or recovery from disability. If an active employee dies, his or her designated beneficiary receives payments, not to exceed the balance of his or her vested contributions plus the member's annual earnings from the previous fiscal year at date of death. The beneficiary has the option of receiving an initial lump sum or to receive monthly payments until the designated amount is paid in full.

If a member's employment is terminated before the member is eligible for any other benefits under the Plan, the member shall receive a single lump sum payment equal to accumulated contributions plus interest credited at 4% per year compounded annually (for participants who have earned less than five years of credited service), or a monthly accrued benefit payable at normal retirement age calculated in the same manner as that used for service retirement benefits (for participants who have earned at least five years of credited service).

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

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

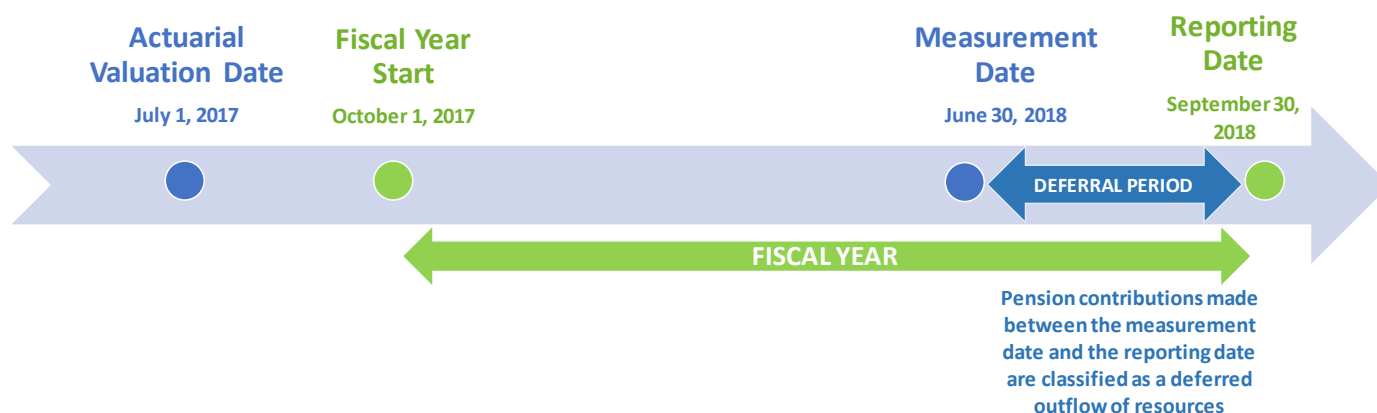
For the year ended September 30, 2018, the City's active employee contribution rate was 5% of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 16.21% percent of covered payroll. Total contributions to the pension plan during plan fiscal year 2018 amounted to \$818,028 of which \$592,745 and \$225,283 were made by the City of Mobile and the Wave Transit employees respectively. Future contributions from the employer and employees are assumed to be made as legally required.

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*Membership.* Participation in the Plan as of July 1, 2017, according to the latest actuarial valuations, was comprised of the following:

<b>Category</b>	<b>Members</b>
Retirees and beneficiaries currently receiving benefits	35
Vested terminated employees	10
Active employees	114
<b>Total</b>	<b>159</b>

**Net Pension Liability**



The City's net pension liability was measured as of June 30, 2018, 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, 2018
Actuarial valuation date	July 1, 2017
Discount rate	4.75%
Inflation	2.00%
Salary increases	4.00%
Investment rate of return	5.73%
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	Since the prior measurement date, the mortality basis was changed from a 2016 projection of the RP-2000 Mortality Table for annuitants to a 2017 projection of the same table.



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

Mortality rates were based on sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2017 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (/RC) section 430; future generational improvements in mortality have not been reflected.

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

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

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

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

**Changes in Net Pension Liability**

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability</b>
<b>Changes in Net Pension Liability</b>	<b>(a)</b>	<b>(b)</b>	<b>(a)-(b)</b>
Balances at 6/30/2017:	\$ 16,134,636	\$ 12,027,223	\$ 4,107,413
Changes for the year:			
Service cost	891,442	-	891,442
Interest	794,830	578,359	216,471
Differences between expected and actual experience	(276,445)	364,352	(640,797)
Contributions-employer	-	592,745	(592,745)
Contributions-employee	-	225,283	(225,283)
Benefit payments, including refunds of employee contributions	(487,357)	(487,357)	-
Administrative expense	-	(29,651)	29,651
Changes in benefit terms	-	-	-
Assumption changes	29,946	-	29,946
Net changes	952,416	1,243,731	(291,315)
Balances at 6/30/2018:	\$ 17,087,052	\$ 13,270,954	\$ 3,816,098

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

	<b>1% Decrease (3.75%)</b>	<b>Current Discount Rate (4.75%)</b>	<b>1% Increase (5.75%)</b>
City's Net Pension Liability	\$ 6,206,176	\$ 3,816,098	\$ 1,852,615

*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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

For the year ended September 30, 2018 the City recognized pension expense (income) of \$777,519.

**Components of pension expense are as follows:**

Service Cost	\$ 891,442
Expected interest growth	216,471
Investment gain/loss	(157,125)
Demographic gain/loss	23,563
Employee contributions	(225,283)
Administrative expenses	29,651
Changes in benefit terms	-
Changes in assumptions or other inputs	(1,200)
Pension Expense (Income)	<u>\$ 777,519</u>

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to TWPP of the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Balance as of September 30, 2017	\$ 1,280,452	\$ 1,070,929
Amortization payments	(307,701)	(442,463)
Prior year employer contributions paid subsequent to the measurement date (07/01/17-09/30/17)	(75,000)	-
Investment gain/loss	-	364,352
Demographic gain/loss		276,445
Changes in assumptions or other inputs	29,946	-
Employer contributions subsequent to the measurement date*	75,000	-
Balance as of September 30, 2018	<u>\$ 1,002,697</u>	<u>\$ 1,269,263</u>

*\*Employer contributions made from 07/01/2018-09/30/2018, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amount will be recognized in 2019 as a reduction of the net pension liability.*

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

<b>Year ended September 30</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net</b>
2019	\$ 307,699	\$ 318,471	\$ (10,772)
2020	256,660	318,471	\$ (61,811)
2021	166,670	318,469	\$ (151,799)
2022	149,401	194,409	\$ (45,008)
2023	46,447	95,498	\$ (49,051)
Thereafter	820	23,945	\$ (23,125)
	<u>\$ 927,697</u>	<u>\$ 1,269,263</u>	<u>\$ (341,566)</u>

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

**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 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.

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

*Life Insurance.* With respect to retirees who participate in the health and dental plan, life insurance is equal to \$6,000 for former employees and \$2,000 for each covered dependent and is a fully-insured benefit provided by an insurance company selected periodically by the City. With respect to disabled employees for the first 12 months of disability prior to age 65, life insurance is equal to the lesser of two times annual salary or \$75,000.

*Eligible Individuals.* Eligible individuals include all regular, full-time employees of the City, not Medicare-eligible, who were hired prior to 2015 and their spouses and dependent children who are covered on the date of the employee's retirement, disability, or death, as applicable. General employees must be age 60 with at least 10 years of service with the City out of the last 12 years of employment or any age with at least 25 years of service, of which at least the last 10 years were in active employment with the City and at least 20 years were under the Mobile County Merit System. Alternatively, general employees with at least 10 years of service who become eligible for a disability pension under the Retirement System of Alabama (RSA) will also be eligible for coverage. Police and fire employees must be age 50 (if hired prior to March 28, 1990) or age 55 (otherwise) with at least 20 years of service or must become eligible for a disability pension from the Police and Firefighters Retirement Plan.

**CITY OF MOBILE, ALABAMA**  
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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.*

<u>Category</u>	<u>Members</u>
Inactive employees and beneficiaries	
currently receiving benefits	1,113
Active employees	<u>1,773</u>
Total	<u><u>2,886</u></u>

*Contributions.* Retirees must pay the required monthly contribution for either single or family coverage, as applicable. During fiscal year 2018, retirees have been assumed to make monthly contributions equal to \$86 for single coverage and \$232 for family coverage. COBRA contributions for retirees for the same period have been assumed to be \$675 per month for single coverage and \$1,746 per month for family 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.

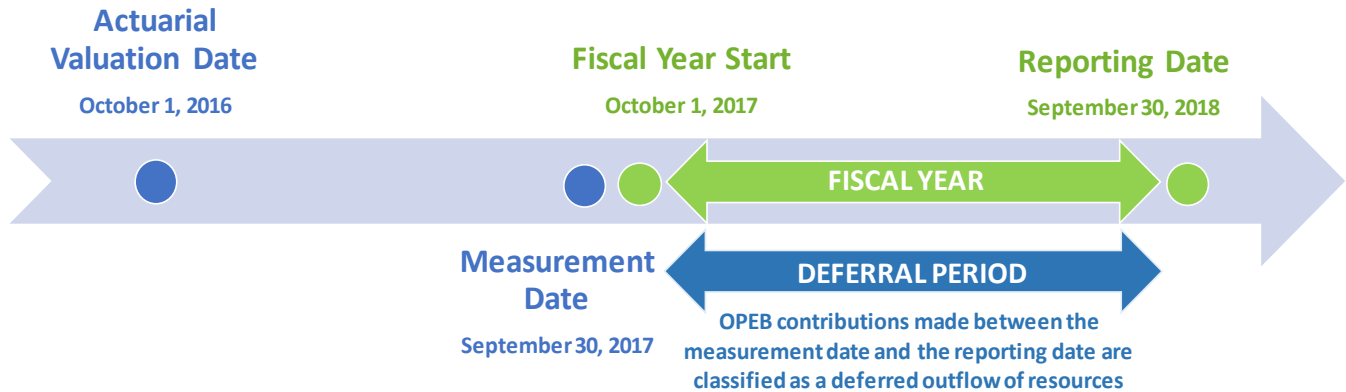
For Medicare-eligible retirees, the Medicare Advantage Plan is fully-insured and underwritten by Humana. The 2018 Medicare Advantage Plan rate is \$175.78. The City also funds the cost of non-Medicare dependents for this group.

The cost of retiree health care, dental care and life insurance benefits is recognized as an expenditure as claims are paid. For fiscal year 2018, those retiree-related costs totaled approximately \$4,367,859 and the liability for incurred and not paid claims totaled \$2,026,000.

Total contributions to the Plan in fiscal year 2018 amounted to \$6,384,149 of which \$4,367,859 and \$2,016,290 were made by the City of Mobile and its employees, respectively.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Total OPEB Liability**



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

*Actuarial assumptions:*

Valuation date	October 1, 2016
Measurement date	September 30, 2017
Discount rate	2.80%, 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	8.00% downgraded by 0.50% per year to 5.00% for the 2022/23 and later fiscal years
Age-related morbidity	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age
Per capita claim cost	Healthcare claims are assumed to be \$8,650 for a 62-year old participant during the period October 1, 2016 through September 30, 2017; dental claims are assumed to be \$325 for each individual during the period October 1, 2016 through September 30, 2017; the healthcare claims amount was developed based on actual retiree claims experience during the previous year, the dental claims amount was developed based on plan experience for all participants.
Administrative expenses	Administrative expenses are assumed to be \$175 for each participant for the period October 1, 2016 through September 30, 2017

**CITY OF MOBILE, ALABAMA**  
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Mortality basis	Sex-distinct rates set forth in the RP-2000 Combined Mortality Table with full generational improvements in mortality using Scale AA; no pre-retirement deaths for general employees are assumed to be service-related; 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	No assumptions were changed since the prior measurement date.



**CITY OF MOBILE, ALABAMA**  
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**Changes in the Total OPEB Liability**

<b>Changes in Total OPEB Liability</b>	<b>Total OPEB Liability (a)</b>
Balances at 9/30/2016:	\$ 187,297,742
Changes for the year:	
Service cost	6,848,282
Expected interest growth	5,332,451
Unexpected investment income	-
Demographic experience	-
Contributions-employer	-
Contributions-employee	-
Benefit payments, including refunds of employee contributions	(7,454,141)
Administrative expense	-
Changes in benefit terms	-
Assumption changes	-
Net changes	<u>4,726,592</u>
Balances at 9/30/2017:	<u><u>\$ 192,024,334</u></u>

*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 2.80%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.80%) or 1-percentage point higher (3.80%) than the current rate:

	<b>1% Decrease (1.80%)</b>	<b>Current Discount Rate (2.80%)</b>	<b>1% Increase (3.80%)</b>
Total OPEB Liability	\$ 212,921,249	\$ 192,024,334	\$ 172,931,701

*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:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rates (8.0% graded down to 5.0%)</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 172,947,551	\$ 192,024,334	\$ 215,022,618

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2018, the City recognized OPEB expense (income) of \$4,726,592.

**Components of OPEB expense are as follows:**

Service Cost	\$ 6,848,282
Expected interest growth	5,332,451
Investment gain/loss	-
Demographic gain/loss	-
Employee contributions	-
Benefit payments & refunds	(7,454,141)
Administrative expenses	-
Changes in benefit terms	-
Changes in assumptions or other inputs	-
Pension Expense (Income)	<u>\$ 4,726,592</u>

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB of the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Balance as of September 30, 2016	\$ -	\$ -
Amortization payments	-	-
Investment gain/loss	-	-
Demographic gain/loss	-	-
Changes in assumptions or other inputs	-	-
Employer contributions subsequent to the measurement date*	4,367,859	-
Balance as of September 30, 2017	<u>\$ 4,367,859</u>	<u>\$ -</u>

*\*Employer contributions made from 10/01/2017-09/30/2018, This amount will be recognized in 2019 as a reduction of the total OPEB liability.*

At September 30, 2018, the City reported no other deferred outflows of resources and deferred inflows of resources related to OPEB which will affect the total OPEB liabilities in future years.

**CITY OF MOBILE, ALABAMA**  
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**Deferred Compensation Plans**

The City offers its employees a choice of two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. One of the plans is administered by a nongovernmental third party and the other by the Retirement Systems of Alabama. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the individuals who participate in the deferred compensation plan and are not subject to the claims of the City's general creditors.

**NOTE 11 - RESTRICTED NET POSITION**

The following is a summary of the restricted net position at September 30, 2018:

<b>Activity</b>	<b>Restricted By</b>	<b>Amount</b>
Capital Projects	Enabling Legislation	\$ 2,162,896
Capital Projects	Legal Restriction	6,710,285
Debt Service	Legal Restriction	153,275
Economic Development	Enabling Legislation	12,994,788
Grant Programs	Grant Agreements	6,618,812
		<u>\$ 28,640,056</u>

**NOTE 12 - SERVICE CONCESSION ARRANGEMENT**

**Parking Garage**

The City is lessor of a parking garage under a lease agreement effective August 17, 2004 for an initial term of 49 years. The lessee may, at its option, extend the initial term of the lease for two additional periods. The first extension shall be for a term of 15 years on the same terms and conditions of the initial term by giving written notice to the City at least 60 days prior to the end of the initial term. The second extension shall be for a term of 12 years and 2 days, terminating on August 19, 2080 on the same terms and conditions of the initial term by giving written notice to the City at least 60 days prior to the end of the first extension term.

This agreement meets the definition of a service concession arrangement under GASB Statement No. 60. The unamortized balance of the \$5,000,000 initial base payment at September 30, 2018 was \$3,558,673. 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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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The lessee paid a base amount of \$5,000,000 which constituted payment in full of all base rent due under the lease for the lease term; therefore, the base rental amount is being recognized as revenue over a period of 49 years. The lease allows the lessee to pay all expenses associated with the operation of the parking garage from rentals received. A percentage of the balance remaining after payment of these expenses is to be remitted to the City at the end of each lease year commencing on October 1 of each year. Rental income of \$432,563 for fiscal year 2018 is included in the Enterprise Funds - Municipal Parking Garage fund. Also see Note 7 for additional information relating to leased property.

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

Joint Governmental Complex

On June 26, 1990, the City entered into an operating lease with the County of Mobile (the County) to lease space in a joint governmental complex. By agreement in April 2018, the City and County agreed to set the monthly rate for rent and expenses at \$55,000 per month effective as of January 2018. The agreement extends until September 30, 2020.

Lease payments for the period of October 1 through December 31, 2017 were \$342,653.

Lease payments for the period of January 1 through September 30, 2018 were \$495,000.

Self-Insured Liability - Legal

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

The City attorney has reviewed these claims and lawsuits to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. Because of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible" and "remote" contingencies.

According to the City attorney, loss contingencies categorized as "probable" range between \$638,228 and \$713,228. Consequently, the City has accrued at September 30, 2018, the lesser of the range equal to \$638,228. Loss contingencies categorized as "reasonably possible" range between \$3,267,500 and \$6,576,102.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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Governmental Funds Encumbrances

Encumbrances for the year ended September 30, 2018 are disclosed for each major fund and for all other governmental funds in the aggregate.

<b>Governmental Funds Encumbrances</b>	<b>Amount</b>
Major Governmental Funds:	
General Fund	\$ 2,251,394
Capital Improvements Fund	18,197,784
Governmental Funds - Nonmajor	<u>2,172,581</u>
Total Governmental Funds Encumbrances	<u><u>\$ 22,621,759</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 general automobile liability. As more fully discussed in Note 13, the City has determined and recorded an estimate of \$638,228 for loss contingencies relating to claims and judgments. Claim settlement and loss expenses are accrued for estimated reported claims. Experience indicates that incurred but not reported claims, in aggregate, do not represent a material amount and, therefore, have not been accrued at year-end.

The City is self-insured for workers' compensation claims, up to \$750,000 per accident/claim, to include medical expenses and indemnity payments to the injured worker. The city is fully insured over the \$750,000 self-insured retention, through the Municipal Workers Compensation Fund (MWCF). The City contracts with a third-party administrator for claims administration of claims that occurred prior to participation in MWCF on January 1, 2017. The estimated liability for workers' compensation claims as of September 30, 2018 is \$21,437,095.

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, 2018 is \$2,006,700.

**CITY OF MOBILE, ALABAMA**  
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The schedule below presents the changes in claims liabilities for the past two years for the City's self-insured liabilities:

	<b>Beginning of Fiscal Year Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Claim Payments</b>	<b>End of Fiscal Year Liability</b>
Claims and judgments, general liability and general and automotive liability				
2016-2017	1,847,500	774,251	980,251	1,641,500
2017-2018	1,641,500	(206,915)	796,357	638,228
Employee Health				
2016-2017	2,265,800	22,890,587	23,134,787	2,021,600
2017-2018	2,021,600	23,614,172	23,629,072	2,006,700
Workers' Compensation				
2016-2017	14,931,836	2,608,877	2,151,660	15,389,053
2017-2018	15,389,053	8,747,509	2,699,467	21,437,095

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

The City had no nonmajor funds with deficits in net position/fund balance of at September 30, 2018.

**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 Chatang landfill has been transferred to another entity, the Solid Waste Disposal Authority. At September 30, 2018, 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 \$569,932 reported in the Statement of Net Position as a landfill postclosure liability at September 30, 2018 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.

**CITY OF MOBILE, ALABAMA**  
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**NOTE 17 – TAX ABATEMENTS**

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

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

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

Generally, the agreements provide for a rebate of sales and use taxes paid to the City according to formulas contained in the agreements. The total amount of taxes rebated under such agreements during fiscal year 2018 was \$2,675,949.

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 has begun 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 \$675,000.

**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.



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

The gross amount of foregone City ad-valorem taxes during the 2018 fiscal year due to tax abatement agreements was \$934,373.

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

**Mobile County Industrial Development Authority**

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

There were no records of foregone ad-valorem taxes abated during the 2018 fiscal year identified due to agreements authorized by the Mobile County IDA.

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

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

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

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

	<b>General Fund</b>	<b>Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Nonspendable				
Inventory	\$ 2,493,996	\$ -	\$ -	\$ 2,493,996
Prepaid items	15,616	-	-	15,616
Restricted				-
Capital Projects	-	-	6,719,870	6,719,870
Debt Service	-	-	153,275	153,275
Grants	-	-	6,618,812	6,618,812
Law Enforcement	-	-	671,583	671,583
Road and Bridge Construction	-	-	349,971	349,971
Road and Bridge Repair	-	-	2,013,442	2,013,442
Committed				-
Flood Management	-	-	84,054	84,054
Storm Water	-	-	2,090	2,090
Tax Increment Program	-	-	12,964,945	12,964,945
Assigned				-
Capital Improvements Fund	-	66,559,834	-	66,559,834
Economic Development	-	-	29,843	29,843
Municipal Court	-	-	1,622,628	1,622,628
Athletic Fund	89,048	-	-	89,048
Designated and Donated Funds	1,224,313	-	-	1,224,313
General Fund Encumbrances	2,247,767	-	-	2,247,767
Unassigned	37,935,527	-	-	37,935,527
Total	<u>\$ 44,006,267</u>	<u>\$ 66,559,834</u>	<u>\$ 31,230,513</u>	<u>\$ 141,796,614</u>

**NOTE 19 - PRIOR PERIOD ADJUSTMENTS**

In the current year, the City adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This standard replaces the requirements of GASB Statement No. 45 as it relates to governments that provide postemployment benefits other than pensions.

The new Statement requires governments providing defined benefit postemployment benefits to recognize the long-term obligation for those benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of other postemployment benefits.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information, including disclosing descriptive information about the types of benefits provided, how contributions to the plans are determined, and assumptions and methods used to calculate the liability. Comparative prior year information, to the extent presented, has not been restated because the necessary information is not available.

Additionally, the City made an adjustment to restate the beginning balance related to the compensated absences liability on the government-wide Statement of Net Position.

The following is a summary of the restatement to net position:

<b>Schedule of Net Position Restatement</b>	
<b>Government-wide Financial Statements</b>	<b>Governmental Activities</b>
Net position October 1, 2017, as previously reported	\$ 193,882,559
Adjust beginning balance of liability for compensated absences	2,308,294
Eliminate beginning balance of GASB45 OPEB liability	205,939,000
Record beginning balance of total OPEB liability per GASB75	(187,297,742)
Record beginning balance of deferred OPEB outflows per GASB75	4,324,830
Net position October 1, 2017, as restated	<u>\$ 219,156,941</u>

**NOTE 20 – SUBSEQUENT EVENTS**

**2018A General Obligation Refunding Warrants**

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

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

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

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2018**

To effect the refunding of the Refunded 2009A and 2009B Warrants, the City and Regions Bank, Birmingham, Alabama, entered into an escrow trust agreement simultaneously with the issuance of the Series 2018A Warrants. The City established an irrevocable trust fund for the benefit of the holders of the Refunded 2009A and 2009B Warrants and deposited therein a portion of the proceeds of the Series 2018A Warrants. The amount deposited in the Series 2009A and 2009B Escrow Fund were used to purchase certain United States government securities. The cash flow from such securities, without reinvestment, when added to any uninvested cash in the Series 2009A and 2009B Escrow Fund, will be sufficient to pay the redemption price (principal, premium, and accrued interest) of the Refunded 2009A and 2009B Warrants, which will be called for redemption on February 15, 2019. After the Series 2009A and 2009B Escrow Fund is established, the Refunded 2009A and 2009B Warrants will be considered defeased.

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



***Mobile Fire-Rescue Department  
Receives Prestigious Insurance Services  
Office Class-1 Rating***



***Mobile Accounting Department  
Awarded GFOA Certificate of Achievement  
for Excellence in Financial Reporting***





# RSI — GENERAL FUND BUDGET TO ACTUAL



***Mobile Bay***



Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget to Actual - General Fund

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



**CITY OF MOBILE, ALABAMA**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Budget Basis)**  
**For the Year Ended September 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 176,647,418	\$ 176,647,418	\$ 187,504,851	\$ 10,857,433
Licenses and permits	36,797,315	36,797,315	36,038,062	(759,253)
Intergovernmental	78,204	78,204	54,044	(24,160)
Charges for services	6,248,768	6,248,768	6,289,227	40,459
Fines and forfeitures	2,047,003	2,047,003	1,915,301	(131,702)
State and federal assistance	116,560	116,560	65,628	(50,932)
Investment income	161,288	161,288	509,474	348,186
Other revenue	238,237	238,237	761,351	523,114
Total revenues	222,334,793	222,334,793	233,137,938	10,803,145
<b>EXPENDITURES</b>				
Current:				
General government				
311	488,282	488,282	406,324	81,958
Archives	303,803	303,403	294,676	8,727
City clerk	733,552	733,552	611,809	121,743
City council	526,902	531,953	434,781	97,172
City council discretionary funds	385,000	263,303	254,823	8,480
City hall overhead	3,982,200	4,056,558	3,067,866	988,692
Communications and external affairs	491,640	495,392	428,571	66,821
Geographical information system	769,889	759,324	683,216	76,108
Information technology	3,686,710	3,700,659	3,688,398	12,261
Legal	1,609,273	1,609,349	1,445,224	164,125
Mail room	87,635	91,953	87,362	4,591
Mayor's office	711,036	711,036	375,674	335,362
Mayor's office discretionary funds	25,000	25,000	4,541	20,459
Total general government	13,800,922	13,769,764	11,783,265	1,986,499
Culture and recreation				
Community activities	495,592	591,986	546,911	45,075
Community centers	2,123,931	2,127,754	1,705,479	422,275
Forestry	574,442	574,520	490,488	84,032
GulfQuest museum	958,738	958,738	854,463	104,275
Mobile museum of art	2,240,292	2,199,337	1,996,970	202,367
Mobile regional senior community center	508,185	511,774	464,447	47,327
Operations and cemeteries	2,029,658	2,029,719	2,091,016	(61,297)
Parks administration	139,779	139,779	86,603	53,176
Parks maintenance	3,699,176	3,620,104	3,350,740	269,364
Recreation administration	175,999	76,878	62,780	14,098
Recreation - athletics	614,757	616,840	425,699	191,141
Special activities	1,008,338	1,008,741	885,428	123,313
Total culture and recreation	14,568,887	14,456,170	12,961,024	1,495,146
Economic development				
Civic engagement	381,149	383,904	254,740	129,164
Mobile film office	201,080	201,080	183,118	17,962
Special events	509,726	512,137	494,009	18,128
Total economic development	1,091,955	1,097,121	931,867	165,254

(continued)

**CITY OF MOBILE, ALABAMA**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Budget Basis)**  
**For the Year Ended September 30, 2018**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Engineering, development & build Mobile				
Architectural engineering	1,024,086	1,024,099	948,393	75,706
Building services	596,749	596,775	549,312	47,463
Build mobile	190,519	213,147	195,164	17,983
Build mobile executive administration	469,468	471,070	471,214	(144)
Community and housing development	142,653	142,653	138,900	3,753
Engineering	2,639,721	2,640,270	2,447,960	192,310
Engineering and development	632,347	316,851	279,847	37,004
Facility maintenance	4,180,844	4,184,646	3,633,290	551,356
Historic development	285,826	266,330	203,829	62,501
Inspection services	1,777,680	1,779,479	1,277,446	502,033
Municipal enforcement	1,161,941	1,162,385	1,124,409	37,976
Permitting	735,923	736,366	459,984	276,382
Planning and zoning	1,011,136	1,016,400	903,738	112,662
Real estate	341,146	341,146	247,969	93,177
Real estate asset management	258,266	258,288	174,609	83,679
Total engineering, development & build Mobile	15,448,305	15,149,905	13,056,064	2,093,841
Public safety				
Animal shelter	912,665	918,760	849,741	69,019
Fire	31,316,763	32,201,084	29,774,092	2,426,992
Mobile metro jail	8,000,000	8,000,000	9,198,145	(1,198,145)
Municipal court	2,787,790	2,794,234	2,623,079	171,155
Police	52,235,577	52,242,130	48,579,784	3,662,346
Public safety administration	255,213	255,213	264,209	(8,996)
Total public safety	95,508,008	96,411,421	91,289,050	5,122,371
Finance				
Accounting	901,819	902,702	875,550	27,152
Finance administration	681,624	681,624	544,169	137,455
Human resources	562,922	563,132	525,981	37,151
Payroll	293,738	293,835	296,929	(3,094)
Police and fire pension administration	245,331	245,331	240,215	5,116
Procurement	712,422	720,752	630,217	90,535
Revenue	2,127,186	2,127,410	1,920,333	207,077
Safety and performance	-	508	(1,779)	2,287
Treasury	386,176	386,176	360,262	25,914
Total finance	5,911,218	5,921,470	5,391,877	529,593
Public works				
Asphalt street repair	3,683,809	3,329,079	3,244,133	84,946
Bates field landfill	47,880	57,880	47,544	10,336
Concrete and sidewalk repair	-	9,237	(17,019)	26,256
Dredge	-	-	(39)	39
Electrical	2,193,253	2,209,702	2,154,065	55,637
Equipment services	7,316,937	8,797,346	7,007,543	1,789,803
Flood control	-	354	(354)	708
Inventory control	367,815	319,056	284,036	35,020
Litter and recycling	1,186,892	788,349	703,062	85,287
Public works executive administration	332,453	288,602	282,776	5,826
Public works administration	1,238,173	1,154,169	1,097,790	56,379
Right-of-way maintenance	-	2,088	(3,593)	5,681
Solid waste	4,202,441	3,838,816	3,897,992	(59,176)
Storm drain maintenance	3,152,833	3,613,052	3,528,815	84,237
Street sweeping	-	157	(252)	409
Traffic engineering	1,498,458	1,544,108	1,264,594	279,514
Trash	3,709,545	3,509,589	3,433,557	76,032
Total public works	28,930,489	29,461,584	26,924,650	2,536,934
Total departmental	175,259,784	176,267,435	162,337,797	13,929,638

**CITY OF MOBILE, ALABAMA**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual (Budget Basis)**  
**For the Year Ended September 30, 2018**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Non-departmental				
Reserve for retirement	2,000,000	2,000,000	2,172,738	(172,738)
Board of health	600,000	600,000	600,000	-
Juvenile court and youth center	2,950,000	2,950,000	3,308,096	(358,096)
Personnel board	1,536,572	1,536,572	1,351,891	184,681
Board of equalization	7,152	7,152	7,142	10
Emergency management	536,294	536,294	536,293	1
Mobile legislative delegation	3,700	3,700	3,287	413
Public library	7,025,259	7,025,259	7,025,259	-
Solid waste disposal authority	2,371,435	2,371,435	2,297,322	74,113
Employee education	100,000	100,000	76,138	23,862
Employees' pension	121,630	121,630	168,038	(46,408)
Police and firefighter's retirement	13,650,056	13,650,056	13,171,735	478,321
Retired employees insurance	6,250,000	6,250,000	9,674,105	(3,424,105)
Unemployment compensation	60,000	60,000	60,544	(544)
Worker's compensation	3,100,000	3,100,000	3,420,077	(320,077)
Athletic fund	-	-	35,423	(35,423)
Contingency reserve	1,331,395	1,331,395	(38,328)	1,369,723
Dues	367,628	367,628	364,859	2,769
Performance contracts/organizations	3,984,537	3,984,537	4,108,548	(124,011)
Property insurance	1,630,000	1,630,000	1,312,455	317,545
South Alabama regional planning	57,120	57,120	-	57,120
Miscellaneous	1,026,969	1,357,031	332,556	1,024,475
Total non-departmental	48,709,747	49,039,809	49,988,178	(948,369)
Total current	223,969,531	225,307,244	212,325,975	12,981,269
Debt service:				
Interest	12,000	12,000	10,248	1,752
Principal retirement	75,000	75,000	90,000	(15,000)
Total debt service	87,000	87,000	100,248	(13,248)
Total expenditures	224,056,531	225,394,244	212,426,223	12,968,021
Excess (deficiency) of revenues over expenditures	(1,721,738)	(3,059,451)	20,711,715	23,771,166
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	4,288	4,288	47	(4,241)
Transfers in	10,370,743	10,370,743	11,189,783	819,040
Transfers out	(15,466,923)	(16,246,666)	(17,525,278)	(1,278,612)
Total other financing sources (uses)	(5,091,892)	(5,871,635)	(6,335,448)	(463,813)
Net change in fund balances	\$ (6,813,630)	\$ (8,931,086)	14,376,267	\$ 23,307,353
Fund balances - beginning			27,382,233	
Fund balances - ending			<u>\$ 41,758,500</u>	
<b>ADJUSTMENTS</b>				
Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified accrual basis are as follows:				
Excess (deficiency) of revenues/other financing sources over expenditures/other financing uses			\$ 14,376,267	
Encumbrances outstanding at September 30, 2018			2,247,767	
Encumbrances outstanding at September 30, 2017			(1,276,727)	
Net change in fund balance per the statement of revenues, expenditures, and changes in fund balances			<u>\$ 15,347,307</u>	

**CITY OF MOBILE, ALABAMA**  
**General Fund**  
**Notes to Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended September 30, 2018**

**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, 2018:

GAAP expenditures	\$ 211,455,183
Encumbrances at:	
September 30, 2018	2,247,767
September 30, 2017	(1,276,727)
Budgetary expenditures	<u>\$ 212,426,223</u>

For the fiscal year ended September 30, 2018, general fund budgetary appropriations exceeded total expenditures by \$12,968,021.

**NOTE 2 - FUND BALANCE**

Following is a reconciliation of the General Fund's fund balance - budgetary basis to fund balance - generally accepted accounting principles (GAAP) basis:

Fund balance - budgetary basis at September 30, 2018	\$ 41,758,500
Add encumbrances:	
Function:	
General government	101,509
Culture and recreation	47,756
Economic development	142,906
Engineering, development & build	99,728
Finance	22,686
Public safety	901,637
Public works	356,545
Nondepartmental	575,000
Total encumbrances	<u>2,247,767</u>
Fund balance - GAAP basis at September 30, 2018	<u>\$ 44,006,267</u>

**NOTE 3 - BUDGET AMENDMENTS**

The City makes various amendments to the adopted budget throughout the fiscal year. In FY 2018, the most significant of those amendments were:

- Budget adjustments due to changes in prior year encumbrance carryforward
- Adjustment per Resolution 60-613-2017 dated October 24, 2017 to provide for a longevity pay increase for full-time uniform firefighters and firemedics:
  - Increase carry over from reserve surplus by \$925,000
  - Increase public safety – fire administration budget by \$736,000
  - Increase transfer to emergency medical services (firemedics) fund by \$189,000



**Before**



**After**

***Drug seizure demolished and rebuilt with HOME grant community housing development organization funding***

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\***

	2017	2016	2015	2014
<b>Total pension liability</b>				
Service cost	\$ 3,655,533	\$ 3,871,747	\$ 3,700,746	\$ 3,797,860
Interest	15,708,733	15,255,262	14,994,981	14,582,730
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(2,510,319)	2,621,825	(1,994,818)	-
Changes of assumptions	-	4,749,471	-	-
Benefit Payments, including refunds of employee contributions	(15,135,319)	(13,379,634)	(13,515,159)	(12,939,756)
Transfers among employers	154,026	(238,266)	-	-
<b>Net change in total pension liability</b>	1,872,654	12,880,405	3,185,750	5,440,834
<b>Total pension liability - beginning</b>	210,260,991	197,380,586	194,194,836	188,754,002
<b>Total pension liability - ending (a)</b>	<u>\$212,133,645</u>	<u>\$210,260,991</u>	<u>\$197,380,586</u>	<u>\$194,194,836</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 4,719,340	\$ 4,790,583	\$ 4,996,104	\$ 4,682,549
Contributions - member	2,438,330	2,383,150	2,362,148	2,266,801
Net investment income	18,184,736	13,786,336	1,660,751	15,642,316
Benefit payments, including refunds of employee contributions	(15,135,319)	(13,379,634)	(13,515,159)	(12,939,756)
Transfers among employers	154,026	(238,266)	50,472	46,811
<b>Net change in plan fiduciary net position</b>	10,361,113	7,342,169	(4,445,684)	9,698,721
<b>Plan net position - beginning</b>	145,935,174	138,593,005	143,038,689	133,339,968
<b>Plan net position - ending (b)</b>	<u>\$156,296,287</u>	<u>\$145,935,174</u>	<u>\$138,593,005</u>	<u>\$143,038,689</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 55,837,358	\$ 64,325,817	\$ 58,787,581	\$ 51,156,147
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.68%	69.41%	70.22%	73.66%
<b>Covered payroll</b>	\$ 45,753,761	\$ 46,861,508	\$ 47,096,079	\$ 45,476,596
<b>Net pension liability (asset) as a percentage of covered payroll</b>	122.04%	137.27%	124.82%	112.49%

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

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

	2018	2017	2016	2015
Actuarially determined contribution**	\$ 4,696,683	\$ 4,719,457	\$ 4,791,994	\$ 4,994,771
Contributions in relation to the actuarially determined contribution**	<u>4,696,683</u>	<u>4,719,457</u>	<u>4,791,994</u>	<u>4,994,771</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	44,134,252	45,753,761	46,861,508	47,096,079
Contributions as a percentage of covered payroll	10.64%	10.31%	10.23%	10.61%

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

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

**NOTES TO SCHEDULE**

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

Contributions for fiscal year 2018 were based on the September 30, 2015 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	29.5 years
Asset valuation method	Five year smoothed market
Inflation	3.00%
Salary increases	3.75 - 7.25%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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

	2017	2016	2015	2014
<b>Total pension liability</b>				
Service cost	\$ 1,576,326	\$ 1,414,553	\$ 1,501,441	\$ 1,542,522
Interest	18,546,963	18,550,878	18,407,492	18,287,147
Changes of benefit terms		-	-	-
Demographic experience	9,154,812	(1,557,256)	1,341,073	-
Changes of assumptions		-	-	-
Benefit Payments, including refunds of employee contributions	(19,059,277)	(18,335,869)	(19,657,648)	(17,958,800)
<b>Net change in total pension liability</b>	10,218,824	72,306	1,592,358	1,870,869
<b>Total pension liability - beginning</b>	260,638,251	260,565,945	258,973,587	257,102,718
<b>Total pension liability - ending (a)</b>	<u>\$ 270,857,075</u>	<u>\$ 260,638,251</u>	<u>\$ 260,565,945</u>	<u>\$ 258,973,587</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 19,977,104	\$ 19,701,943	\$ 16,354,458	\$ 14,950,855
Contributions - member	3,306,936	2,995,750	2,969,379	2,945,173
Net investment income	20,075,805	11,927,721	(6,881,722)	10,307,058
Benefit payments, including refunds of employee contributions	(19,059,277)	(18,335,869)	(19,657,648)	(18,186,135)
Administrative expenses	(49,685)	(18,061)	(4,989)	(110,549)
<b>Net change in plan fiduciary net position</b>	24,250,883	16,271,484	(7,220,522)	9,906,402
<b>Plan net position - beginning</b>	160,740,776	144,469,292	151,689,814	141,783,412
<b>Plan net position - ending (b)</b>	<u>\$ 184,991,659</u>	<u>\$ 160,740,776</u>	<u>\$ 144,469,292</u>	<u>\$ 151,689,814</u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 85,865,416	\$ 99,897,475	\$ 116,096,653	\$ 107,283,773
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	68.30%	61.67%	55.44%	58.57%
<b>Covered payroll</b>	\$ 39,003,598	\$ 36,451,544	\$ 35,887,574	\$ 36,010,184
<b>Net pension liability (asset) as a percentage of covered payroll</b>	220.15%	274.06%	323.50%	297.93%

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

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

	2018	2017	2016	2015	2014
Actuarially determined contribution**	\$18,717,416	\$19,977,104	\$19,701,944	\$16,354,458	\$14,950,855
Contributions in relation to the actuarially determined contribution**	<u>18,717,416</u>	<u>19,977,104</u>	<u>19,701,944</u>	<u>16,354,458</u>	<u>14,950,855</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	40,844,072	39,003,598	36,451,544	35,887,574	36,010,184
Contributions as a percentage of covered payroll	45.83%	51.22%	54.05%	45.57%	41.52%

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

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

**NOTES TO SCHEDULE**

Contributions for fiscal year 2018 were based on the October 1, 2017 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.

Since the completion of the previous valuation, the mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to the RP-2000 Blue Collar Mortality Table with full generational improvements in mortality using Scale AA.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Asset valuation method	Open 5-year smoothed market
Inflation	2.50%
Salary increases	3.00% per annum
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.
Mortality rates	RP-2000 Blue Collar Mortality Table

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

	2018	2017	2016	2015
<b>Total pension liability</b>				
Service cost	\$ 891,442	\$ 850,659	\$ 855,623	\$ 916,967
Interest	794,830	732,175	710,345	605,268
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(276,445)	156,090	(760,649)	1,197,488
Changes of assumptions	29,946	-	26,156	(94,322)
Benefit Payments, including refunds of employee contributions	(487,357)	(421,768)	(340,857)	(316,249)
<b>Net change in total pension liability</b>	<u>952,416</u>	<u>1,317,156</u>	<u>490,618</u>	<u>2,309,152</u>
<b>Total pension liability - beginning</b>	<u>16,134,636</u>	<u>14,817,480</u>	<u>14,326,862</u>	<u>12,017,710</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 17,087,052</u></u>	<u><u>\$ 16,134,636</u></u>	<u><u>\$ 14,817,480</u></u>	<u><u>\$ 14,326,862</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 592,745	\$ 457,063	\$ 280,573	\$ 404,160
Contributions - member	225,283	231,011	227,928	218,400
Net investment income	942,711	910,131	173,650	228,476
Benefit payments, including refunds of employee contributions	(487,357)	(421,768)	(340,857)	(318,619)
Administrative expenses	(29,651)	(28,080)	(19,280)	(17,915)
<b>Net change in plan fiduciary net position</b>	<u>1,243,731</u>	<u>1,148,357</u>	<u>322,014</u>	<u>514,502</u>
<b>Plan net position - beginning</b>	<u>12,027,223</u>	<u>10,878,866</u>	<u>10,556,852</u>	<u>10,042,350</u>
<b>Plan net position - ending (b)</b>	<u><u>\$ 13,270,954</u></u>	<u><u>\$ 12,027,223</u></u>	<u><u>\$ 10,878,866</u></u>	<u><u>\$ 10,556,852</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 3,816,098	\$ 4,107,413	\$ 3,938,614	\$ 3,770,010
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	77.67%	74.54%	73.42%	73.69%
<b>Covered payroll*</b>	\$ 3,657,154	\$ 3,578,494	\$ 3,624,022	\$ 3,891,061
<b>Net pension liability (asset) as a percentage of covered payroll</b>	104.35%	114.78%	108.68%	96.89%

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

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

	2018	2017	2016	2015
Actuarially determined contribution**	\$ 592,745	\$ 457,063	\$ 280,573	\$ 404,160
Contributions in relation to the actuarially determined contribution*	<u>592,745</u>	<u>457,063</u>	<u>280,573</u>	<u>404,160</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	3,657,154	3,578,494	3,624,022	3,891,061
Contributions as a percentage of covered payroll	16.21%	12.77%	7.74%	10.39%

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

**NOTES TO SCHEDULE**

Contributions for fiscal year 2017 were based on the July 1, 2017 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 4.43%, 5.91%, and 6.65%, with an equivalent rate of 5.93%, to 4.16%, 5.72%, and 6.48%, respectively, with an equivalent rate of 5.73%.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage, closed
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	2.00%
Salary increases	4.00% per annum
Investment rate of return	5.73%, net of pension plan investment expense, including inflation.
Mortality rates	RP-2000 Mortality Table

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



**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\***

	2017
<b>Total OPEB liability</b>	
Service cost	\$ 6,848,282
Expected interest growth	5,332,451
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit Payments, including refunds of employee contributions	(7,454,141)
<b>Net change in total OPEB liability</b>	4,726,592
<b>Total OPEB liability - beginning</b>	187,297,742
<b>Total OPEB liability - ending (a)</b>	<u>\$ 192,024,334</u>
<b>Covered payroll**</b>	\$ 85,810,180
<b>Net OPEB liability (asset) as a percentage of covered payroll</b>	223.78%

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

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

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



***USS Alabama Battleship  
Memorial Park***



## 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.







***Bragg-Mitchell Mansion***

Photos courtesy of the Bragg-Mitchell Mansion



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**CITY OF MOBILE, ALABAMA**  
**Combining Governmental Balance Sheet**  
**Nonmajor Governmental Funds**  
**Summary by Fund Type**  
**September 30, 2018**

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 6,720,297	\$ 153,182	\$ 23,654,585	\$ 30,528,064
Restricted cash - capital purchases	83,627	93	-	83,720
Receivables (net)	-	-	2,328,074	2,328,074
Total assets	<u>\$ 6,803,924</u>	<u>\$ 153,275</u>	<u>\$ 25,982,659</u>	<u>\$ 32,939,858</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 452,682	\$ 452,682
Pension employer contributions payable	-	-	15,086	15,086
Unearned revenue	-	-	809,216	809,216
Due to other funds	-	-	431,318	431,318
Escrowed funds liability	-	-	1,043	1,043
Total liabilities	<u>-</u>	<u>-</u>	<u>1,709,345</u>	<u>1,709,345</u>
<b>FUND BALANCES</b>				
Restricted	6,719,870	153,275	9,653,808	16,526,953
Committed	84,054	-	12,967,035	13,051,089
Assigned	-	-	1,652,471	1,652,471
Total fund balances	<u>6,803,924</u>	<u>153,275</u>	<u>24,273,314</u>	<u>31,230,513</u>
Total liabilities and fund balances	<u>\$ 6,803,924</u>	<u>\$ 153,275</u>	<u>\$ 25,982,659</u>	<u>\$ 32,939,858</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, 2018**

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 8,930,451	\$ 8,930,451
Charges for services	-	-	8,000	8,000
Fines and forfeitures	-	-	450,400	450,400
State and federal assistance	1,655,241	-	7,055,156	8,710,397
Investment income	3,068	560	461	4,089
Other revenue	3	1	174	178
Total revenues	1,658,312	561	16,444,642	18,103,515
<b>EXPENDITURES</b>				
Current:				
General government	-	-	3,608,265	3,608,265
Culture and recreation	-	-	357,291	357,291
Engineering, development & build Mobile	-	-	165,206	165,206
Public safety	-	-	3,529,184	3,529,184
Public works	-	-	2,763,621	2,763,621
Debt service:				
Administrative charges	78	60	-	138
Bond issuance costs	385,276	-	-	385,276
Interest	-	8,446,929	78,790	8,525,719
Principal retirement	-	14,343,000	285,000	14,628,000
Capital outlay:				
Capital outlay	-	-	1,424,025	1,424,025
Total expenditures	385,354	22,789,989	12,211,382	35,386,725
Excess (deficiency) of revenues over expenditures	1,272,958	(22,789,428)	4,233,260	(17,283,210)
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding debt issued	57,705,000	-	-	57,705,000
Payment to refunding bond escrow agent	(57,858,848)	-	-	(57,858,848)
Premium on debt issued	539,124	-	-	539,124
Transfers in	28,574	22,820,313	2,913,773	25,762,660
Transfers out	(814,600)	(3,735)	(5,200,270)	(6,018,605)
Total other financing sources (uses)	(400,750)	22,816,578	(2,286,497)	20,129,331
Net change in fund balances	872,208	27,150	1,946,763	2,846,121
Fund balances - beginning	5,931,716	126,125	22,326,551	28,384,392
Fund balances - ending	\$ 6,803,924	\$ 153,275	\$ 24,273,314	\$ 31,230,513



CAPITAL PROJECT FUNDS — NONMAJOR



*Ten Sixty-Five Music Festival*

Municipal Government Capital Improvements  
Flood Management  
1998 General Obligation Capital Projects  
1998 General Obligation Refunding and Capital Projects  
2000 Capital Projects  
2006 General Obligation Refunding and Capital Projects  
2008 General Capital Improvements Projects  
2008B General Obligation Capital Improvement Projects  
2012 General Obligation Private Placement Capital Equipment  
2016C General Obligation Taxable Warrants  
2017A General Obligation Warrants  
2017B General Obligation Warrants  
2017C General Obligation Warrants  
2017D General Obligation Warrants





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**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**September 30, 2018**

	Municipal Govt Capital Imprv	Flood Management Escrow	1998 G.O. Capital Projects	1998 G.O. Ref & Cap Projects	2000 Capital Projects	2006 G.O. Ref & Cap Projects
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$ 6,626,231	\$ 84,054	\$ -	\$ -	\$ 491	\$ -
Restricted cash - capital purchases	-	-	-	-	-	-
Total assets	<u>\$ 6,626,231</u>	<u>\$ 84,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491</u>	<u>\$ -</u>
<b>LIABILITIES</b>						
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Restricted						
Capital Projects	\$ 6,626,231	\$ -	\$ -	\$ -	\$ 491	\$ -
Committed						
Flood Management	-	84,054	-	-	-	-
Total fund balances	<u>6,626,231</u>	<u>84,054</u>	<u>-</u>	<u>-</u>	<u>491</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 6,626,231</u>	<u>\$ 84,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491</u>	<u>\$ -</u>

2008 G.O. Capital Projects	2008B G.O. Ref & Cap Proj	2012 G.O. Priv Pl Cap Equipment	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ 9,518	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ 6,720,297
-	-	83,627	-	-	-	-	-	83,627
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,145</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,803,924</u>
-	-	-	-	-	-	-	-	-
\$ -	\$ -	\$ 93,145	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ 6,719,870
-	-	-	-	-	-	-	-	84,054
-	-	93,145	1	2	-	-	-	6,803,924
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,145</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,803,924</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, 2018**

	Municipal Govt Capital Imprv	Flood Management Escrow	1998 G.O. Capital Projects	1998 G.O. Ref & Cap Projects	2000 Capital Projects	2006 G.O. Ref & Cap Projects
<b>REVENUES</b>						
State and federal assistance	\$ 1,655,241	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	2,917	42	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>1,658,158</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Debt service:						
Administrative charges	-	-	-	29	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,658,158</u>	<u>42</u>	<u>-</u>	<u>(29)</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Refunding debt issued	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-
Premium (discount) on debt issued	-	-	-	-	-	-
Transfers in	28,500	-	-	25	-	-
Transfers out	(814,438)	-	(75)	(40)	-	(5)
Total other financing sources (uses)	<u>(785,938)</u>	<u>-</u>	<u>(75)</u>	<u>(15)</u>	<u>-</u>	<u>(5)</u>
Net change in fund balances	872,220	42	(75)	(44)	-	(5)
Fund balances - beginning	5,754,011	84,012	75	44	491	5
Fund balances - ending	<u>\$ 6,626,231</u>	<u>\$ 84,054</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491</u>	<u>\$ -</u>

2008 G.O. Capital Projects	2008B G.O. Ref & Cap Proj	2012 G.O. Priv Pl Cap Equipment	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	Total Nonmajor Capital Projects Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,655,241
-	-	109	-	-	-	-	-	3,068
-	-	-	1	2	-	-	-	3
-	-	109	1	2	-	-	-	1,658,312
49	-	-	-	-	-	-	-	78
-	-	-	-	-	-	63,087	322,189	385,276
49	-	-	-	-	-	63,087	322,189	385,354
(49)	-	109	1	2	-	(63,087)	(322,189)	1,272,958
-	-	-	-	-	-	8,935,000	48,770,000	57,705,000
-	-	-	-	-	-	(9,411,037)	(48,447,811)	(57,858,848)
-	-	-	-	-	-	539,124	-	539,124
49	-	-	-	-	-	-	-	28,574
(2)	(40)	-	-	-	-	-	-	(814,600)
47	(40)	-	-	-	-	63,087	322,189	(400,750)
(2)	(40)	109	1	2	-	-	-	872,208
2	40	93,036	-	-	-	-	-	5,931,716
\$ -	\$ -	\$ 93,145	\$ 1	\$ 2	\$ -	\$ -	\$ -	\$ 6,803,924





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***Mobile Alabama Cruise Terminal***



***GulfQuest National Maritime Museum***

Bank Service Charges – Various Issues  
2006 General Obligation Private Placement Warrants  
2008B & C General Obligation Refunding and Capital Warrants  
2009A General Obligation Refunding Warrants  
2009B General Obligation BAB Capital Taxable Warrants  
2009C General Obligation ARRA Capital Taxable Warrants  
2010 Small Issue Warrants  
2011 General Obligation Private Placement Warrants  
2012 General Obligation Private Placement Warrants  
2016 General Obligation Refunding Warrants  
2016C General Obligation Taxable Warrants  
2017A General Obligation Warrants  
2017B General Obligation Warrants  
2017C General Obligation Warrants  
2017D General Obligation Warrants





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**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**September 30, 2018**

	Bank Serv Chgs-Var Issues	2006 Priv Place Warrants	2008B & C G.O. Ref & Cap Warrants	2009A G.O. Refunding Warrants	2009B G.O. BAB Cap Taxable Warrants	2009C G.O. ARRA Cap Taxable Warrants
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$ 119,639	\$ -	\$ -	\$ 1,300	\$ 955	\$ 680
Restricted cash - capital purchases	-	-	-	-	-	-
Total assets	<u>\$ 119,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ 955</u>	<u>\$ 680</u>
<b>LIABILITIES</b>						
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Restricted						
Debt Service	\$ 119,639	\$ -	\$ -	\$ 1,300	\$ 955	\$ 680
Total fund balances	<u>119,639</u>	<u>-</u>	<u>-</u>	<u>1,300</u>	<u>955</u>	<u>680</u>
Total liabilities and fund balances	<u>\$ 119,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ 955</u>	<u>\$ 680</u>

2010 Small Issue G.O. Warrants	2011 G.O. Priv Place Warrants	2012 G.O. Priv Place Warrants	2016 G.O. Refunding Warrants	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ 10,947	\$ 9,410	\$ 1	\$ 5,405	\$ 4,845	\$ 153,182
-	77	16	-	-	-	-	-	-	93
<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 10,947</u>	<u>\$ 9,410</u>	<u>\$ 1</u>	<u>\$ 5,405</u>	<u>\$ 4,845</u>	<u>\$ 153,275</u>
-	-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 10,947</u>	<u>\$ 9,410</u>	<u>\$ 1</u>	<u>\$ 5,405</u>	<u>\$ 4,845</u>	<u>\$ 153,275</u>
-	77	16	-	10,947	9,410	1	5,405	4,845	153,275
<u>\$ -</u>	<u>\$ 77</u>	<u>\$ 16</u>	<u>\$ -</u>	<u>\$ 10,947</u>	<u>\$ 9,410</u>	<u>\$ 1</u>	<u>\$ 5,405</u>	<u>\$ 4,845</u>	<u>\$ 153,275</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, 2018**

	Bank Serv Chgs-Var Issues	2006 Priv Place Warrants	2008B & C G.O. Ref & Cap Warrants	2009A G.O. Refunding Warrants	2009B G.O. BAB Cap Taxable Warrants	2009C G.O. ARRA Cap Taxable Warrants
<b>REVENUES</b>						
Investment income	\$ 212	\$ 3	\$ -	\$ -	\$ -	\$ -
Other revenue	-	-	-	-	-	-
Total revenues	<u>212</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>						
Debt service:						
Administrative charges	-	-	-	-	-	-
Interest	-	-	293,755	469,159	1,020,018	391,221
Principal retirement	-	-	11,675,000	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>11,968,755</u>	<u>469,159</u>	<u>1,020,018</u>	<u>391,221</u>
Excess (deficiency) of revenues over expenditures	<u>212</u>	<u>3</u>	<u>(11,968,755)</u>	<u>(469,159)</u>	<u>(1,020,018)</u>	<u>(391,221)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	11,968,755	469,300	1,020,150	391,266
Transfers out	(74)	(3,035)	(1)	-	-	-
Total other financing sources (uses)	<u>(74)</u>	<u>(3,035)</u>	<u>11,968,754</u>	<u>469,300</u>	<u>1,020,150</u>	<u>391,266</u>
Net change in fund balances	138	(3,032)	(1)	141	132	45
Fund balances - beginning	119,501	3,032	1	1,159	823	635
Fund balances - ending	<u>\$ 119,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300</u>	<u>\$ 955</u>	<u>\$ 680</u>



2010 Small Issue G.O. Warrants	2011 G.O. Priv Place Warrants	2012 G.O. Priv Place Warrants	2016 G.O. Refunding Warrants	2016C G.O. Taxable Warrants	2017A G.O. Warrants	2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ -	\$ -	\$ 55	\$ 290	\$ -	\$ -	\$ -	\$ 560
-	-	-	-	-	-	-	1	-	1
-	-	-	-	55	290	-	1	-	561
-	60	-	-	-	-	-	-	-	60
-	216,219	-	979,538	548,990	3,126,445	145,121	303,598	952,865	8,446,929
-	1,595,000	-	388,000	-	-	685,000	-	-	14,343,000
-	1,811,279	-	1,367,538	548,990	3,126,445	830,121	303,598	952,865	22,789,989
-	(1,811,279)	-	(1,367,538)	(548,935)	(3,126,155)	(830,121)	(303,597)	(952,865)	(22,789,428)
-	1,811,219	-	1,367,538	559,852	3,135,400	830,121	309,002	957,710	22,820,313
(625)	-	-	-	-	-	-	-	-	(3,735)
(625)	1,811,219	-	1,367,538	559,852	3,135,400	830,121	309,002	957,710	22,816,578
(625)	(60)	-	-	10,917	9,245	-	5,405	4,845	27,150
625	137	16	-	30	165	1	-	-	126,125
\$ -	\$ 77	\$ 16	\$ -	\$ 10,947	\$ 9,410	\$ 1	\$ 5,405	\$ 4,845	\$ 153,275



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## SPECIAL REVENUE FUNDS — NONMAJOR



***Mobile Government Complex***

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





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**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**September 30, 2018**

	Tax Increment Fund	4-Cent Maintenance	5-Cent Roadway Maintenance	7-Cent Roadway Maintenance	Fuel Inspection Fees
<b>ASSETS</b>					
Cash, equity in pooled cash and investments	\$ 12,997,179	\$ 1,685,068	\$ 287,063	\$ -	\$ -
Receivables (net)	-	127,857	62,908	220,177	7,600
Total assets	<u>\$ 12,997,179</u>	<u>\$ 1,812,925</u>	<u>\$ 349,971</u>	<u>\$ 220,177</u>	<u>\$ 7,600</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 32,234	\$ -	\$ -	\$ 27,260	\$ -
Pension employer contributions payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Escrowed funds liability	-	-	-	-	-
Total liabilities	<u>32,234</u>	<u>-</u>	<u>-</u>	<u>27,260</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted					
Grants	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Road and Bridge Construction	-	-	349,971	-	-
Road and Bridge Repair	-	1,812,925	-	192,917	7,600
Committed					
Storm Water	-	-	-	-	-
Tax Increment Program	12,964,945	-	-	-	-
Assigned					
Economic Development	-	-	-	-	-
Municipal Court	-	-	-	-	-
Total fund balances	<u>12,964,945</u>	<u>1,812,925</u>	<u>349,971</u>	<u>192,917</u>	<u>7,600</u>
Total liabilities and fund balances	<u>\$ 12,997,179</u>	<u>\$ 1,812,925</u>	<u>\$ 349,971</u>	<u>\$ 220,177</u>	<u>\$ 7,600</u>

Economic Development Escrow	Drug Enforcement Fund	Court Referral Officers	Municipal Court Judicial Admin	Storm Water Fund	General Activities Grants	Public Safety Grants	Housing & Urban Development Grants	Total Nonmajor Special Revenue Funds
\$ 29,843	\$ 682,627	\$ -	\$ 1,626,101	\$ -	\$ 5,013,072	\$ 1,333,632	\$ -	\$ 23,654,585
-	-	-	-	2,090	421,241	744,966	741,235	2,328,074
<u>\$ 29,843</u>	<u>\$ 682,627</u>	<u>\$ -</u>	<u>\$ 1,626,101</u>	<u>\$ 2,090</u>	<u>\$ 5,434,313</u>	<u>\$ 2,078,598</u>	<u>\$ 741,235</u>	<u>\$ 25,982,659</u>
\$ -	\$ 11,044	\$ -	\$ 2,981	\$ -	\$ 117,319	\$ 120,073	\$ 141,771	\$ 452,682
-	-	-	492	-	8,701	-	5,893	15,086
-	-	-	-	-	768,540	40,676	-	809,216
-	-	-	-	-	-	-	431,318	431,318
-	-	-	-	-	-	-	1,043	1,043
-	11,044	-	3,473	-	894,560	160,749	580,025	1,709,345
-	-	-	-	-	4,539,753	1,917,849	161,210	6,618,812
-	671,583	-	-	-	-	-	-	671,583
-	-	-	-	-	-	-	-	349,971
-	-	-	-	-	-	-	-	2,013,442
-	-	-	-	2,090	-	-	-	2,090
-	-	-	-	-	-	-	-	12,964,945
29,843	-	-	-	-	-	-	-	29,843
-	-	-	1,622,628	-	-	-	-	1,622,628
29,843	671,583	-	1,622,628	2,090	4,539,753	1,917,849	161,210	24,273,314
<u>\$ 29,843</u>	<u>\$ 682,627</u>	<u>\$ -</u>	<u>\$ 1,626,101</u>	<u>\$ 2,090</u>	<u>\$ 5,434,313</u>	<u>\$ 2,078,598</u>	<u>\$ 741,235</u>	<u>\$ 25,982,659</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, 2018**

	Tax Increment Fund	4-Cent Maintenance	5-Cent Roadway Maintenance	7-Cent Roadway Maintenance	Fuel Inspection Fees
<b>REVENUES</b>					
Taxes	\$ 4,392,269	\$ 1,385,573	\$ 681,585	\$ 2,385,548	\$ 83,386
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
State and federal assistance	-	-	-	-	-
Investment income	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>4,392,269</u>	<u>1,385,573</u>	<u>681,585</u>	<u>2,385,548</u>	<u>83,386</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Engineering, development & build Mobile	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	2,762,659	-
Debt service:					
Interest	-	-	-	-	-
Principal retirement	-	-	-	-	-
Capital outlay:					
Capital outlay	1,424,025	-	-	-	-
Total expenditures	<u>1,424,025</u>	<u>-</u>	<u>-</u>	<u>2,762,659</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,968,244</u>	<u>1,385,573</u>	<u>681,585</u>	<u>(377,111)</u>	<u>83,386</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	870,393	-
Transfers out	(1,649,222)	(1,673,076)	(600,000)	(494,305)	(83,234)
Total other financing sources (uses)	<u>(1,649,222)</u>	<u>(1,673,076)</u>	<u>(600,000)</u>	<u>376,088</u>	<u>(83,234)</u>
Net change in fund balances	1,319,022	(287,503)	81,585	(1,023)	152
Fund balances - beginning	11,645,923	2,100,428	268,386	193,940	7,448
Fund balances - ending	<u>\$ 12,964,945</u>	<u>\$ 1,812,925</u>	<u>\$ 349,971</u>	<u>\$ 192,917</u>	<u>\$ 7,600</u>

Economic Development Escrow	Drug Enforcement Fund	Court Referral Officers	Municipal Court Judicial Admin	Storm Water Fund	General Activities Grants	Public Safety Grants	Housing & Urban Development Grants	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 2,090	\$ -	\$ -	\$ -	\$ 8,930,451
-	-	-	-	-	-	8,000	-	8,000
-	185,739	-	212,497	-	-	52,164	-	450,400
-	-	-	-	-	529,856	3,011,404	3,513,896	7,055,156
15	111	-	-	-	-	335	-	461
174	-	-	-	-	-	-	-	174
189	185,850	-	212,497	2,090	529,856	3,071,903	3,513,896	16,444,642
-	-	-	-	-	424,140	-	3,184,125	3,608,265
-	-	-	-	-	357,291	-	-	357,291
-	-	-	-	-	165,206	-	-	165,206
-	264,570	(3,760)	29,327	-	-	3,239,047	-	3,529,184
-	-	-	-	-	962	-	-	2,763,621
-	-	-	-	-	-	-	78,790	78,790
-	-	-	-	-	-	-	285,000	285,000
-	-	-	-	-	-	-	-	1,424,025
-	264,570	(3,760)	29,327	-	947,599	3,239,047	3,547,915	12,211,382
189	(78,720)	3,760	183,170	2,090	(417,743)	(167,144)	(34,019)	4,233,260
-	-	-	-	-	980,483	462,163	600,734	2,913,773
-	-	-	-	-	(30,289)	(69,889)	(600,255)	(5,200,270)
-	-	-	-	-	950,194	392,274	479	(2,286,497)
189	(78,720)	3,760	183,170	2,090	532,451	225,130	(33,540)	1,946,763
29,654	750,303	(3,760)	1,439,458	-	4,007,302	1,692,719	194,750	22,326,551
\$ 29,843	\$ 671,583	\$ -	\$ 1,622,628	\$ 2,090	\$ 4,539,753	\$ 1,917,849	\$ 161,210	\$ 24,273,314



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***Moulton Tower  
University of South Alabama***

Enterprise funds account for activities whose operations are financed and operated in a manner similar to private business operations - where the intent of the City is that the costs of providing goods or services to the general public on a continuing basis is financed or recovered primarily through user charges.

Azalea City Golf Course  
Tennis Center  
Saenger Theater  
Neighborhood Renewal Program



**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2018**

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise Funds
<b>ASSETS</b>					
Current assets:					
Cash, equity in pooled cash and investments	\$ 1,165,135	\$ 600	\$ 1,100	\$ 711,600	\$ 1,878,435
Receivables (net)	8,339	-	-	-	8,339
Inventory & prepaid expenses	31,110	-	93,426	87,582	212,118
Total current assets	1,204,584	600	94,526	799,182	2,098,892
Noncurrent assets:					
Non-depreciable capital assets	-	-	1,457,640	-	1,457,640
Depreciable capital assets, net	2,274,886	63,833	1,705,364	-	4,044,083
Total noncurrent assets	2,274,886	63,833	3,163,004	-	5,501,723
Total assets	3,479,470	64,433	3,257,530	799,182	7,600,615
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	3,479,470	64,433	3,257,530	799,182	7,600,615
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	270,748	19,968	155,919	853	447,488
Pension employer contributions payable	-	6,639	11,746	-	18,385
Unearned revenue	853,058	-	-	-	853,058
Total liabilities	1,123,806	26,607	167,665	853	1,318,931
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	1,123,806	26,607	167,665	853	1,318,931
<b>NET POSITION</b>					
Net investment in capital assets	2,274,886	63,833	3,163,004	-	5,501,723
Unrestricted	80,778	(26,007)	(73,139)	798,329	779,961
Total net position	\$ 2,355,664	\$ 37,826	\$ 3,089,865	\$ 798,329	\$ 6,281,684

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2018**

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 635,158	\$ 192,691	\$ 1,076,801	\$ -	\$ 1,904,650
Facility rent	259,945	-	-	-	259,945
Sales revenue	-	3,000	147,079	28,198	178,277
Concessions	185,523	4,730	-	-	190,253
Other revenue	212,359	840	74	-	213,273
Total operating revenues	<u>1,292,985</u>	<u>201,261</u>	<u>1,223,954</u>	<u>28,198</u>	<u>2,746,398</u>
<b>OPERATING EXPENSES</b>					
Personnel services	985,826	545,760	906,588	-	2,438,174
Commodities	29,825	61,546	190,206	3,267	284,844
Utilities	139,257	75,968	75,193	-	290,418
Professional and technical	127,144	125,133	9,852	6,147	268,276
Maintenance and repairs	3,830	-	12,709	-	16,539
Printing and reproduction	1,157	2,184	1,658	-	4,999
Insurance payments	24,818	-	54,329	-	79,147
Cost of goods sold	-	-	124,519	70,701	195,220
Other charges	37,805	51,364	103,942	2,104	195,215
Depreciation	189,159	3,195	157,304	-	349,658
Total operating expenses	<u>1,538,821</u>	<u>865,150</u>	<u>1,636,300</u>	<u>82,219</u>	<u>4,122,490</u>
Operating loss	<u>(245,836)</u>	<u>(663,889)</u>	<u>(412,346)</u>	<u>(54,021)</u>	<u>(1,376,092)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Loss from disposal of assets	-	-	(6,158)	-	(6,158)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(6,158)</u>	<u>-</u>	<u>(6,158)</u>
Loss before transfers	(245,836)	(663,889)	(418,504)	(54,021)	(1,382,250)
Transfers in	102,031	667,461	292,844	-	1,062,336
Change in net position	(143,805)	3,572	(125,660)	(54,021)	(319,914)
Total net position - beginning	2,499,469	34,254	3,215,525	852,350	6,601,598
Total net position - ending	<u>\$ 2,355,664</u>	<u>\$ 37,826</u>	<u>\$ 3,089,865</u>	<u>\$ 798,329</u>	<u>\$ 6,281,684</u>

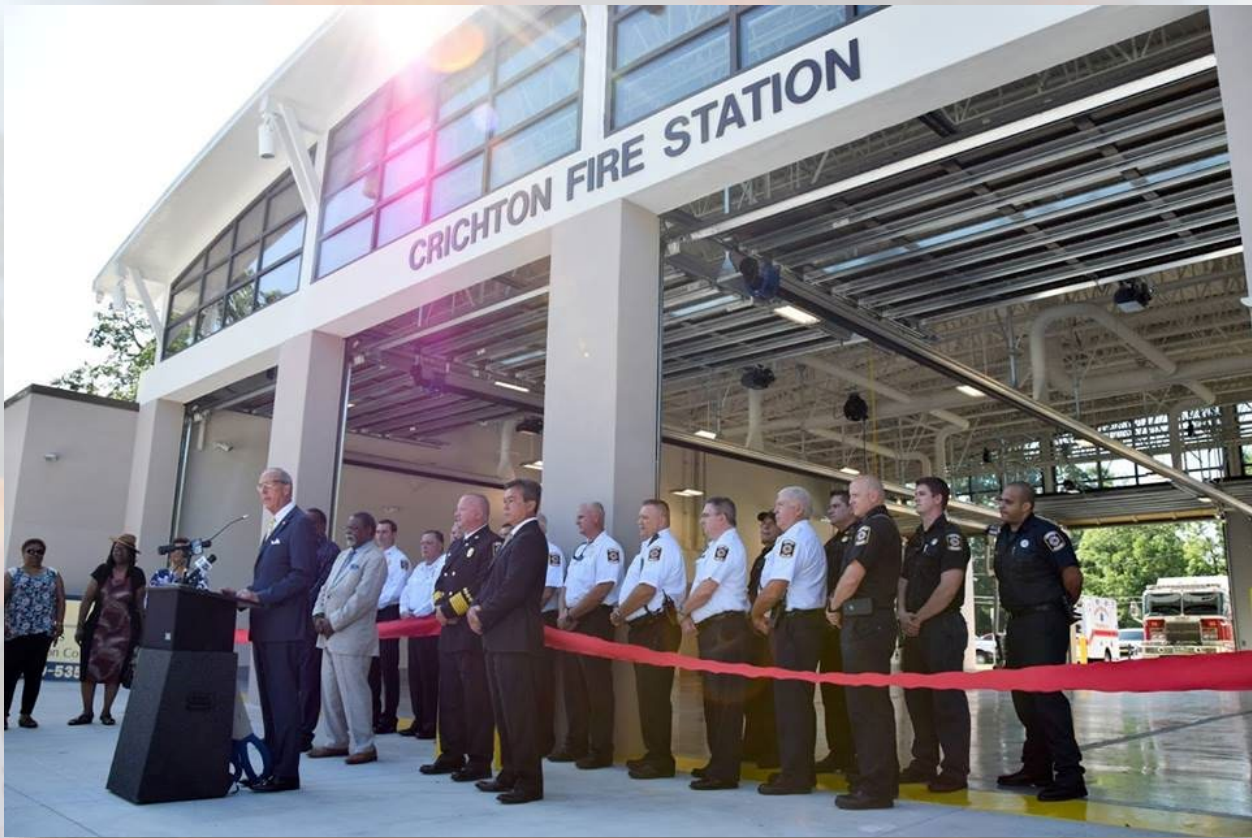


**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2018**

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 635,047	\$ 192,691	\$ 1,076,801	\$ 28,198	\$ 1,932,737
Cash received from sales revenue	-	-	147,079	-	147,079
Cash received from facility & other rent	268,617	3,000	-	-	271,617
Cash received from concessions	185,523	4,730	-	-	190,253
Cash received from miscellaneous	478,675	3,632	74	-	482,381
Cash payments for operating expenses	(333,772)	(320,526)	(484,990)	(37,367)	(1,176,655)
Cash payments for internal services	-	(58,026)	(130,039)	-	(188,065)
Cash payments to employees for services	(985,826)	(482,963)	(774,557)	-	(2,243,346)
Net cash provided (used) by operating activities	248,264	(657,462)	(165,632)	(9,169)	(583,999)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers in from other funds	102,031	667,461	292,844	-	1,062,336
Net cash provided by noncapital financing activities	102,031	667,461	292,844	-	1,062,336
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	(9,999)	(133,276)	-	(143,275)
Proceeds from sale of capital assets	-	-	6,064	-	6,064
Net cash used by capital and related financing activities	-	(9,999)	(127,212)	-	(137,211)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Net cash provided (used) by investing activities	-	-	-	-	-
Net increase (decrease) in cash and cash equivalents	350,295	-	-	(9,169)	341,126
Balances - beginning of year	814,840	600	1,100	720,769	1,537,309
Balances - end of the year	\$ 1,165,135	\$ 600	\$ 1,100	\$ 711,600	\$ 1,878,435
<b>Reconciliation of operating loss to net cash provided (used) by operating activities:</b>					
Operating loss	\$ (245,836)	\$ (663,889)	\$ (412,346)	\$ (54,021)	\$ (1,376,092)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:					
Depreciation	189,159	3,195	157,304	-	349,658
Changes in assets and liabilities:					
Accounts payable - supplier	38,850	(5,618)	102,470	416	136,118
Accounts receivable	8,672	-	-	-	8,672
Inventory and prepaid expenses	(8,897)	-	(20,108)	44,436	15,431
Salaries & benefits payable	-	8,850	7,048	-	15,898
Advance collections	266,316	-	-	-	266,316
Net cash provided (used) by operating activities	\$ 248,264	\$ (657,462)	\$ (165,632)	\$ (9,169)	\$ (583,999)



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***New Fire Station Opened  
May 2018***



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

Motor Pool Fund  
Liability Insurance Fund  
Employee Health Fund



**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2018**

	Motor Pool	Employee Health Plan	Liability Insurance	Total Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 1,229,682	\$ 9,343,787	\$ 755,210	\$ 11,328,679
Receivables (net)	35,496	134,131	-	169,627
Total current assets	1,265,178	9,477,918	755,210	11,498,306
Noncurrent assets:				
Depreciable capital assets, net	34,801,433	-	-	34,801,433
Total noncurrent assets	34,801,433	-	-	34,801,433
Total assets	36,066,611	9,477,918	755,210	46,299,739
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	36,066,611	9,477,918	755,210	46,299,739
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	26,111	625,885	-	651,996
Pension employer contributions payable	2,144	-	-	2,144
Insurance claims payable	-	2,006,700	-	2,006,700
Total current liabilities	28,255	2,632,585	-	2,660,840
Noncurrent liabilities:				
Self-insured legal liability	-	-	638,228	638,228
Total noncurrent liabilities	-	-	638,228	638,228
Total liabilities	28,255	2,632,585	638,228	3,299,068
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	28,255	2,632,585	638,228	3,299,068
<b>NET POSITION</b>				
Net investment in capital assets	34,801,433	-	-	34,801,433
Unrestricted	1,236,923	6,845,333	116,982	8,199,238
Total net position	\$ 36,038,356	\$ 6,845,333	\$ 116,982	\$ 43,000,671

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenditures, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2018**

	Motor Pool	Employee Health Plan	Liability Insurance	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 20,322	\$ 1,335,640	\$ -	\$ 1,355,962
Internal charges	6,975,608	24,613,462	-	31,589,070
Employee contributions	-	6,583,908	-	6,583,908
Retiree drug subsidy	-	31,166	-	31,166
Total operating revenues	<u>6,995,930</u>	<u>32,564,176</u>	<u>-</u>	<u>39,560,106</u>
<b>OPERATING EXPENSES</b>				
Personnel services	144,652	-	-	144,652
Commodities	2,567,436	-	-	2,567,436
Utilities	38,135	-	-	38,135
Professional and technical	-	83,344	1,902,124	1,985,468
Printing and reproduction	4	2,939	-	2,943
Insurance payments	-	25,907,307	-	25,907,307
Increase (decrease) in provision for self-insurance loss	-	(14,900)	(1,003,272)	(1,018,172)
Other charges	121,738	11,616	795,156	928,510
Depreciation	5,633,261	-	-	5,633,261
Total operating expenses	<u>8,505,226</u>	<u>25,990,306</u>	<u>1,694,008</u>	<u>36,189,540</u>
Operating income (loss)	<u>(1,509,296)</u>	<u>6,573,870</u>	<u>(1,694,008)</u>	<u>3,370,566</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Damaged vehicles reimbursement	255,828	-	-	255,828
Gain from disposal of assets	178,344	-	-	178,344
Total nonoperating revenues (expenses)	<u>434,172</u>	<u>-</u>	<u>-</u>	<u>434,172</u>
Income (loss) before contributions and transfers	<u>(1,075,124)</u>	<u>6,573,870</u>	<u>(1,694,008)</u>	<u>3,804,738</u>
Capital grants and contributions	4,394,177	-	-	4,394,177
Transfers in	-	-	2,375,856	2,375,856
Transfers out	-	(2,000,000)	-	(2,000,000)
Change in net position	<u>3,319,053</u>	<u>4,573,870</u>	<u>681,848</u>	<u>8,574,771</u>
Total net position - beginning	<u>32,719,303</u>	<u>2,271,463</u>	<u>(564,866)</u>	<u>34,425,900</u>
Total net position - ending	<u>\$ 36,038,356</u>	<u>\$ 6,845,333</u>	<u>\$ 116,982</u>	<u>\$ 43,000,671</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2018**

	Motor Pool	Employee Health Plan	Liability Insurance	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ 20,322	\$ 1,494,483	\$ -	\$ 1,514,805
Cash received from internal billings	6,975,608	24,613,462	-	31,589,070
Cash received from employee contributions	-	6,583,908	-	6,583,908
Cash payments for operating expenses	(3,079,549)	(97,900)	(2,697,980)	(5,875,429)
Cash payments for insurance claims	-	(25,727,800)	-	(25,727,800)
Cash payments to employees for services	(143,904)	-	-	(143,904)
Net cash provided (used) by operating activities	<u>3,772,477</u>	<u>6,866,153</u>	<u>(2,697,980)</u>	<u>7,940,650</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in from other funds	-	-	2,375,856	2,375,856
Transfers out to other funds	-	(2,000,000)	-	(2,000,000)
Retiree drug subsidy	-	31,166	-	31,166
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(1,968,834)</u>	<u>2,375,856</u>	<u>407,022</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(7,294,137)	-	-	(7,294,137)
Proceeds from sale of capital assets	669,316	-	-	669,316
Reimbursement for damaged vehicles	228,462	-	-	228,462
Net cash used by capital and related financing activities	<u>(6,396,359)</u>	<u>-</u>	<u>-</u>	<u>(6,396,359)</u>
Net increase (decrease) in cash and cash equivalents	(2,623,882)	4,897,319	(322,124)	1,951,313
Balances - beginning of year	3,853,564	4,446,468	1,077,334	9,377,366
Balances - end of the year	<u>\$ 1,229,682</u>	<u>\$ 9,343,787</u>	<u>\$ 755,210</u>	<u>\$ 11,328,679</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (1,509,296)	\$ 6,573,870	\$ (1,694,008)	\$ 3,370,566
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	5,633,261	-	-	5,633,261
Non-capital financing cash flow included in operating income	-	(31,166)	-	(31,166)
Changes in assets and liabilities:				
Accounts payable - supplier	(352,236)	179,506	-	(172,730)
Accounts receivable	-	158,843	-	158,843
Self-insurance liability	-	(14,900)	(1,003,272)	(1,018,172)
Insurance claims payable	-	-	(700)	(700)
Salaries & benefits payable	748	-	-	748
Net cash provided (used) by operating activities	<u>\$ 3,772,477</u>	<u>\$ 6,866,153</u>	<u>\$ (2,697,980)</u>	<u>\$ 7,940,650</u>





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## OTHER SUPPLEMENTARY INFORMATION



***Supplier Diversity Outreach  
City of Mobile Procurement Department***

Other Supplementary Information

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



**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, 2018**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Taxes				
Property				
Real estate	\$ 15,000,000	\$ 15,000,000	\$ 15,835,755	\$ 835,755
Motor vehicle	1,634,237	1,634,237	1,572,247	(61,990)
Sales and use				
Sales tax - City	131,072,015	131,072,015	138,047,399	6,975,384
Sales tax - Police Jurisdiction	8,375,253	8,375,253	8,959,959	584,706
Sellers use tax	194,497	194,497	1,354,534	1,160,037
Lease/rental - City	5,687,507	5,687,507	5,631,394	(56,113)
Lease/rental - Police Jurisdiction	254,403	254,403	256,767	2,364
Room tax - City	4,128,344	4,128,344	5,191,049	1,062,705
Room tax - Police Jurisdiction	15,703	15,703	12,202	(3,501)
Motor vehicle rental - City	1,283,281	1,283,281	1,307,264	23,983
Motor vehicle rental - Police Jurisdiction	20,198	20,198	383	(19,815)
Selective sales and use				
Motor fuel				
Regular - City	2,429,512	2,429,512	2,643,453	213,941
Regular - Police Jurisdiction	708,422	708,422	835,103	126,681
County equalization	435,222	435,222	256,683	(178,539)
Alcoholic beverages				
Liquor - City	628,033	628,033	706,612	78,579
Liquor - Police Jurisdiction	21,252	21,252	27,996	6,744
Liquor - ABC Board	223,090	223,090	213,012	(10,078)
Table Wine	179,260	179,260	193,273	14,013
Beer	1,179,229	1,179,229	1,024,341	(154,888)
Other				
Cigarette stamp tax	1,833,717	1,833,717	1,429,212	(404,505)
Other tobacco tax - City	403,280	403,280	692,675	289,395
Other tobacco tax - Police Jurisdiction	26,415	26,415	34,663	8,248
Business privilege tax	282,884	282,884	287,143	4,259
Other tax revenue	631,664	631,664	991,732	360,068
Total taxes	176,647,418	176,647,418	187,504,851	10,857,433
Licenses and permits				
Business licenses - City	33,867,419	33,867,419	33,045,515	(821,904)
Business licenses - Police Jurisdiction	2,088,783	2,088,783	2,136,893	48,110
Motor vehicle licenses	643,735	643,735	635,978	(7,757)
Dog licenses	16,388	16,388	10,926	(5,462)
Alarm ordinance permits	180,990	180,990	208,750	27,760
Total licenses and permits	36,797,315	36,797,315	36,038,062	(759,253)
Intergovernmental				
Alcoholic Beverage Control Board	72,286	72,286	54,044	(18,242)
Mobile County Racing Commission	5,918	5,918	-	(5,918)
Total intergovernmental	78,204	78,204	54,044	(24,160)

**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, 2018**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Charges for services				
Health				
Lot cleaning	18,904	18,904	38,846	19,942
Building demolition fee	33,624	33,624	41,478	7,854
Animal shelter	25,621	25,621	16,114	(9,507)
Recycling Fees	80,276	80,276	7,255	(73,021)
Public safety				
Inspection	1,416,042	1,416,042	1,663,653	247,611
Fire plan review fee	58,410	58,410	66,130	7,720
Police and fire	535,346	535,346	555,272	19,926
Engineering	508,235	508,235	746,858	238,623
Parking meter and management fees	263,535	263,535	250,000	(13,535)
County sales tax collection fee	-	-	-	-
Property rental	67,877	67,877	88,804	20,927
Franchise fees - miscellaneous	2,999,482	2,999,482	2,669,238	(330,244)
Parks and recreation fees	237,256	237,256	139,268	(97,988)
Vacation of ROW fee	100	100	263	163
Other	4,060	4,060	6,048	1,988
Total charges for services	6,248,768	6,248,768	6,289,227	40,459
Fines and forfeitures				
Municipal offense fines	26,488	26,488	7,902	(18,586)
Police fines	540,000	540,000	511,971	(28,029)
Driver's education	238,116	238,116	185,009	(53,107)
Bond forfeitures	8,465	8,465	61,379	52,914
Court costs	285,407	285,407	195,196	(90,211)
DA Restitution Unit collection fees	58,298	58,298	82,346	24,048
Corrections fund	630,657	630,657	580,082	(50,575)
Alarm ordinance fines	42,257	42,257	25,415	(16,842)
Municipal court administrative fee	111,272	111,272	129,765	18,493
Probation fees	106,043	106,043	136,236	30,193
Total fines and forfeitures	2,047,003	2,047,003	1,915,301	(131,702)
State and federal assistance	116,560	116,560	65,628	(50,932)
Investment income				
Investment of idle funds	153,545	153,545	504,740	351,195
Interest on receivables	-	-	-	-
Dividend income	7,743	7,743	4,734	(3,009)
Total investment income	161,288	161,288	509,474	348,186
Other revenue				
Athletic fund	-	-	63,625	63,625
Miscellaneous	238,237	238,237	697,726	459,489
Total other revenue	238,237	238,237	761,351	523,114
Total revenues	\$ 222,334,793	\$ 222,334,793	\$ 233,137,938	\$ 10,803,145

**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, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	\$ 4,288	\$ 4,288	\$ 47	(4,241)
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	547,299	547,299	494,305	(52,994)
From Fuel Inspection Fees Special Revenue Fund	83,244	83,244	83,234	(10)
From Capital Improvements Fund	1,340,200	1,340,200	1,313,395	(26,805)
From Cruise Terminal Fund	5,800,000	5,800,000	5,800,000	-
From Health Plan Internal Service Fund	2,000,000	2,000,000	2,000,000	-
From WAVE Transit	-	-	898,849	898,849
Total operating transfers in	10,370,743	10,370,743	11,189,783	819,040
Operating transfers out				
To Capital Improvement Fund	-	(563,264)	(563,265)	(1)
To 7-Cent Roadway Maintenance Fund	(650,000)	(650,000)	(870,393)	(220,393)
To Grant Administration Funds	(905,000)	(932,479)	(880,401)	52,078
To Civic Center Enterprise Fund	(1,135,300)	(1,135,300)	(1,258,127)	(122,827)
To WAVE Transit Enterprise Fund	(5,618,477)	(5,618,477)	(6,517,325)	(898,848)
To Emergency Medical Services Enterprise Fund	(3,771,396)	(3,960,396)	(3,997,575)	(37,179)
To Tennis Center Enterprise Fund	(649,268)	(649,268)	(667,461)	(18,193)
To Saenger Theater Enterprise Fund	(50,000)	(50,000)	(102,031)	(52,031)
To Azalea City Golf Course Enterprise Fund	(311,626)	(311,626)	(292,844)	18,782
To Liability Insurance Internal Service Fund	(2,375,856)	(2,375,856)	(2,375,856)	-
Total operating transfers out	(15,466,923)	(16,246,666)	(17,525,278)	(1,278,612)
Total other financing sources (uses)	\$ (5,091,892)	\$ (5,871,635)	\$ (6,335,448)	\$ (463,813)

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE**  
**For the year ended September 30, 2018**

	Interest Rates Percent	Interest Payment Dates	Issue Dates	Final Maturity Date	Serial Payments
2008B General Obligation Refunding and Improvement Warrants	4.0-4.66%	2/15-8/15	7/24/08	2/15/20	Semi-annual interest payments with annual principal payments ranging from \$3,160,000 to \$11,285,000
2008C (AMT) General Obligation Improvement Warrants	4.0-4.83%	2/15-8/15	7/24/08	2/15/30	Semi-annual interest payments with annual principal payments ranging from \$715,000 to \$845,000
2009A General Obligation Refunding Warrants	3.0-5.0%	2/15-8/15	12/9/09	2/15/28	Semi-annual interest payments with annual principal payments ranging from \$60,000 to \$7,730,000
2009B General Obligation Build America Warrants (Taxable)	6.085%	2/15-8/15	12/9/09	2/15/30	Semi-annual interest payments with annual principal payments ranging from \$3,320,000 to \$9,380,000
2009C General Obligation Recovery Zone Economic Development Warrants	6.085%	2/15-8/15	12/9/09	2/15/30	Semi-annual interest payments with a lump sum principal payment in the amount of \$6,430,000
2011 General Obligation Private Placement Warrants	2.84%	2/15-8/15	7/20/11	2/15/26	Semi-annual interest payments with annual principal payments ranging from \$640,000 to \$2,040,000
2016 General Obligation Refunding Warrants	4.5-5.0%	2/15-8/15	2/11/16	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$29,979 to \$521,595
2016C General Obligation Warrants, Taxable	5.4-5.5%	2/15-8/15	12/29/16	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$715,000 to \$1,825,000
2017A General Obligation Warrants, Tax-Exempt	3.0-5.0%	2/15-8/15	2/15/17	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$6,095,000 to \$8,250,000
2017B General Obligation Warrants, Tax-Exempt	3.0-4.0%	2/15-8/15	2/15/17	2/15/23	Semi-annual interest payments with semi- annual principal payments ranging from \$685,000 to \$805,000
2017C General Obligation Warrants, Tax-Exempt	5.0%	2/15-8/15	12/6/17	2/15/20	Semi-annual interest payments with semi- annual principal payments ranging from \$4,355,000 to \$4,580,000
2017D General Obligation Warrants, Taxable	2.4-3.12%	2/15-8/15	12/6/17	2/15/28	Semi-annual interest payments with semi- annual principal payments ranging from \$3,715,000 to \$8,745,000
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 (E.D. Center)	3.56%	2/1-8/1	4/28/99	8/1/18	Semi-annual interest payments with annual principal payments ranging from \$30,000 To \$140,000
Note payable to Bank of New York Mellon (Library)	2.70%	2/1-8/1	9/14/06	8/1/25	Semi-annual interest payments with annual principal payments ranging from \$105,000 To \$200,000

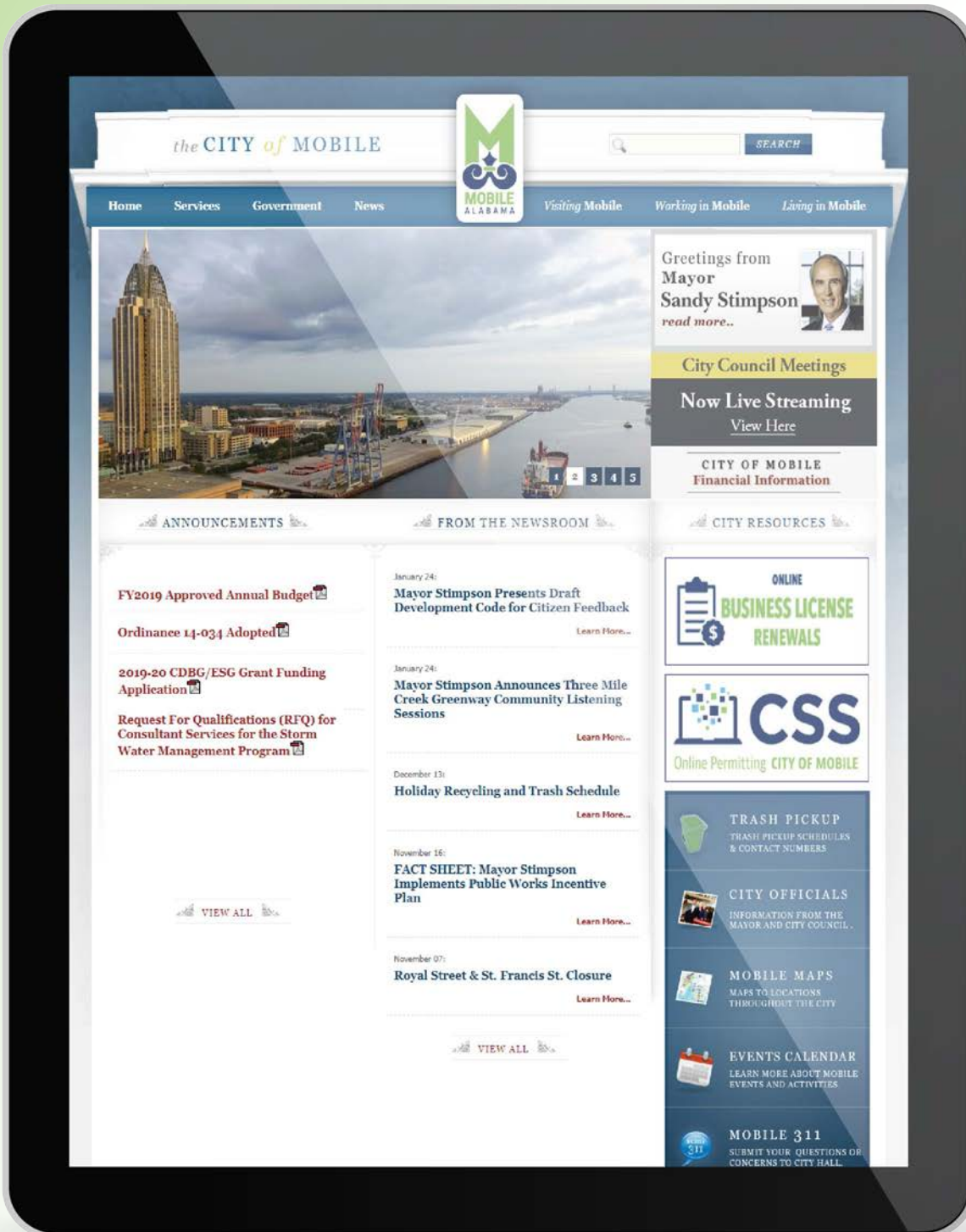
**TOTAL**



Original Amount of Issue	Balance September 30, 2017	Year Ended September 30, 2018 Issued	Year Ended September 30, 2018 Refunded	Year Ended September 30, 2018 Retired	Balance September 30, 2018	Interest for Year Ended September 2018
69,295,000	19,940,000	-	9,205,000	10,735,000	-	268,375
22,095,000	940,000	-	-	940,000	-	25,380
56,380,000	55,850,000	-	45,925,000	-	9,925,000	469,160
16,765,000	16,765,000	-	-	-	16,765,000	1,020,019
6,430,000	6,430,000	-	-	-	6,430,000	391,220
13,715,000	8,300,000	-	-	1,595,000	6,705,000	216,219
39,402,000	38,014,000	-	-	388,000	37,626,000	979,538
17,735,000	17,735,000	-	-	-	17,735,000	548,989
64,610,000	64,610,000	-	-	-	64,610,000	3,126,445
4,430,000	4,430,000	-	-	685,000	3,745,000	145,121
8,935,000	-	8,935,000	-	-	8,935,000	303,598
48,770,000	-	48,770,000	-	-	48,770,000	952,865
1,275,000	505,000	-	-	90,000	415,000	10,248
1,440,000	140,000	-	-	140,000	-	2,478
2,695,000	1,365,000	-	-	145,000	1,220,000	76,312
<b>\$ 373,972,000</b>	<b>\$ 235,024,000</b>	<b>\$ 57,705,000</b>	<b>\$ 55,130,000</b>	<b>\$ 14,718,000</b>	<b>\$ 222,881,000</b>	<b>\$ 8,535,967</b>



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**CITY OF MOBILE, ALABAMA**  
**STATISTICAL SECTION**

This part of the City of Mobile's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and wellbeing have changed over time.</i>	143
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's local resources.</i>	153
Debt Capacity	
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Demographic and Economic Information	
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<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	172

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

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

	Fiscal Year			
	2018	2017	2016	2015
<b>Governmental activities</b>				
Net investment in capital assets	\$ 463,460,102	\$ 466,796,768	\$ 417,251,471	\$ 401,397,005
Restricted	28,640,056	25,668,707	24,152,958	21,295,974
Unrestricted	(223,182,102)	(298,582,917)	(278,066,055)	(282,832,642)
Total governmental net position	<u>\$ 268,918,056</u>	<u>\$ 193,882,558</u>	<u>\$ 163,338,374</u>	<u>\$ 139,860,337</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 83,820,996	\$ 86,872,399	\$ 90,229,705	\$ 92,885,644
Unrestricted	(700,561)	1,545,787	458,089	(1,914,572)
Total business-type net position	<u>\$ 83,120,435</u>	<u>\$ 88,418,186</u>	<u>\$ 90,687,794</u>	<u>\$ 90,971,072</u>
<b>Primary governmental</b>				
Net investment in capital assets	\$ 547,281,098	\$ 553,669,167	\$ 507,481,176	\$ 494,282,649
Restricted	28,640,056	25,668,707	24,152,958	21,295,974
Unrestricted	(223,882,663)	(297,037,130)	(277,607,966)	(284,747,214)
Total primary governmental net position	<u>\$ 352,038,491</u>	<u>\$ 282,300,744</u>	<u>\$ 254,026,168</u>	<u>\$ 230,831,409</u>

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 372,032,993	\$ 366,741,756	\$ 360,178,198	\$ 350,323,247	\$ 352,295,866	\$ 360,784,525
95,217,446	93,283,087	97,600,533	95,803,612	92,363,209	82,012,164
(161,252,000)	(157,937,778)	(126,055,943)	(90,121,806)	(81,290,372)	(62,583,863)
<u>\$ 305,998,439</u>	<u>\$ 302,087,065</u>	<u>\$ 331,722,788</u>	<u>\$ 356,005,053</u>	<u>\$ 363,368,703</u>	<u>\$ 380,212,826</u>
\$ 97,964,060	\$ 101,563,121	\$ 101,478,517	\$ 102,867,788	\$ 105,870,417	\$ 104,970,172
6,820,494	10,284,211	4,634,952	6,145,132	5,217,216	(1,392,389)
<u>\$ 104,784,554</u>	<u>\$ 111,847,332</u>	<u>\$ 106,113,469</u>	<u>\$ 109,012,920</u>	<u>\$ 111,087,633</u>	<u>\$ 103,577,783</u>
\$ 469,997,053	\$ 468,304,877	\$ 461,656,715	\$ 453,191,035	\$ 458,166,283	\$ 465,754,697
95,217,446	93,283,087	97,600,533	95,803,612	92,363,209	82,012,164
(154,431,506)	(147,653,567)	(121,420,991)	(83,976,674)	(76,073,156)	(63,976,252)
<u>\$ 410,782,993</u>	<u>\$ 413,934,397</u>	<u>\$ 437,836,257</u>	<u>\$ 465,017,973</u>	<u>\$ 474,456,336</u>	<u>\$ 483,790,609</u>



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

	Fiscal Year			
	2018	2017	2016	2015
<b>Expenses</b>				
Governmental activities:				
General government	\$ 49,876,175	\$ 57,338,003	\$ 71,077,484	\$ 71,599,115
Culture and recreation	24,667,442	25,120,318	24,346,459	25,423,325
Economic development	933,158	1,128,267	1,058,324	1,339,289
Engineering, development & build Mobile	15,460,518	15,477,038	15,562,782	-
Finance	6,324,506	6,184,239	5,792,949	5,905,306
Public safety	117,810,593	118,270,320	108,777,473	102,625,577
Public works	38,135,993	36,948,205	32,182,584	39,454,462
Interest on long-term debt	8,015,023	10,956,824	12,523,734	13,222,630
Total governmental activities expenses	<u>261,223,408</u>	<u>271,423,214</u>	<u>271,321,789</u>	<u>259,569,704</u>
Business-type activities:				
Azalea City Golf Course	1,642,458	1,595,699	1,602,676	1,573,881
Civic Center	3,644,260	3,539,260	3,794,184	3,675,513
Convention Center	8,671,027	8,433,850	9,078,055	8,543,558
Cruise Terminal	2,929,012	2,610,198	1,092,752	1,028,171
Emergency Medical Services	13,452,009	5,163,686	5,796,418	5,392,697
Mobile Tennis Center	865,150	793,795	761,823	781,819
Neighborhood Renewal Program	82,219	10,560	11,467	14,334
Parking Garage	228,529	234,118	237,596	239,667
Saenger Theater	1,538,821	1,009,011	881,566	843,474
Wave Transit System	12,083,817	11,645,426	12,169,978	11,857,903
Total business-type activities expenses	<u>45,137,302</u>	<u>35,035,603</u>	<u>35,426,515</u>	<u>33,951,017</u>
Total primary government expenses	<u>\$ 306,360,710</u>	<u>\$ 306,458,817</u>	<u>\$ 306,748,304</u>	<u>\$ 293,520,721</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services				
General government	49,800,454	49,688,127	50,160,158	50,060,635
Culture and recreation	228,072	281,967	302,707	525,844
Engineering, development & build Mobile	2,417,052	1,922,408	1,601,395	-
Public safety	3,884,100	4,547,998	4,505,318	5,141,753
Public works	7,255	33,027	-	562,397
Operating grants and contributions	7,089,334	6,659,324	9,029,824	6,158,691
Capital grants and contributions	1,714,304	2,928,157	3,518,998	19,279,163
Total governmental activities program revenues	<u>65,140,571</u>	<u>66,061,008</u>	<u>69,118,400</u>	<u>81,728,483</u>
Business-type activities:				
Charges for services				
Azalea City Golf Course	1,223,954	1,263,235	1,275,404	1,304,713
Civic Center	2,087,435	1,891,198	2,367,738	2,028,805
Convention Center	2,634,263	2,318,069	2,588,337	2,122,764
Cruise Terminal	6,307,190	5,312,115	141,063	346,635
Emergency Medical Services	9,974,678	3,696,227	3,882,158	4,227,342
Mobile Tennis Center	201,261	246,033	260,707	270,386
Neighborhood Renewal/Affordable Homes Program	28,198	11,181	100,278	28,287
Parking Garage	432,563	390,964	402,268	405,092
Saenger Theater	1,292,985	715,930	566,731	530,969
Wave Transit System	968,036	1,015,020	1,048,474	1,164,788
Operating grants and contributions	3,753,467	1,937,095	3,308,904	3,502,088
Capital grants and contributions	546,292	270,091	1,157,458	488,423
Total business-type activities program revenues	<u>29,450,322</u>	<u>19,067,158</u>	<u>17,099,520</u>	<u>16,420,292</u>
Total primary government program revenues	<u>\$ 94,590,893</u>	<u>\$ 85,128,166</u>	<u>\$ 86,217,920</u>	<u>\$ 98,148,775</u>
<b>Net (Expense) Revenue</b>				
Government activities	\$ (196,082,837)	\$ (205,362,206)	\$ (202,203,389)	\$ (177,841,221)
Business-type activities	(15,686,980)	(15,968,445)	(18,326,995)	(17,530,725)
Total primary government net expense	<u>\$ (211,769,817)</u>	<u>\$ (221,330,651)</u>	<u>\$ (220,530,384)</u>	<u>\$ (195,371,946)</u>

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 78,626,293	\$ 89,601,242	\$ 74,952,084	\$ 82,670,334	\$ 84,138,439	\$ 98,695,339
24,192,649	24,345,756	23,928,393	25,262,720	19,665,980	20,373,562
1,175,960	1,271,271	975,841	1,299,046	2,802,701	1,429,622
-	-	-	-	-	-
5,886,971	5,313,958	5,325,800	5,509,037	5,791,514	6,823,212
115,054,082	116,799,647	109,210,514	108,344,311	101,844,933	107,158,818
41,782,266	41,980,768	42,860,205	43,316,969	44,867,891	45,892,056
14,123,164	14,531,680	14,880,418	15,119,170	14,120,058	15,717,193
280,841,385	293,844,322	272,133,255	281,521,587	273,231,516	296,089,802
1,533,543	1,545,563	1,428,306	1,619,823	1,452,509	1,518,478
3,581,709	3,562,838	3,523,551	3,758,785	4,506,235	3,685,566
9,674,772	8,525,656	8,415,212	9,800,672	8,977,037	10,981,125
1,143,905	1,303,494	1,045,826	3,689,985	527,408	415,494
7,477,075	6,795,760	6,385,225	6,113,101	5,430,599	5,478,439
707,450	639,725	602,193	612,999	560,212	509,708
18,987	1,408	25,141	16,710	5,143	7,875
285,324	228,298	280,776	251,674	275,939	270,307
889,736	259,127	-	-	-	-
12,134,216	11,551,094	12,369,217	11,579,865	10,620,087	10,812,366
37,446,717	34,412,963	34,075,447	37,443,614	32,355,169	33,679,358
\$ 318,288,102	\$ 328,257,285	\$ 306,208,702	\$ 318,965,201	\$ 305,586,685	\$ 329,769,160
51,222,299	48,203,217	48,142,712	49,664,462	49,218,621	13,394,552
437,059	525,468	458,196	412,487	453,870	537,176
-	-	-	-	-	-
5,841,687	6,282,468	5,652,106	5,769,616	5,931,428	41,261,597
430,550	654,746	296,647	306,793	325,592	267,731
6,937,239	9,032,116	5,984,128	5,595,180	12,691,226	1,938,788
2,525,315	5,105,011	14,496,855	6,957,112	4,520,212	4,647,220
67,394,149	69,803,026	75,030,644	68,705,650	73,140,949	62,047,064
1,344,965	1,339,025	1,348,748	1,341,283	1,340,499	1,509,422
2,031,222	1,960,052	1,938,375	2,188,484	2,094,485	1,754,181
2,204,743	1,969,680	1,902,004	3,231,603	4,766,976	3,576,172
206,892	771,780	291,867	5,709,263	2,579,507	1,058,523
2,189,244	2,149,941	2,927,822	2,794,810	2,487,710	2,425,990
261,450	214,030	211,361	214,112	161,321	78,687
53,884	-	-	71,967	-	-
400,957	410,482	414,799	417,518	408,137	411,804
542,724	200,270	-	-	-	-
1,136,104	1,115,896	984,645	1,021,023	1,086,131	1,027,542
3,412,216	2,910,578	2,429,300	354,918	7,789,433	3,330,363
848,317	1,275,691	4,142,259	4,233,881	-	-
14,632,718	14,317,425	16,591,180	21,578,862	22,714,199	15,172,684
\$ 82,026,867	\$ 84,120,451	\$ 91,621,824	\$ 90,284,512	\$ 95,855,148	\$ 77,219,748
\$ (213,447,236)	\$ (224,041,296)	\$ (197,102,611)	\$ (212,815,937)	\$ (200,090,567)	\$ (234,042,738)
(22,813,999)	(20,095,538)	(17,484,267)	(15,864,752)	(9,640,970)	(18,506,674)
\$ (236,261,235)	\$ (244,136,834)	\$ (214,586,878)	\$ (228,680,689)	\$ (209,731,537)	\$ (252,549,412)

(continued)

	Fiscal Year			
	2018	2017	2016	2015
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Real and personal property tax	21,800,271	21,054,534	19,241,503	18,293,200
Sales tax	186,851,875	179,364,687	179,817,467	178,536,073
Gasoline tax	10,497,553	10,535,475	10,471,152	10,113,784
Room tax	6,984,611	6,366,006	5,916,535	5,653,761
Beer and liquor tax	2,165,235	2,111,186	2,154,493	2,100,653
Rental and leasing tax	9,536,273	9,342,202	9,465,186	9,220,699
Cigarette stamp tax	1,429,212	1,727,163	1,701,496	1,743,039
Other tobacco tax	727,337	453,701	452,886	480,735
Financial excise tax	905,789	746,838	560,580	382,673
Other tax revenue	375,176	372,052	357,022	418,363
Grants and contributions not restricted to a specific program	-	-	-	-
Investment earnings	513,561	204,090	135,751	63,943
Other	2,667,025	3,723,468	9,633,119	6,901,008
Capital contributions	-	-	-	-
Transfers	1,390,034	(1,885,988)	(5,284,854)	(3,885,039)
Total governmental activities	<u>245,843,952</u>	<u>234,115,414</u>	<u>234,622,336</u>	<u>230,022,892</u>
Business-type activities:				
Sales tax	9,874,297	9,874,297	9,995,087	9,660,595
Room tax	1,903,676	1,903,676	1,965,763	1,879,914
Investment earnings	1,290	1,936	1,954	1,690
Other	-	32,941	340	-
Transfers	(1,390,034)	1,885,988	5,284,854	3,885,039
Total business-type activities	<u>10,389,229</u>	<u>13,698,838</u>	<u>17,247,998</u>	<u>15,427,238</u>
Total primary government	<u>\$ 256,233,181</u>	<u>\$ 247,814,252</u>	<u>\$ 251,870,334</u>	<u>\$ 245,450,130</u>
<b>Change in Net Position</b>				
Government activities	\$ 49,761,115	\$ 28,753,208	\$ 32,418,947	\$ 52,181,671
Business-type activities	(5,297,751)	(2,269,607)	(1,078,997)	(2,103,487)
Total primary government	<u>\$ 44,463,364</u>	<u>\$ 26,483,601</u>	<u>\$ 31,339,950</u>	<u>\$ 50,078,184</u>

Fiscal Year					
2014	2013	2012	2011	2010	2009
17,130,837	16,364,039	16,262,921	16,093,899	16,077,830	15,969,310
171,549,434	163,725,091	133,215,345	163,405,226	141,825,022	132,218,742
9,474,098	9,499,092	9,680,455	10,115,711	10,213,140	7,735,285
5,389,031	5,182,775	5,003,180	5,092,514	6,040,106	4,795,120
2,025,855	2,078,693	2,031,634	2,005,816	2,196,467	2,137,149
8,497,843	8,015,194	6,309,404	6,080,474	5,699,115	4,104,708
1,815,029	1,993,093	2,200,090	2,234,211	2,370,001	2,253,663
442,344	432,831	411,392	459,774	462,814	455,907
399,417	363,317	147,964	77,098	79,224	1,320,726
366,789	87,364	71,835	114,016	105,055	4,554,032
348,437	-	-	-	-	-
72,025	94,013	283,034	337,496	301,434	1,009,662
7,500,929	1,766,581	1,409,680	3,122,939	2,239,320	6,298,450
-	-	-	-	2,417,423	105,130,798
(4,969,603)	(15,212,065)	(4,206,588)	(3,686,887)	(6,780,507)	(5,027,942)
220,042,465	194,390,018	172,820,346	205,452,287	183,246,444	282,955,610
8,985,838	8,894,386	8,715,107	8,395,672	8,378,986	7,974,021
1,790,951	1,722,185	1,662,898	1,685,196	1,997,710	1,568,826
4,829	763	223	4,576	3,321	16,563
-	-	-	17,708	(9,704)	155,907
4,969,603	15,212,065	4,206,588	3,686,887	6,780,507	5,027,942
15,751,221	25,829,399	14,584,816	13,790,039	17,150,820	14,743,259
\$ 235,793,686	\$ 220,219,417	\$ 187,405,162	\$ 219,242,326	\$ 200,397,264	\$ 297,698,869
\$ 6,595,229	\$ (29,651,278)	\$ (24,282,265)	\$ (7,363,650)	\$ (16,844,123)	\$ 48,912,872
(7,062,778)	5,733,861	(2,899,451)	(2,074,713)	7,509,850	(3,763,415)
\$ (467,549)	\$ (23,917,417)	\$ (27,181,716)	\$ (9,438,363)	\$ (9,334,273)	\$ 45,149,457

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

	Fiscal Year			
	2018	2017	2016	2015
<b>General Fund</b>				
Reserved				
General Fund Encumbrances	\$ -	\$ -	\$ -	\$ -
Grants	-	-	-	-
Law Enforcement	-	-	-	-
Long-term receivables	-	-	-	-
Unreserved, reported in				
General Fund	-	-	-	-
Nonspendable				
Inventory	2,493,996	2,232,695	2,781,282	2,602,208
Prepaid items	15,616	19,164	10,000	10,000
Long-term receivables	-	-	-	-
Restricted				
Grants	-	-	-	-
Law Enforcement	-	-	-	-
Assigned				
Athletic Fund	89,048	60,817	64,832	67,643
Designated and Donated Funds	1,224,313	1,159,818	1,117,574	1,018,844
General Fund Encumbrances	2,247,767	1,276,727	964,058	1,238,624
Municipal Court	-	-	-	-
Unassigned	37,935,527	23,909,739	29,753,581	37,421,124
Total general fund	<u>44,006,267</u>	<u>28,658,960</u>	<u>34,691,327</u>	<u>42,358,443</u>
<b>All other governmental funds</b>				
Reserved				
Economic Development	-	-	-	-
Encumbrances	-	-	-	-
Road and Bridge Construction	-	-	-	-
Road and Bridge Repair	-	-	-	-
Unreserved, reported in				
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Restricted				
Capital Projects	6,719,870	5,847,704	6,762,073	11,237,290
Debt Service	153,275	126,125	131,469	382,829
Grants	6,618,812	5,894,771	5,632,013	1,897,365
Law Enforcement	671,583	750,303	168,455	336,459
Road and Bridge Construction	349,971	268,386	186,373	110,735
Road and Bridge Repair	2,013,442	2,301,816	2,356,683	1,460,134
Committed				
Capital Improvements Fund	-	-	-	-
Flood Management	84,054	84,012	83,970	83,928
Storm Water	2,090	-	-	-
Strategic Plan Fund	-	-	-	-
Tax Increment Program	12,964,945	11,645,923	9,709,410	10,365,142
Assigned				
Capital Improvements Fund	66,559,834	58,617,483	59,340,935	33,049,858
Economic Development	29,843	29,654	28,460	27,043
Municipal Court	1,622,628	1,435,698	1,465,380	1,348,629
Strategic Plan Fund	-	-	-	10,154,041
Unassigned	-	-	-	-
Total other governmental funds	<u>97,790,347</u>	<u>87,001,875</u>	<u>85,865,221</u>	<u>70,453,453</u>
Total governmental funds	<u>\$ 141,796,614</u>	<u>\$ 115,660,835</u>	<u>\$ 120,556,548</u>	<u>\$ 112,811,896</u>

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

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ -	\$ 823,219	\$ 1,034,392
-	-	-	-	2,472,910	2,467,570
-	-	-	-	779,310	670,839
-	-	-	-	1,360,000	1,580,000
-	-	-	-	8,444,256	(1,266,959)
2,301,354	2,241,159	2,389,694	2,244,640	-	-
10,000	10,000	10,000	10,000	-	-
-	-	865,000	1,125,000	-	-
-	1,993,528	2,169,963	3,826,585	-	-
-	475,460	678,883	720,801	-	-
51,475	67,165	55,037	78,452	-	-
931,962	871,274	918,911	1,038,806	-	-
1,008,876	924,907	875,537	898,836	-	-
-	970,725	505,817	788,521	-	-
14,926,335	(4,296,200)	11,371,036	24,722,193	-	-
19,230,002	3,258,018	19,839,878	35,453,834	13,879,695	4,485,842
-	-	-	-	4,379,895	3,164,397
-	-	-	-	8,215,670	7,006,389
-	-	-	-	166,524	103,166
-	-	-	-	1,933,945	608,929
-	-	-	-	64,892,359	59,856,507
-	-	-	-	3,494,130	3,367,695
13,874,911	17,425,661	21,696,088	32,088,514	-	-
719,022	221,605	4,516,268	3,986,450	-	-
1,930,590	-	-	-	-	-
384,466	-	-	-	-	-
56,852	291,265	264,644	230,890	-	-
1,058,928	582,849	2,860,505	2,240,173	-	-
-	-	3,672,116	-	-	-
83,886	83,844	83,802	83,760	-	-
-	-	-	-	-	-
-	-	81,402	-	-	-
8,497,657	7,078,953	7,269,987	5,662,283	-	-
34,231,012	35,653,503	22,312,616	23,539,946	-	-
31,777	37,390	36,028	34,268	-	-
1,250,286	-	-	-	-	-
9,026,591	8,577,907	6,422,154	6,893,258	-	-
(11,221)	(6,593)	-	(6,599)	-	-
71,134,757	69,946,384	69,215,610	74,752,943	83,082,523	74,107,083
\$ 90,364,759	\$ 73,204,402	\$ 89,055,488	\$ 110,206,777	\$ 96,962,218	\$ 78,592,925

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

	Fiscal Year			
	2018	2017	2016	2015
<b>REVENUES</b>				
Taxes	\$ 241,273,331	\$ 232,073,844	\$ 230,138,319	\$ 226,942,982
Licenses and permits	39,373,694	39,508,966	39,959,958	39,165,570
Intergovernmental	54,044	49,639	79,906	102,817
Charges for services	6,640,209	6,471,076	6,875,124	7,398,861
Fines and forfeitures	2,365,701	3,013,765	3,102,723	3,777,807
State and federal assistance	8,776,025	9,419,670	12,439,232	8,475,079
Investment income	513,563	204,091	138,428	63,943
Other revenue	2,842,577	2,994,613	9,718,968	8,541,969
Assessments	-	-	-	-
Total revenues	<u>301,839,144</u>	<u>293,735,664</u>	<u>302,452,658</u>	<u>294,469,028</u>
<b>EXPENDITURES</b>				
Current:				
General government	15,387,108	16,961,736	18,941,344	21,472,111
Culture and recreation	13,301,743	13,650,736	13,499,894	14,495,544
Economic development	794,389	961,702	939,655	1,175,456
Engineering, development & build Mobile	13,157,307	15,182,785	13,456,972	-
Finance	5,385,038	5,315,082	5,052,016	5,149,172
Public safety	94,288,756	94,207,836	87,812,807	84,996,189
Public works	30,050,984	29,796,292	25,173,163	33,094,011
Non-departmental	49,413,177	46,774,160	43,683,515	40,008,437
Debt service:				
Administrative charges	13,146	32,785	71,203	90,122
Bond issuance costs	385,276	623,165	141,408	-
Interest	8,535,967	10,553,333	12,204,125	13,309,190
Principal retirement	14,718,000	16,629,465	14,935,138	14,479,688
Interest Reimbursement	(746,881)	(248,168)	(248,425)	(746,147)
Capital outlay:				
Capital outlay	32,426,531	43,972,849	44,608,499	29,059,563
Total expenditures	<u>277,110,541</u>	<u>294,413,758</u>	<u>280,271,314</u>	<u>256,583,336</u>
Excess (deficiency) of revenues over expenditures	<u>24,728,603</u>	<u>(678,094)</u>	<u>22,181,344</u>	<u>37,885,692</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	7,722	433,754	29,921	50,384
Capital-related debt issued	57,705,000	86,775,000	39,402,000	-
Payment to refunding bond escrow agent	(57,858,848)	(95,724,264)	(39,260,592)	-
Bond issuance costs	-	-	-	-
Premium (discount) on debt issued	539,124	9,572,429	-	-
Transfers in	41,734,459	46,987,427	85,940,776	39,374,477
Transfers out	(40,720,281)	(52,261,965)	(100,548,803)	(54,863,410)
Insurance recoveries	-	-	-	-
Total other financing sources (uses)	<u>1,407,176</u>	<u>(4,217,619)</u>	<u>(14,436,698)</u>	<u>(15,438,549)</u>
Net change in fund balances	<u>26,135,779</u>	<u>(4,895,713)</u>	<u>7,744,646</u>	<u>22,447,143</u>
Fund balances - beginning	115,660,835	120,556,548	112,811,902	90,364,759
Adjustments to beginning net position	-	-	-	-
Fund balances - ending	<u>\$ 141,796,614</u>	<u>\$ 115,660,835</u>	<u>\$ 120,556,548</u>	<u>\$ 112,811,902</u>
Debt service as a percentage of noncapital expenditures	8.92%	10.35%	11.06%	11.58%

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 217,090,677	\$ 207,741,489	\$ 175,115,820	\$ 207,431,270	\$ 186,728,761	\$ 174,810,707
39,525,926	36,532,107	36,427,112	35,853,964	35,887,762	37,000,838
65,645	137,740	443,642	245,581	199,992	1,548,996
8,466,724	8,723,683	8,260,051	8,559,708	8,184,608	8,167,239
4,386,729	4,548,189	4,365,667	4,468,316	4,724,902	4,691,317
9,149,146	13,594,457	20,151,236	12,530,527	17,168,956	6,502,302
72,025	94,013	283,035	324,573	301,811	1,056,562
7,559,519	1,987,282	1,418,460	7,297,106	2,244,211	5,608,303
3,944	-	-	526	-	-
286,320,335	273,358,960	246,465,023	276,711,571	255,441,003	239,386,264
21,625,859	16,795,637	16,672,894	17,319,848	17,244,146	18,919,217
13,321,383	13,475,345	13,396,491	14,293,565	14,696,416	15,154,032
854,155	832,668	801,029	943,489	946,081	1,008,755
-	-	-	-	-	-
5,028,125	4,542,960	4,672,001	4,703,808	4,829,821	5,010,643
82,499,697	83,692,248	79,899,320	78,453,950	79,674,151	86,342,817
34,013,827	32,913,792	34,990,667	36,523,540	36,745,281	37,334,095
46,861,160	57,085,851	59,413,866	51,280,489	58,242,547	40,363,981
-	-	-	-	-	-
-	10,529	-	57,750	643,350	-
13,533,770	13,934,349	14,268,697	14,692,483	13,478,392	14,440,851
12,132,976	11,952,149	8,749,175	7,301,694	7,104,607	12,020,851
-	-	-	-	-	-
23,893,432	33,359,798	21,907,267	32,327,433	22,269,823	45,338,810
253,764,384	268,595,326	254,771,407	257,898,049	255,874,615	275,934,052
32,555,951	4,763,634	(8,306,384)	18,813,522	(433,612)	(36,547,788)
7,124	18,121	13,123	16,822	3,331	75,602
-	5,100,000	-	15,334,069	84,775,000	569,000
-	-	-	(10,657,242)	(58,207,259)	-
-	-	-	-	-	-
-	-	-	-	2,287,511	-
54,390,241	39,264,957	30,456,574	28,985,202	32,058,663	32,984,026
(69,792,959)	(61,044,043)	(43,314,602)	(39,249,373)	(42,116,454)	(41,718,561)
-	-	-	1,559	2,113	-
(15,395,594)	(16,660,965)	(12,844,905)	(5,568,963)	18,802,905	(8,089,933)
17,160,357	(11,897,331)	(21,151,289)	13,244,559	18,369,293	(44,637,721)
73,204,402	89,055,488	110,206,777	96,962,218	78,592,925	123,230,646
-	(3,953,755)	-	-	-	-
\$ 90,364,759	\$ 73,204,402	\$ 89,055,488	\$ 110,206,777	\$ 96,962,218	\$ 78,592,925
10.99%	10.68%	10.31%	9.80%	8.82%	11.48%



**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>
2018	\$ 21,800,271	\$ 186,851,875	\$ 10,497,553	\$ 6,984,611	\$ 2,165,235
2017	21,054,534	179,364,687	10,535,475	6,366,006	2,111,186
2016	19,241,503	179,817,467	10,471,152	5,916,535	2,154,493
2015	18,293,200	178,536,073	10,113,784	5,653,761	2,100,653
2014	17,130,837	171,549,434	9,474,098	5,389,031	2,025,855
2013	16,364,039	163,725,091	9,499,092	5,182,775	2,078,693
2012	16,262,921	133,215,345	9,680,455	5,003,180	2,031,634
2011	16,093,899	163,405,226	10,115,711	5,092,514	2,005,816
2010	16,077,830	141,825,022	10,213,140	6,040,106	2,196,467
2009	15,969,310	132,218,742	7,735,285	4,795,120	2,137,149

Rental and Leasing Tax	Tobacco Tax	Financial Excise Tax	Other Taxes	Total
\$ 9,536,273	\$ 2,156,549	\$ 905,789	\$ 375,176	\$ 241,273,332
9,342,202	2,180,864	746,838	372,052	232,073,844
9,465,186	2,154,382	560,580	357,022	230,138,320
9,220,699	2,223,774	382,673	418,363	226,942,980
8,497,843	2,257,373	399,417	366,789	217,090,677
8,015,194	2,425,924	363,317	87,364	207,741,489
6,309,404	2,611,482	147,964	71,835	175,334,220
6,080,474	2,693,985	77,098	114,016	205,678,739
5,699,115	2,832,815	79,224	105,055	185,068,774
4,104,708	2,709,570	1,320,726	4,554,032	175,544,642



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

Fiscal Year	Value of Taxable Sales		Direct Tax Rate
	General Sales Tax	General Sales Tax	
	(in millions)		
2018	\$ 3,709		5.0%
2017	3,569		5.0%
2016	3,582		5.0%
2015	3,540		5.0%
2014	3,386		5.0%
2013	3,302		5.0%
2012	3,309		4.0%
2011	3,190		5.0%
2010	3,519		4.0%
2009	3,220		4.0%

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

Fiscal Year	City of Mobile					City of Mobile Police Jurisdiction <sup>2</sup>				
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
2018	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2017	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2016	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2015	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2014	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2013	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2012	4.00%	2.00%	2.00%	2.00%	4.00%	2.00%	1.00%	1.00%	1.00%	2.00%
2011	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2010	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2009	4.00%	2.00%	2.00%	2.00%	4.00%	2.00%	1.00%	1.00%	1.00%	2.00%

Source: Alabama Department of Revenue

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

<sup>2</sup> The City collects sales and use tax revenues on sales made within the City of Mobile Police Jurisdiction, located outside of the City's limits and within Mobile County.

Overlapping Rates									
Mobile County					Total Direct and Overlapping Rates				
General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	5.00%	2.50%	3.00%	3.00%	5.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
1.00%	0.50%	1.00%	1.00%	1.00%	5.00%	2.50%	3.00%	3.00%	5.00%



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

Taxpayer	2018		2009	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Wal-Mart #866	1	3.03%	1	3.96%
Wal-Mart #853	2	2.71%	2	3.44%
Wal-Mart #991	3	2.36%	3	2.99%
Sams Wholesale Club	4	2.07%	4	2.57%
Costco Wholesale #1192	5	2.02%		
Lowes of West Mobile # 549	6	1.33%	8	1.32%
Lowes Home Centers LLC	7	1.33%	9	1.27%
Lowes of Mobile #212	8	1.29%	10	1.27%
Best Buy #340	9	1.07%	6	1.44%
Target Stores #1376	10	1.02%	5	1.65%
Walmart Supercenter #5174			7	1.36%
Totals		18.23%		21.27%

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	Real Property		Personal Property		Less:	Total		Assessed
Ended	Residential	Commercial	Motor		Tax Exempt	Total Taxable	Direct	Value <sup>1</sup> as a
September 30	Property	Property	Vehicles	Other	Real Property	Assessed Value	Tax Rate	Percentage of
								Actual Value
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
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
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
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
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
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
2012	595,089,140	1,162,088,560	246,543,060	337,826,540	65,707,640	2,275,839,660	7 mills	11,745,392,267
2011	617,121,080	1,161,670,420	242,401,100	325,864,220	69,067,800	2,277,989,020	7 mills	11,852,034,147
2010	633,841,820	1,165,905,120	206,483,760	335,177,320	68,216,780	2,273,191,240	7 mills	12,058,815,266
2009	643,869,600	1,180,581,160	231,378,520	325,416,280	67,818,840	2,313,426,720	7 mills	12,420,469,867

Source: Mobile County Revenue Commissioner

Note: Property in the county is reassessed annually. Estimated actual value is calculated by dividing assessed value by those percentages.

<sup>1</sup> Includes tax-exempt property.

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

Fiscal Year	Overlapping Rates			Total Direct & Overlapping Rates
	City of Mobile	Mobile County	Mobile County School District	
	Total City Millage	Total County Millage	Total School Millage	
2018	7	16	29.5	52.5
2017	7	16	29.5	52.5
2016	7	16	29.5	52.5
2015	7	16	29.5	52.5
2014	7	16	29.5	52.5
2013	7	16	29.5	52.5
2012	7	16	29.5	52.5
2011	7	16	29.5	52.5
2010	7	16	29.5	52.5
2009	7	16	29.5	52.5

Source: Mobile County Revenue Commissioner

<sup>1</sup> Overlapping rates are those of local and county governments that apply to property owners within the City of Mobile.

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

Taxpayer	2018			2009		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Alabama Power Company	\$ 71,875,840	1	2.55%	\$ 253,189,480	1	5.21%
Kimberly-Clark Corporation	29,140,180	2	1.03%	34,285,720	5	5.77%
RPI Bel Air Mall LLC	21,481,860	3	0.76%	17,045,180	9	6.35%
Spire Gulf Inc (form. Mobile Gas)	20,387,720	4	0.72%	33,312,000	6	5.74%
UOP LLC	20,365,140	5	0.72%			
Shell Chemical Company	18,150,560	6	0.64%			
Atwood Drilling Inc	11,423,540	7	0.40%			
Comcast of Alabama Inc	11,416,540	8	0.40%			
Cooper Marine & Timberlands	10,107,640	9	0.36%			
Bell South Telecomm Inc	10,021,800	10	0.36%	41,334,900	3	5.80%
Gulfstream Natural Gas				63,312,820	2	4.85%
Florida Gas Transmission Co				44,160,220	4	4.85%
Degussa Corporation				30,928,760	7	4.63%
Southeast Supply Header				28,759,000	8	4.85%
SSAB Alabama Inc				33,846,620	10	3.02%
Totals	<u>\$ 224,370,820</u>		<u>7.95%</u>	<u>\$ 580,174,700</u>		<u>5.11%</u>

Source: Mobile County Revenue Commissioner

Note: Principal property taxpayers presented for 2018 are those property taxpayers in the City of Mobile. Principal property taxpayers presented for 2009 are those for the County as a whole as the information for the City-only taxpayers was not available for that year.

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Amount Collected within the Fiscal Year of the Levy	Percentage of Levy	Collection in Subsequent Years	Total Amount Collected to Date	Percentage of Levy
2018	\$ 15,507,788	\$ 4,365,602	28.15	\$ -	\$ 4,365,602	28.15
2017	14,897,506	11,705,000	78.57	1,409,687	13,114,687	88.03
2016	14,964,480	10,218,795	68.29	2,677,700	12,896,495	86.18
2015	13,956,359	12,438,912	89.13	1,501,950	13,940,862	99.89
2014	13,686,098	11,036,067	80.64	2,060,535	13,096,602	95.69
2013	12,891,691	8,770,478	68.03	2,745,152	11,515,630	89.33
2012	12,999,487	8,826,780	67.90	3,486,486	12,313,266	94.72
2011	13,024,255	12,302,822	94.46	-	12,302,822	94.46
2010	13,177,824	12,504,204	94.89	-	12,504,204	94.89
2009	13,614,847	12,854,087	94.41	-	12,854,087	94.41

Source: Mobile County Revenue Commissioner

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

Fiscal Year	Governmental Activities				Business Type Activities	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Limited Obligation Bonds	Notes Payable	Capital Leases	Capital Leases			
2018	\$229,342,047	\$ -	\$1,635,000	\$ -	\$ -	\$ 230,977,047	*	\$ 557
2017	243,512,416	-	2,010,000	-	-	245,522,416	1.60%	593
2016	251,195,546	4,670,000	2,495,000	492,519	-	258,853,065	1.76%	624
2015	270,283,046	5,925,000	2,950,000	1,473,283	-	280,631,329	1.87%	676
2014	272,617,145	6,505,000	3,380,000	2,424,244	-	284,926,389	2.09%	686
2013	282,547,567	7,050,000	3,785,000	3,346,323	184,751	296,913,641	2.18%	717
2012	298,261,879	7,570,000	4,170,000	4,240,411	362,090	314,604,380	2.32%	760
2011	298,290,945	8,070,000	4,730,000	5,287,794	532,314	316,911,053	2.35%	766
2010	300,138,191	8,545,000	1,360,000	3,641,054	695,707	314,379,952	2.38%	761
2009	275,867,172	9,000,000	1,580,000	2,462,037	852,545	289,761,754	2.52%	712

\* Data not available

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

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

**CITY OF MOBILE, ALABAMA**  
**Ratios of General Bonded Debt Outstanding**  
**Last 10 Fiscal Years**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2018	\$ 229,342,047	\$ 153,181	\$ 229,188,866	1.39%	553
2017	243,512,416	126,125	243,386,291	1.54%	588
2016	251,195,546	131,469	251,064,077	1.89%	605
2015	270,283,046	382,829	269,900,217	2.18%	650
2014	272,617,145	719,022	271,898,123	2.22%	655
2013	282,547,567	221,605	282,325,962	2.44%	682
2012	298,261,879	4,516,268	293,745,611	2.50%	710
2011	298,290,945	3,986,450	294,304,495	2.48%	712
2010	300,138,191	3,494,130	296,644,061	2.46%	718
2009	275,867,172	3,367,694	272,499,478	2.19%	670
2008	283,890,000	3,338,316	280,551,684	2.30%	690

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

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

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

\* Data not available



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**CITY OF MOBILE, ALABAMA**  
**Direct and Overlapping Government Debt**  
**as of September 30, 2018**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property taxes: County	\$ 488,636,890	51%	\$ 249,204,814
Subtotal, overlapping debt			<u>249,204,814</u>
City of Mobile direct debt	230,977,047	100%	<u>230,977,047</u>
Total direct and overlapping debt			<u><u>\$ 480,181,861</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.

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



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

	Fiscal Year			
	2018	2017	2016	2015
Debt Limit	\$ 578,399,732	\$ 555,401,200	\$ 563,287,216	\$ 512,931,580
Less: Total net debt applicable to limit	188,977,819	201,023,028	217,182,815	222,506,693
Legal debt margin	<u>\$ 389,421,913</u>	<u>\$ 354,378,172</u>	<u>\$ 346,104,401</u>	<u>\$ 290,424,887</u>
Total net debt applicable to the limit as a percentage of debt limit	32.7%	36.2%	38.6%	43.4%

Legal Debt Margin Calculation for Fiscal Year 2018:

Assessed value of real property, September 30, 2018	\$ 2,152,805,920
Assessed value of personal property, September 30, 2018	739,192,740
Total assessed value	<u>2,891,998,660</u>
Debt Limit (20% of total assessed value)	578,399,732
Less: Total net debt applicable to limit	<u>188,977,819</u>
Legal debt margin	<u>\$ 389,421,913</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					
2014	2013	2012	2011	2010	2009
\$ 504,987,932	\$ 476,702,224	\$ 468,309,460	\$ 469,411,364	\$ 468,281,604	\$ 476,249,112
235,615,896	243,221,226	249,936,851	260,122,205	255,534,378	229,861,239
<u>\$ 269,372,036</u>	<u>\$ 233,480,998</u>	<u>\$ 218,372,609</u>	<u>\$ 209,289,159</u>	<u>\$ 212,747,226</u>	<u>\$ 246,387,873</u>
46.7%	51.0%	53.4%	55.4%	54.6%	48.3%

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

Tax Increment Financing Plan				
Year	Tax		Debt Service	
	Increment		Principal	Interest
2018	\$ 4,392,269		\$ 685,000	\$ 145,121
2017	4,185,523		645,000	146,163
2016	3,255,947		610,000	309,100
2015	3,206,435		580,000	341,825
2014	3,391,681		545,000	372,763
2013	2,487,111		520,000	400,230
2012	2,532,414		500,000	424,460
2011	2,548,928		475,000	447,135
2010	2,172,723		455,000	468,184
2009	2,133,818		440,000	487,878

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

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

Fiscal Year	Population	Personal Income (in millions)	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	Public School Enrollment	Unemployment Rate
2018	414,328	*	*	37.3	High School Graduate	56,628	4.5%
2017	413,955	15,353	35,951	37.5	High School Graduate	58,537	4.3%
2016	414,836	14,684	35,348	37.0	High School Graduate	59,550	6.9%
2015	415,395	14,983	35,348	37.1	High School Graduate	59,031	7.2%
2014	415,123	13,601	32,631	37.0	High School Graduate	59,216	7.5%
2013	414,079	13,599	32,843	37.0	High School Graduate	59,582	7.4%
2012	413,936	13,565	32,771	37.2	High School Graduate	59,821	8.7%
2011	413,462	13,500	32,651	37.1	High School Graduate	60,946	10.4%
2010	412,992	13,200	31,962	36.0	2 years of college	67,230	10.8%
2009	406,928	11,512	28,290	36.1	High School Graduate	63,914	9.9%

\* Data not available

Source: Mobile Chamber of Commerce

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

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

Taxpayer	2018			2009		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,500	1	4.43%	8,134	1	4.67%
USA School and Medical Facilities	6,000	2	3.54%	5,000	3	3.16%
Infirmity Health Systems	5,000	3	2.95%	5,500	2	3.16%
Austal USA	4,000	4	2.36%	1,000	10	0.57%
City of Mobile	2,400	5	1.42%	2,200	5	1.26%
CPSI	1,950	6	1.15%			
County of Mobile	1,670	7	0.99%	1,700	7	0.98%
AM/NS Calvert	1,650	8	0.97%			
Providence	1,540	9	0.91%	2,100	6	1.20%
Spring Hill Medical Center	1,300	10	0.77%	1,225	9	0.70%
Wal Mart				2,200	4	1.66%
ST Aerospace Mobile				1,300	8	0.75%
Totals	<u>33,010</u>		<u>19.49%</u>	<u>30,359</u>		<u>18.11%</u>

Source: Mobile Chamber of Commerce

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

Function	Full-time Equivalent Employees as of September 30									
	2018*	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	96	96	100	185	203	223	195	197	190	197
Culture and recreation	213	253	336	378	485	414	383	306	303	317
Economic development	8	27	14	12	13	12	12	13	14	13
Engineering, development, and build	183	112	210	-	-	-	-	-	-	-
Finance	79	82	85	93	96	91	91	96	93	91
Public safety	1,093	1,206	1,242	1,333	1,399	1,288	1,546	1,374	1,327	1,312
Public works	325	520	423	540	541	569	564	581	576	575
Cruise Terminal	8	2	4	-	-	-	-	-	-	-
Firemedics	77	89	73	71	93	73	74	71	71	66
Golf course	18	13	19	20	26	22	26	21	20	28
Motor Pool	2	3	3	3	3	3	2	3	3	3
Tennis center	11	7	12	12	17	10	13	8	10	10
Total	<u>2,113</u>	<u>2,410</u>	<u>2,521</u>	<u>2,647</u>	<u>2,876</u>	<u>2,705</u>	<u>2,906</u>	<u>2,670</u>	<u>2,607</u>	<u>2,612</u>

Source: City Payroll Department

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

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

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Streets and Highways</b>										
Paved	1,272.2	1,271.7	1,268.1	1,267.7	1,267.7	1,267.7	1,267.2	1,264.4	1,263.3	1,262.5
Unimproved	15.5	15.5	18.9	18.9	18.9	19.6	19.8	21.8	21.8	21.8
Traffic Signals	310	310	316	317	316	316	315	453	431	452
Street Lights	5,835	5,528	5,200	5,200	5,200	5,200	5,200	5,200	4,922	4,922
<b>Public Safety</b>										
Police Precincts and Mini-Precincts	5	5	6	6	7	8	8	9	8	9
Fire Stations	20	20	20	20	21	21	21	20	20	20
<b>Culture and Recreation</b>										
Parks	69	69	69	68	68**	92	93	95	91	91
Parks Acreage	1,294	1,294	1,294	1,294	1,294	1,754	1,754	1,754	1,740	1,740
Swimming Pools	6	6	6	6	6	6	6	5	7	7
Wading Pools	9	9	9	9	9	6	5	*	*	*
Spray Grounds	5	5	5	4	3	3	3	*	*	*
Tennis Courts	93	93	93	93	93	93	97	92	97	97
Community Centers	18	18	18	14	14	14	15	15	17	17
Senior Centers	3	3	3	3	3	4	*	*	*	*
<b>Motor Pool</b>										
Sanitation Collection Trucks	27	27	30	35	36	37	38	37	36	48

\* Information not available

\*\* Method for reporting has changed.

Source: Various City Departments



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

Function	2018	2017	2016	2015
<b>General Government</b>				
Information Technology				
Buildings with computer equipment	197	194	194	190
Miles of fiber	188	185	185	850
Wireless sites	29	29	29	25
Computer user accounts	3,108	3,436	3,436	3,250
Email accounts	1,819	1,932	1,932	2,400
Voicemail accounts	1,479	1,482	1,482	1,466
Computers/printers supported	3,388	3,375	3,375	3,098
Servers supported	107	95	95	99
800Mhz subscribers	N/A	N/A	N/A	N/A
City phone extensions	2,791	2,802	2,802	2,724
Broadband Data Cards	171	70	70	72
Software Applications Supported	430	430	430	426
MIT Help Desk Cases	6,294	9,552	9,552	9,195
Number of Employees Trained	-	-	-	-
Cell Phones	388	485	485	393
Telecom Help Desk Requests	675	1,284	1,284	1,759
Mobile 311				
Calls	99,064	97,485	96,805	96,450
SROs created	55,396	54,594	57,886	54,313
<b>Culture and Recreation</b>				
Mobile Public Library				
Items circulated	1,554,685	1,603,430	1,659,247	1,670,662
Customer visits	1,108,338	1,251,244	1,375,573	1,410,099
<b>Engineering, development &amp; build Mobile</b>				
Build Mobile				
Service request orders	11,721	13,677	18,808	13,534
Municipal offense tickets	1,192	1,215	1,369	1,516
Inspections/investigations	82,890	60,003	51,374	62,057
Plan reviews	2,797	2,833	2,729	5,196
Plan reviews - Right of Way	2,100	2,451	2,444	2,489
Complete nuisance abatement cases	173	118	84	125
Complete weed abatement cases	500	840	622	340
Removal of trees	400	456	524	369
Trimming removal	1,500	1,526	4,114	4,560
Stump removal	60	60	204	181
Mobile Historic Development Commission				
Applications reviewed	375	372	382	400
Certificates issued	368	316	349	393
Applications heard by review board	46	52	27	58
Applications denied	7	2	3	7

2014	2013	2012	2011	2010	2009
185	184	181	180	180	175
825	825	825	825	920	820
22	18	30	27	22	20
3,222	3,000	2,934	2,850	2,750	2,680
2,369	2,458	2,320	2,050	2,200	2,203
1,461	1,541	1,547	1,738	1,735	1,584
3,098	3,163	2,537	2,450	2,600	2,496
99	95	115	75	90	90
N/A	N/A	N/A	1,906	1,906	1,906
2,756	2,730	2,724	2,426	2,267	2,544
63	88	89	110	103	102
426	420	409	409	408	391
10,126	10,016	10,270	9,450	3,917	5,331
-	-	-	75	599	889
372	385	365	333	331	340
1,473	1,809	2,028	2,132	1,995	2,302
110,776	115,594	115,398	109,681	116,030	110,655
56,559	60,512	60,916	59,725	64,147	60,345
1,702,092	1,798,526	1,899,180	1,871,251	1,979,929	2,121,584
1,447,113	1,439,398	1,369,945	1,417,588	1,441,980	1,469,049
18,806	17,043	16,819	14,546	14,901	12,374
1,634	2,221	2,557	1,875	2,023	1,722
65,763	63,407	63,213	82,961	76,510	72,530**
7,453	8,043	5,363	4,303	3,315	5,191
2,587	2,574	2,401	2,628	2,293	2,850
77	44	49	151	63	39
320	340	320	680	540	660
395	395	458	467	415	371
4,307	5,691	5,611	4,556	7,612	4,557
102	125	222	196	238	221
412	430	449	471	469	433
410	344	374	448	440	391
64	86	75	93	111	158
2	12	6	5	11	16

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

Function	2018	2017	2016	2015
<b>Public Safety</b>				
Mobile Police Department				
Crime Incidents:				
Murder (or Non-Neg Manslaughter)	29	45	44	23
Murder Domestic	7	6	*	1
Negligent Manslaughter	1	0	*	0
Forcible Rape	155	119	78	136
Carjacking	36	33	*	10
Robbery	352	439	459	427
Aggravated Assault	1,283	1,335	1,165	1,225
Burglary	2,820	3,142	2,621	2,275
Larceny	9,058	9,583	8,834	8,367
Vehicle Theft	1,345	1,380	850	623
Arson	35	71	*	47
Simple Assault	3,113	3,163	*	2,067
Sex Offenses	104	103	*	131
Narcotic Laws	1,120	1,024	*	1,429
Weapons Offence	506	434	*	230
Forgery-Counterfeiting	323	260	*	315
D.U.I.	291	298	*	422
All Other Offenses	29,762	30,160	*	26,888
Total Tickets				
Following too close	43	41	65	51
Run red light	651	763	820	904
Run stop sign	315	537	473	802
Speeding	5,170	5,816	7,320	8,589
Speeding in school zone	102	14	24	319
Mobile Fire Rescue Department				
Total calls answered	38,149	37,658	38,832	35,619
Inspections	1,481	795	812	1,064
Plans reviewed	943	428	771	317
Permits issued	857	517	846	414
Mobile Municipal Court				
Total cases processed	28,348	33,225	38,079	43,216
Domestic violence cases	1,279	1,232	1,130	1,305
Environmental cases	1,167	1,472	1,765	2,246
Traffic cases	21,020	24,874	29,365	33,644
Criminal cases	4,882	5,318	5,495	5,632
<b>Finance</b>				
Human Resources				
Medical claims	194	205	207	234
Indemnity claims	28	25	31	35
Fatality	1	*	*	*
Record only	1	*	*	*
Triage	38	*	*	*
Total claims	262	230	238	269

2014	2013	2012	2011	2010	2009
26	29	27	25	20	27
4	0	3	7	2	2
2	0	1	0	0	0
146**	29	52	43	52	30
12	17	23	24	60	73
431	452	526	622	686	775
1,136	1,272	879	999	1,035	301
2,878	2,828	3,119	3,844	3,882	3,493
8,824	9,384	9,213	9,030	9,889	9,555
727	742	611	783	1,267	972
56	42	61	53	58	56
2,134	2,140	2,349	3,818	1,171	5,639
120	123	174	138	234	233
2,148	3,897	3,077	2,333	3,388	3,096
274	440	458	382	398	400
226	325	337	401	395	382
448	405	388	459	570	478
26,606	29,750	31,953	31,748	35,262	31,223
79	66	105	66	101	129
1,654	1,585	1,623	1,766	2,221	2,105
1,156	1,248	1,592	1,336	2,143	1,971
12,551	11,854	11,774	9,807	11,472	12,774
557	512	415	320	325	255
33,486	31,906	31,529	32,858	35,713	34,248
1,339	5,731	4,010	9,762	7,177	695
698	792	432	889	806	1,619
415	1,037	372	963	555	1,331
106,076	65,659	70,406	71,996	72,230	67,571
2,704	1,520	1,670	1,590	1,642	1,485
4,092	2,720	4,061	3,709	3,977	3,285
67,096	52,622	55,030	56,149	56,823	52,590
12,714	8,797	9,645	10,548	9,788	10,211
221	262	251	274	211	254
31	42	37	49	54	28
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*
252	304	288	323	265	282

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

Function	2018	2017	2016	2015
<b>Public works</b>				
Flood control				
Debris removed (cubic yards)	2,838	1,076	9,620	10,153
Work on ditches (miles)	25	16	19	16
Administration				
Disciplinary actions processed	51	88	209	208
Claims/reports processed	74	153	171	153
Concrete and sidewalk repair				
Concrete poured	278	1,003	1,330	1,341
Repairs	546	253	480	378
Replacements	0	2	1	2
Right-of-way maintenance				
Material hauled (cubic yards)	25,163	20,474	19,952	16,765
Material used (cubic yards)	6,143	8,105	5,503	4,304
Repairs	281	200	179	54
Asphalt street repair				
Asphalt used (tons)	500	540	860	727
Repairs	8,388	10,018	13,325	14,382
Street Sweeping				
Miles sweeper swept	12,043	11,634	10,372	11,324
Debris removed (cubic yards)	10,599	12,091	13,715	14,460
Water used (gallons)	140,250	208,749	208,620	144,123
Dredge				
Material dredged/removed (cubic yards)	*	15,000	32,456	17,272
Storm drain and heavy equipment				
Drains cleaned	3,047	2,553	3,885	1,686
Material hauled (cubic yards)	1,920	1,520	615	1,275
Solid waste				
Waste removal (tons)	47,756	54,536	57,976	55,413
Other waste removal (tons)	108	141	436	414
Special events (tons)	217	314	400	350
Carcass removal	937	1,126	1,158	1,200
Trash division				
Trash picked up	190,315	200,816	199,331	192,281
Pay pile loads	604	1,034	1,104	778
Environmental Response Crew				
Collections (gallons)	951	1,709	1,447	1,772
Other Collections (yards)	0	0	0	0
Cleaned (feet)	7,010	5,190	5,251	6,478

\* Data not available

\*\* Method for reporting has changed.

Source: Various City Departments

2014	2013	2012	2011	2010	2009
6,582	5,642	6,000	6,645	240	1,720
13	17	18	13	28	30
171	191	225	379	385	320
122	189	118	111	103	147
1,743	3,198	1,575	2,452	2,919	4,114
595	500	451	650	520	1,193
3	5	10	8	39	507
27,609	28,985	33,200	23,568	37,880	55,341
14,265	17,700	13,165	5,590	9,220	9,450
156	157	277	214	207	244
1,112	1,071	1,233	1,088	1,466	2,402
18,096	16,725	21,711	14,451	19,087	18,925
19,252	31,003	26,336	15,902	17,400	16,400
17,944	19,142	16,947	15,716	14,807	14,304
211,500	242,500	269,640	220,750	276,397	299,604
23,147	29,508	7,920	13,745	24,344	15,035
3,884	2,797	3,423	4,186	4,224	5,387
2,730	7,824	3,481	4,176	15,744	16,188
53,125	52,615	54,269	54,513	56,306	55,972
318	305	291	110	93	68
345	330	315	240	199	245
3,650	3,617	3,610	3,947	4,986	5,525
164,200	171,260	173,820	189,960	191,300	201,900
680	542	349	570	600	526
1,499	1,215	2,954	734	1,240	805
0	0	0	0	0	0
25,928	29,666	27,852	28,080	35,665	34,805



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