

CITY OF MOBILE, ALABAMA

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2014

William S. Stimpson, Mayor
Paul C. Wesch, Executive Director of Finance
Patricia A. Aldrich, Comptroller

**CITY OF MOBILE, ALABAMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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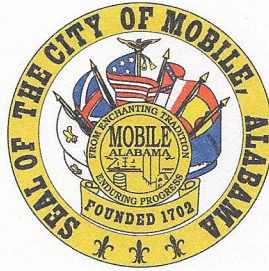
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WILLIAM S. STIMPSON
MAYOR

Part I

Introductory Section



THE CITY OF MOBILE, ALABAMA

March 31, 2015

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, 2014. The CAFR is provided to give detailed information about the financial position and activities of the City to its citizens, City Council, City staff and other readers.

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

Alabama state law requires an annual audit of the City's financial statements by independent certified public accountants who must conduct the audit in accordance with generally accepted auditing standards. The accounting firm of Smith, Dukes & Buckalew LLP, conducted the audit and their report on the City's basic financial statements is included herein. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U. S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments." The audit has been performed and the separately issued Single Audit Report is available for review at the Federal Audit Clearinghouse.

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

PROFILE OF THE CITY

Three hundred-year-old historic Mobile is the county seat of Mobile County and is located in the southwestern section of Alabama, at the head of Mobile Bay, thirty-one miles from the Gulf of Mexico. The city covers an area of 179 square miles. In 2013, the United States Census Bureau estimated that there were 194,899 people residing within the city limits of Mobile and that there were 414,079 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.

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 seperately presented in the report. The Board of Water and Sewer Commissioners of the City of Mobile, Mobile Housing Board, Mobile Airport Authority, Mobile Board of Health, Mobile Emergency Management, Mobile Personnel Board, and Juvenile Court and Youth Center are excluded from this report. Additional information on all of these entities can be found in the notes to the financial statements (See Note 2).

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

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

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

FINANCIAL CONDITION

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

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

At the close of Fiscal Year 2014, the unassigned fund balance of the general fund was a positive \$14.9 million. The total fund balance for the general fund, including restricted and nonspendable assets, was \$19.2 million.

ECONOMIC CONDITION

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

In July, 2012 it was announced that Airbus planned to construct a \$600 million aircraft assembly plant in Mobile at the Brookley Aeroplex and will assemble A320 aircraft and will employ approximately 1,000 full-time workers at full-capacity. The construction phase of the project is well under way and nearing completion.

Austal USA in Mobile has been commissioned by the US Navy to build ten ships under a joint high speed vessel contract. Congress recently approved a budget adding resources for an eleventh ship. Austal has also secured funding to build its seventh and eighth 127-meter littoral combat ships under a 10-ship, 3.5 billion contract. In connection with the JHSV and LCS contracts, Austal employs 4,200 workers in its Mobile shipyard.

Economic stability is provided to Mobile with the presence of the University of South Alabama and its health care facilities, employing 5,200, and medical centers such as Infirmary Health Systems, Providence Hospital and Springhill Medical Center, together employing 7,800.

MANAGEMENT OF CITY RESOURCES

A significant factor in assessing the economic health of the City of Mobile, and the City's finances is the credit rating assigned by credit ratings agencies because of their in-depth review of economic conditions and City financial performance. During Fiscal Year 2014, Standard and Poor's maintained the City's bond rating at AA- (stable).

In April, 2014, however, Moody's Investor Service placed the City's rating under review for a possible downgrade "due to a rapid deterioration in General Fund liquidity and reserves during fiscal 2012 and 2013." As of that date, Moody's was unaware of the change in the City management and of the adoption of an amended 2014 budget.

In June, Moody's announced that it would maintain the City's Aa2 credit rating, avoiding a downgrade. Moody's identified new City management as a key factor in its decision. "This new management team worked to amend the fiscal 2014 budget to reflect more accurate revenue estimates and implemented various expenditure cuts, and as a result, expects to increase fund balance at fiscal year-end."

RELEVANT FINANCIAL POLICIES

City management is responsible for establishing and maintaining internal control designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

As a part of the City's single audit, tests are made to determine the adequacy of internal controls, including those portions related to Federal awards. Tests are also performed to evaluate the City's compliance with federal awards. The City's single audit for the fiscal year ended September 30, 2014 reported no instances of material weaknesses in internal control over compliance with federal awards or significant violations of applicable laws and regulations.

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 \$717,256 at September 30, 2014 and were accounted for in the 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 also self-insured for workers' compensation claims up to \$500,000 per accident and employee health insurance claims. An excess coverage insurance policy covers individual claims in excess of \$500,000 per accident for workers' compensation claims. The City has contracted with outside third parties for claim administration. These liabilities were estimated to be approximately \$13.67 million at September 30, 2014 and are accounted for in the Government-wide financial statements. The liability for employee health insurance claims of approximately \$2.36 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 of its obligations and incorporated the effect of expected benefit cost increases in making annual budget decisions. These costs have risen and are expected to continue to rise without some modifications to the plan.

During Fiscal Year 2015, City management has made modifications to its employee health plan and to its separate retiree health plan in an effort 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, 2013 comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and especially the efforts of Patricia Aldrich, Comptroller. Each member of the department has our sincere appreciation for the contributions made in preparation of this report. My sincere appreciation is also extended to our independent auditors, Smith, Dukes & Buckalew LLP, for their cooperation and technical guidance.

Sincerely,



Paul C. Wesch
Executive Director of Finance



Government Finance Officers Association

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

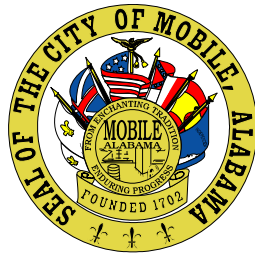
Presented to

**City of Mobile
Alabama**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2013

Executive Director/CEO



City of Mobile Organizational Chart

CITY OF MOBILE CITIZENS

CITY COUNCIL

**Sandy Stimpson
Mayor**

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

Municipal Court
Holmes Whiddon,
Presiding Judge

Internal Audit
Celia Sapp

- Criminal
- Domestic
- Environmental
- Traffic

Court Referral Program
Sammie Brown

Ricardo Woods
City Attorney

Legal Department
Flo Kessler

Colby Cooper
Chief of Staff

George Talbot
Senior Director
Communications and External Affairs

History Museum of Mobile
David Alsobrook

Mobile Museum of Art
Deborah Velders

Mobile Film Office
Eva Golson

Lisa Lambert
City Clerk

Archives
Ned Harkins

Mail Room
Lisa Lambert

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

RADM Rich Landolt, USN (Ret.)
Executive Director
Public Safety

Bill Harkins
Executive Director
Public Works

Paul Wesch
Executive Director
Finance

Dianne Irby
Executive Director
Planning and Development

Nigel Roberts
Senior Director
Community and Housing
Development

Shayla Beaco
Senior Director
Community Affairs

Sue Farni, Acting
Senior Director
Information Technology

Safety and Performance
Gary Gamble, Acting

Fire-Rescue Department
Assistant Chief Billy Pappas

- Administration
- Bureau of Fire Prevention
- Training
- Fire Suppression
- Emergency Medical Services
- Communications

Police Department
Chief James Barber

- Administrative Services
- Field Operations
- Investigative Services
- Community Services
- Support Services
- Impound Operations

Animal Shelter
Ellen Lursen

Parks and Recreation
Dan Otto

Azalea City Golf Course
Brian Aaron
Lawrence Auer

Mobile Tennis Centers
Bruce Lockett

- Parks**
Dan Otto
- Parks Maintenance
- Landscaping Services
- Operations & Cemeteries

Recreation
Julius Shine

- Community Centers
- Athletics
- Special Activities
- Community Activities
- Mobile Regional Senior & Community Center

Equipment Services
Greg Beckham

Garage
Motor Pool

Keep Mobile Beautiful
Bob Haskins

Traffic Engineering
Jennifer White

Electrical
Doug Davis

Public Works
John Windley

- Road Maintenance
- Storm/Drainage Maintenance
- Solid Waste/Trash Collection

Accounting/Comptroller
Patricia Aldrich

Budget
Robert "Bubba" Young

Human Resources
Leslie Rey

Payroll
John Noletto

Inventory Control
Bill Catlow

Police & Fire Pension
Mary Berg

Purchasing
John Paine

Revenue
Gwen Hall

Treasury
Pandora Cunningham

Engineering
Nick Amberger

Environmental Services
Ray Richardson

Historic Development
Devereaux Bemis

Urban Development
Laura Clarke

Code Administration
Roger Bendolph

Permitting & Development
Margaret Pappas

Planning
Richard Olsen

Property Maintenance
Vacant

Real Estate/Asset Management
Brad Christensen, Acting

Architectural Engineering
Brad Christensen

Mechanical Systems
Richard Safin

Public Buildings
Steve Elmore

Real Estate
John Olszewski

Special Events
Ann Rambeau

Jena Berson
Local Affairs

Shemika Brown
Community Engagement

Geographic Information Systems
Scott Kearney

Mobile Information Technology
Sue Farni

IS Project Management

Mobile 311

Network & Technical Services

Telecommunications

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

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

AUTHORIZATION
Adopted July 8, 2014
(Revised September 9, 2014)
William S. Stimpson
William S. Stimpson - Mayor

CITY OF MOBILE, ALABAMA

LIST OF PRINCIPAL OFFICIALS

AT SEPTEMBER 30, 2014

TITLE	NAME
Mayor	William S. Stimpson
City Council	
District 1	Fredrick D. Richardson, Jr.
District 2	Levon C. Manzie
District 3	C.J. Small
District 4	John C. Williams
District 5	Joel Daves
District 6	Bess Rich
District 7	Gina Gregory
Executive Director of Finance	Paul C. Wesch
City Clerk	Lisa C. Lambert



WILLIAM S. STIMPSON
MAYOR

Part II

Financial

Section



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mobile, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City of Mobile's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of WAVE Transit and the Mobile Public Library, which represent 2.00 percent, and 0.44 percent, respectively, of the assets, 4.36 percent and 0.85 percent, respectively, of the net position, and 1.63 percent and 2.93 percent, respectively, of the revenues of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for WAVE Transit and the Mobile Public Library, is based solely on the report 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.

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mobile, Alabama, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and
Members of the City Council of
the City of Mobile, Alabama
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-15 and 80-83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mobile's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparison information, other financial schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the introductory section, combining and individual non-major fund financial statements, budgetary comparison information, other financial schedules, and statistical section is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, budgetary comparison information, other financial schedules, and statistical section has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2015 on our consideration of the City of Mobile's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Mobile's internal control over financial reporting and compliance. That report is included in the City of Mobile's Audit of Federal Awards Program.

Smith, Duke and Muchalew, LLP

Mobile, Alabama
March 31, 2015

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

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, 2014. 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 \$410.8 million (net position). Of this amount the City had a deficit in unrestricted net position of \$154.4 million offset by \$95.2 million in restricted net position and \$470.0 million in net investment in capital assets.
- ◆ The City's total net position decreased \$0.5 million, or 0.11%, as a result of this year's operations. Net position of governmental activities increased \$6.6 million, or 2.18%, and net position of business-type activities decreased \$7.06 million, or 6.31%.
- ◆ The City made three prior period adjustments in the current year which affected beginning net position. A detailed explanation of these adjustments can be found at Note 18.
- ◆ At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$90.4 million. This was an increase of \$17.2 million or 23.4% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General Fund was \$19.2 million, an increase of 595.8% from the prior year. This was primarily due to cost saving measures in departments and cost centers as well as revenues performing above budget estimates. City management made intentional efforts to re-establish general fund reserves after declines in recent years.
- ◆ Sales and use tax, the City's single largest revenue source, increased \$7.9 million or 4.6% from the prior year primarily due to improving economic conditions and increased collection enforcement.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

USING THIS ANNUAL REPORT

The Statement of Net Position and the Statement of Activities, (pages 16 - 18) 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 19. 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 36.

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 80.

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 Federal Transportation Authority 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 non-major 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 are \$410.8 million. This is a \$0.5 million decrease over last year's net assets of \$413.9 million. The following table provides a summary of the City's net assets:

	City of Mobile, Alabama						Amount Change	% Change
	Summary of Net Position							
	Governmental Activities		Business-type Activities		Total Primary Government			
	Restated		Restated		Restated			
	2014	2013	2014	2013	2014	2013		
Current and other assets	\$ 196,582	\$ 178,608	\$ 14,927	\$ 17,491	\$ 211,509	\$ 196,099	\$ 15,410	7.86 %
Capital assets	<u>641,724</u>	<u>641,276</u>	<u>97,964</u>	<u>101,748</u>	<u>739,688</u>	<u>743,024</u>	<u>(3,336)</u>	(0.45)%
Total assets	<u>\$ 838,306</u>	<u>\$ 819,884</u>	<u>\$ 112,891</u>	<u>\$ 119,239</u>	<u>\$ 951,197</u>	<u>\$ 939,123</u>	<u>\$ 12,074</u>	1.29 %
Deferred outflows	<u>\$ 4,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,855</u>	<u>\$ -</u>	<u>\$ 4,855</u>	100.00 %
Long-term liabilities	\$ 502,661	\$ 481,736	\$ 419	\$ 621	\$ 503,080	\$ 482,357	\$ 20,723	4.30 %
Other liabilities	<u>34,501</u>	<u>36,061</u>	<u>3,720</u>	<u>2,702</u>	<u>38,222</u>	<u>38,763</u>	<u>(541)</u>	(1.40)%
Total liabilities	<u>537,162</u>	<u>517,797</u>	<u>4,139</u>	<u>3,323</u>	<u>541,302</u>	<u>521,120</u>	<u>20,182</u>	3.87 %
Deferred inflows	<u>-</u>	<u>-</u>	<u>3,967</u>	<u>4,069</u>	<u>3,967</u>	<u>4,069</u>	<u>(102)</u>	(2.51)%
Net position:								
Net investment in capital assets	372,033	366,742	97,964	101,563	469,997	468,305	1,692	0.36 %
Restricted	95,217	93,283	-	-	95,217	93,283	1,934	2.07 %
Unrestricted	<u>(161,252)</u>	<u>(157,938)</u>	<u>6,821</u>	<u>10,284</u>	<u>(154,431)</u>	<u>(147,654)</u>	<u>(6,777)</u>	4.59 %
Total net position	<u>305,998</u>	<u>302,087</u>	<u>104,785</u>	<u>111,847</u>	<u>410,783</u>	<u>413,934</u>	<u>(3,151)</u>	(0.76)%

The largest portion of the City's net assets (114.4%) 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 (23.2%) 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 \$161.3 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). The City has elected to fund its OPEB obligation on a pay as you go basis. In addition to paying annual claims as they arise, the City is required to record the expense related to the increase in the accrual of the net OPEB obligation as actuarially determined.

The combined total OPEB expense (the combination of the expense for annual paid claims and the expense for the increase in the accrual) reduces the amount of unrestricted net assets for the year. The OPEB expense for the City of Mobile is substantial and increased by \$26.2 million during the current fiscal year.

The unrestricted net assets for business-type activities show a balance of \$6.8 million which is a \$3.5 million decrease from the prior year. This decrease is due primarily to operating deficits in enterprise funds.

Please turn to the following page for the Summary of Changes in Net Position table.

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
Summary of Changes in Net Position
(dollars are in thousands)

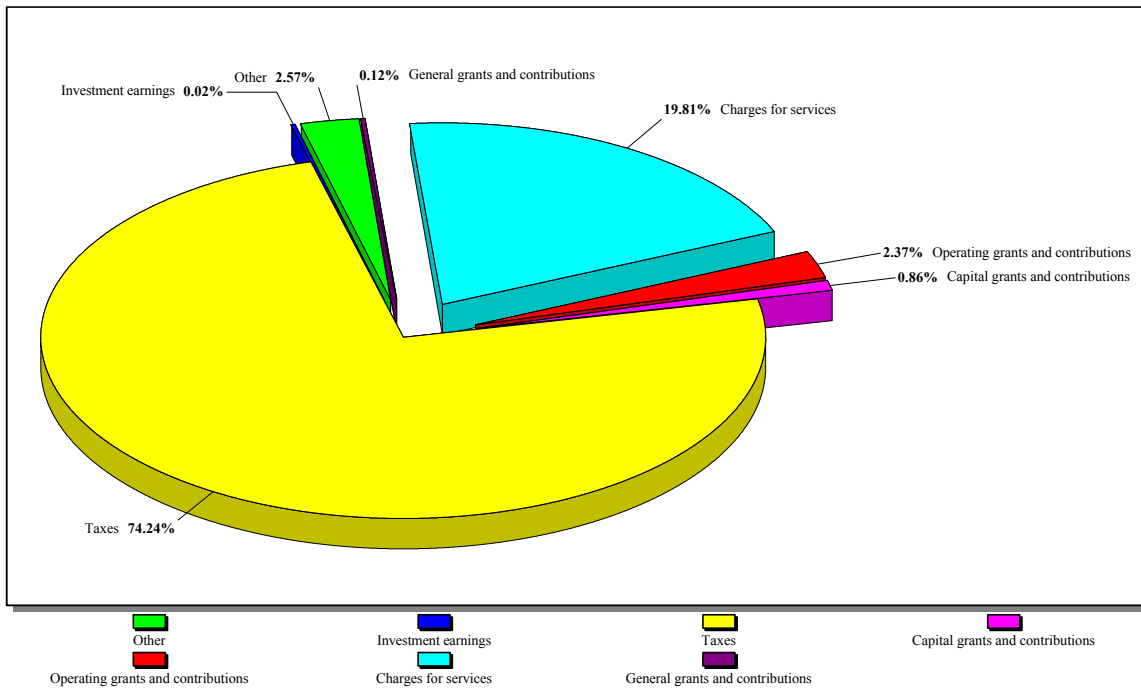
	Governmental Activities		Business-type Activities		Total Primary Government		Amount Change	% Change
	2014	Restated 2013	2014	Restated 2013	2014	Restated 2013		
Program Revenues:								
Charges for services	\$ 57,932	\$ 55,666	\$ 10,372	\$ 10,131	\$ 68,304	\$ 65,797	\$ 2,507	3.81 %
Operating grants and contributions	6,937	9,032	3,412	2,911	10,349	11,943	(1,594)	(13.35)%
Capital grants and contributions	2,525	5,105	848	1,276	3,373	6,381	(3,008)	(47.14)%
General revenues:								
Taxes	217,091	207,741	10,777	10,617	227,868	218,358	9,510	4.36 %
Grants & contributions	348	-	-	-	348	-	348	- %
Investment earnings	72	94	5	-	77	94	(17)	(18.09)%
Other	7,501	1,767	-	-	7,501	1,767	5,734	324.50 %
Total revenues	<u>292,406</u>	<u>279,405</u>	<u>25,414</u>	<u>24,935</u>	<u>317,820</u>	<u>304,340</u>	<u>13,480</u>	4.43 %
Program Expenses:								
General government	78,626	89,601	-	-	78,626	89,601	(10,975)	(12.25)%
Economic development	1,176	1,271	-	-	1,176	1,271	(95)	(7.47)%
Public safety	115,054	116,800	-	-	115,054	116,800	(1,746)	(1.49)%
Public works	41,782	41,981	-	-	41,782	41,981	(199)	(0.47)%
Culture and recreation	24,193	24,346	-	-	24,193	24,346	(153)	(0.63)%
Finance	5,887	5,314	-	-	5,887	5,314	573	10.78 %
Interest on long-term debt	14,123	14,532	-	-	14,123	14,532	(409)	(2.81)%
Alabama Cruise Terminal	-	-	1,144	1,303	1,144	1,303	(159)	(12.20)%
Civic Center	-	-	3,582	3,563	3,582	3,563	19	0.53 %
Convention Center	-	-	9,675	8,526	9,675	8,526	1,149	13.48 %
Golf Course	-	-	1,534	1,546	1,534	1,546	(12)	(0.78)%
Firemedics	-	-	7,477	6,796	7,477	6,796	681	10.02 %
Parking Garage	-	-	285	227	285	227	58	25.55 %
Tennis Center	-	-	707	640	707	640	67	10.47 %
Neighborhood Renewal Program	-	-	19	2	19	2	17	850.00 %
Saenger Theater	-	-	890	259	890	259	631	244 %
WAVE Transit	-	-	12,134	11,551	12,134	11,551	583	5.05 %
Total expenses	<u>280,841</u>	<u>293,845</u>	<u>37,447</u>	<u>34,413</u>	<u>318,288</u>	<u>328,258</u>	<u>(9,970)</u>	(3.04)%
Change in net assets before capital contributions and transfers	11,565	(14,440)	(12,033)	(9,478)	(468)	(23,918)	23,450	(98.04)%
Transfers	(4,970)	(15,212)	4,970	15,212	-	-	-	- %
Change in net assets	<u>6,595</u>	<u>(29,652)</u>	<u>(7,063)</u>	<u>5,734</u>	<u>(468)</u>	<u>(23,918)</u>	<u>23,450</u>	(98.04)%
Net position, beginning	302,087	331,723	111,847	106,114	413,934	437,837	(23,903)	(5.46)%
Adjustments to beginning net position	(2,683)	16	-	-	(2,683)	16	(2,699)	(16.869)%
Net position, ending	<u>\$ 305,999</u>	<u>\$ 302,087</u>	<u>\$ 104,784</u>	<u>\$ 111,848</u>	<u>\$ 410,783</u>	<u>\$ 413,935</u>	<u>\$ (3,152)</u>	(0.76)%

*Prior period adjustments were made to correct the presentation of various assets in accordance with current generally accepted accounting principles. See Note 18 for further explanation.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal year 2014.

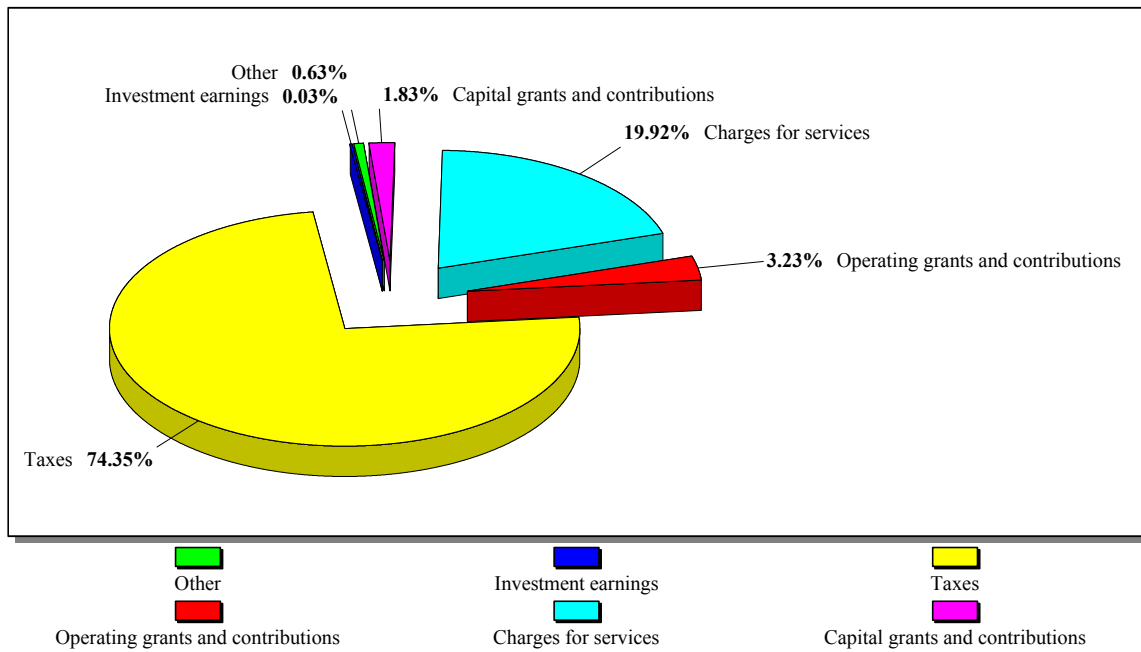
GOVERNMENTAL REVENUES

2014



GOVERNMENTAL REVENUES

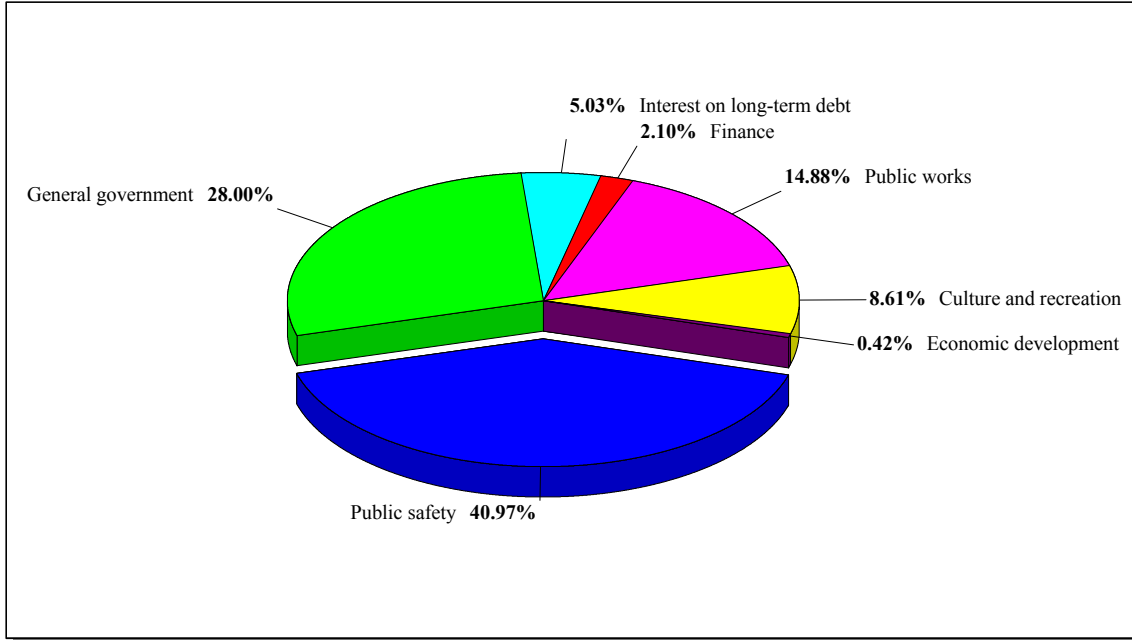
2013



As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 74.24% and 74.35% of the City's total governmental revenues in fiscal years 2014 and 2013, respectively.

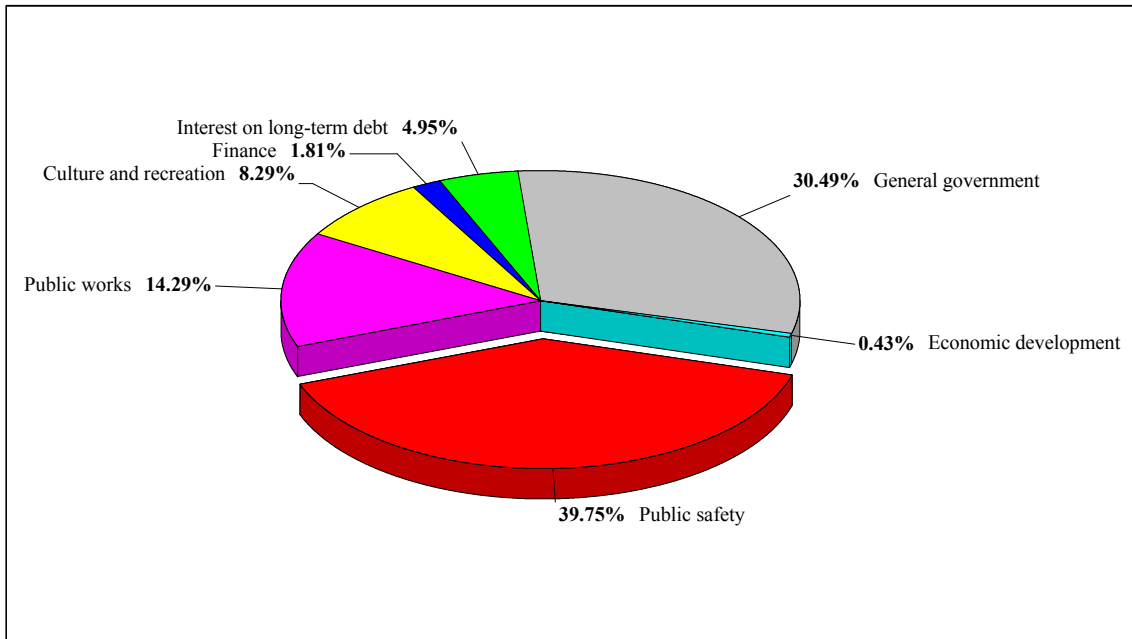
GOVERNMENTAL FUNCTIONAL EXPENSES

2014



GOVERNMENTAL FUNCTIONAL EXPENSES

2013



See the following page for discussion of these graphs.

Governmental activities

Governmental activities increased the City's net assets by \$6.6 million. The key elements of this change are as follows:

- Excess expenses over revenue for governmental activities amounted to \$213.4 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$72,025 which was a decrease of \$21,988 from the prior year.
- Tax revenues amounted to \$217.1 million which was an increase of 4.5% over the prior year and was due primarily to improved economic conditions and increased collection enforcement.
- Other revenue amounted to \$7.5 million.
- Transfers out of governmental activities totaled \$5.0 million.

Governmental activity expenses increased from the prior year. Of the \$280.8 million of governmental activity expenses, public safety was the largest operating cost, at 41.0% of total costs in 2014. For the government-wide full accrual statements, capital outlay expenses were eliminated and capital assets were reported.

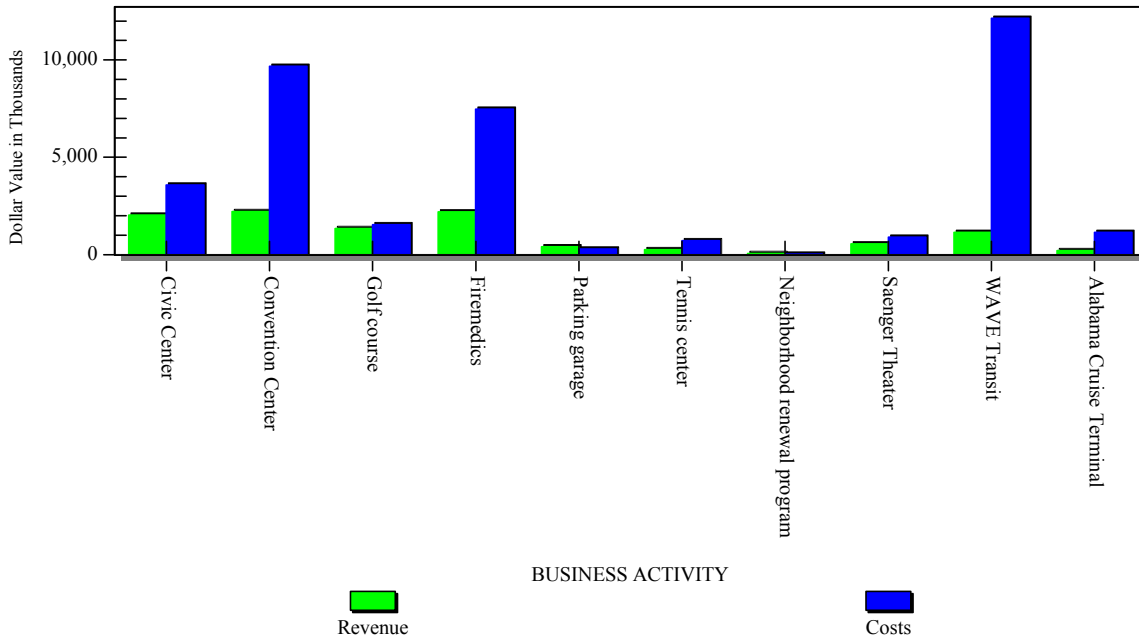
Business-type activities

Business-type activities decreased the City's total net assets by \$7.1 million. Business-type activities are shown comparing costs to revenues generated by related services. The parking garage and neighborhood renewal program business-type activities are self-supporting with user charges and other revenues designed to recover costs. The civic center, the convention center, firemedics, WAVE Transit, tennis center, golf course, the Saenger Theater and cruise terminal 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, firemedics, WAVE Transit, cruise terminal, golf course, Saenger Theater and tennis center activities required subsidization by the City.

Please turn to the following page for graphs which illustrate the business-type activities results of operations.

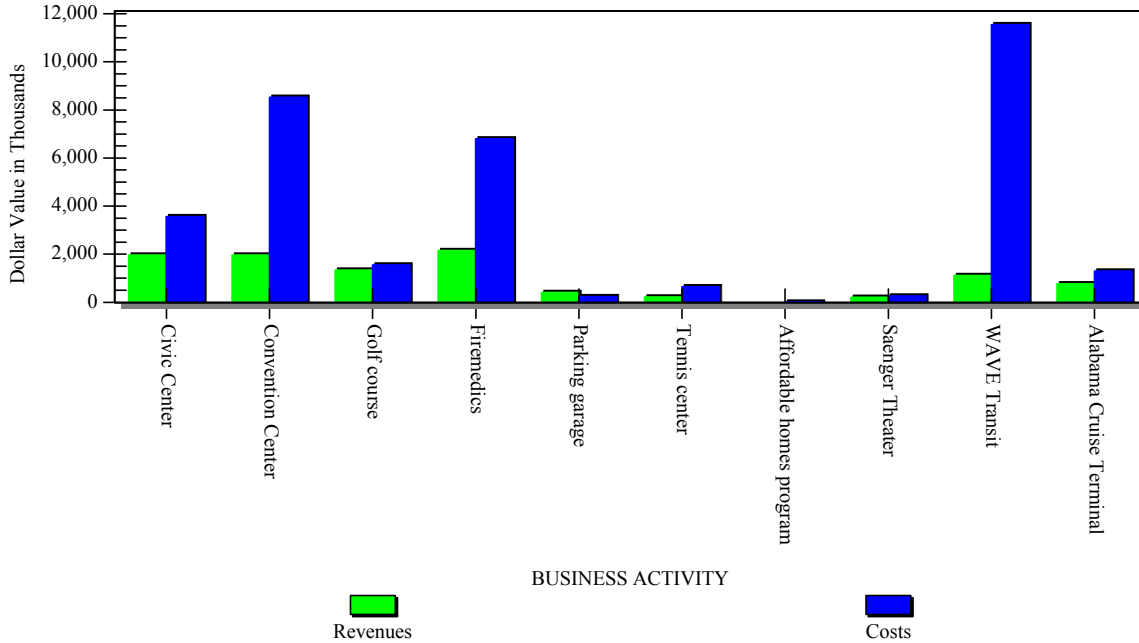
BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2014



BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2013



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 \$90.4 million, of which \$14.9 million is unassigned. The nonspendable fund balance is \$2.3 million and stems from inventory and prepaid expenses. Restricted fund balance is \$18.0 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$8.6 million and comprises funds with constraints imposed by formal action of the City Council. Finally assigned fund balance is \$46.5 million and comprises funds constrained by the City's intent to be used for a specific purpose.

The total ending fund balances of governmental funds show a \$17.2 million increase from the prior year. This increase is primarily due to a \$19.4 million increase in the fund balance of the General Fund. This was primarily due to cost saving measures in departments and cost centers as well as revenues performing above budget estimates. City management made intentional efforts to re-establish general fund reserves after declines in recent years.

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 \$19.4 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$34.2 million which includes a net decrease of \$1.4 million. The decrease is primarily due to current year project expenditures in this fund.

Proprietary Funds

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

Enterprise Funds

The City's enterprise funds consist of the Alabama Cruise Terminal, the Mobile Civic Center, the Municipal Parking Garage, the Azalea City Golf Course, Firemedics, Mobile Convention Center, the Tennis Center, Neighborhood Renewal Program, Saenger Theater and WAVE Transit. The total net position of the Enterprise Funds decreased by \$7.1 million during the current fiscal year. This decrease is due primarily to a \$3.2 million net loss in the WAVE Transit, a \$1.0 million transfer out of the Municipal Parking Garage to the General Fund, and net losses in the Civic Center, Convention Center, Cruise Terminal, and other non-major enterprise funds totaling \$2.9 million.

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 \$0.9 million from the prior year, primarily due to increases in transfers to the funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The excess of revenues over expenditures on a budgetary basis during the year was \$15.3 million. The following are the main components of the excess:

- Tax revenue was over expected budgeted amounts by \$5.1 million.
- Departmental expenditures were under budget by \$7.6 million. This was due primarily to cost savings in departments and cost centers during the year.
- Nondepartmental expenditures which include mandated activities, joint ventures, agencies, employee cost, state and federal projects, etc. were under budget by \$0.5 million.

During Fiscal Year 2014, the City's general fund budget was amended to repair the unassigned fund balance deficit and to restore a surplus. All revenues, departmental expenditures, and cost center expenditures were revised to align with the estimated actuals. The amended general fund expenditures budget for fiscal year 2014 was approximately \$200.6 million. This was an increase of \$7 million over the prior year amended budget.

Total revenues were approximately \$6.0 million over budget while expenditures were \$8.0 million under budget. This was due primarily to cost savings in departments and cost centers during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2014, the City's net investment in capital assets for governmental and business-type activities was \$372.0 million and \$98.0 million, respectively. The decrease was \$1.6 million from 2013 for the City as a whole. See Note 7 for additional information about changes in capital assets during the fiscal year and construction commitments outstanding at the end of the year.

	Capital Assets						Total % Change
	Net of Accumulated Depreciation				Total		
	Governmental Activities		Business-type Activities				
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
Non-depreciable capital assets:							
Land	\$ 27,259	\$ 27,478	\$ 10,675	\$ 10,616	\$ 37,934	\$ 38,094	(0.42)%
Infrastructure-in-progress	10,366	19,981	-	-	10,366	19,981	(48.12)%
Construction-in-progress	58,431	62,636	1,896	1,750	60,327	64,386	(6.30)%
Intangible assets	4,116	3,944	-	-	4,116	3,944	4.36 %
Depreciable capital assets, net							
Buildings	41,282	42,398	71,538	73,863	112,820	116,261	(2.96)%
Improvements	64,170	67,695	8,729	10,357	72,899	78,052	(6.60)%
Vehicular equip	21,824	21,570	4,017	5,006	25,841	26,576	(2.77)%
Other equip	13,979	8,994	1,109	156	15,088	9,150	64.90 %
Infrastructure	<u>400,297</u>	<u>386,581</u>	<u>-</u>	<u>-</u>	<u>400,297</u>	<u>386,581</u>	3.55 %
Total capital assets, net	<u>\$ 641,724</u>	<u>\$ 641,277</u>	<u>\$ 97,964</u>	<u>\$ 101,748</u>	<u>\$ 739,688</u>	<u>\$ 743,025</u>	(0.45)%

Long-Term Debt

As of September 30, 2014, the City had \$284.9 million of long-term debt outstanding, including bonds and warrants payable, notes payable, obligations under capital leases, and deferred amount on refunding. In the current fiscal year, the City retired principal on long-term debt (bonds, warrants, and notes) in the amount of \$11.5 million and made payments of \$0.9 million for capital lease obligations. Interest payments on long-term debt totaled \$13.8 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:

	Outstanding Long-term Debt						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	
Bonds/warrants, net	\$ 279,122	\$ 289,598	\$ -	\$ -	\$ 279,122	\$ 289,598	(3.62)%
Notes payable	3,380	3,785	-	-	3,380	3,785	(10.70)%
Obligations under capital leases	2,424	3,346	-	185	2,424	3,531	(31.35)%
Total long-term debt	<u>\$ 284,926</u>	<u>\$ 296,729</u>	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 284,926</u>	<u>\$ 296,914</u>	(4.04)%

Most of the City's general obligation bond issues are insured and as a result, carry the highest ratings from Standard & Poor's Corporation (AAA) and Moody's Investor Services (Aaa). The uninsured ratings for the City are AA- (stable) from Standard and Poors and Aa2 from Moodys. 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, 2014, the City's permissible debt limit exceeded actual debt by approximately \$269.4 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

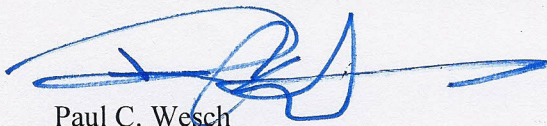
A temporary one-cent sales tax was implemented November 1, 2012 and will remain in effect until September 30, 2018.

The City continues to explore options for the continued use of the cruise terminal.

In July 2012, it was announced that Airbus planned to construct a \$600 million aircraft assembly plant in Mobile at the Brookley Aeroplex and will assemble A320 aircraft and will employ approximately 1,000 full-time workers at full-capacity. The construction phase of the project is well under way and nearing completion.

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.



Paul C. Wesch
Executive Director of Finance

**BASIC
FINANCIAL STATEMENTS**

CITY OF MOBILE, ALABAMA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash, equity in pooled cash and investments	\$ 90,253,972	\$ 11,750,141	\$ 102,004,113	\$ 3,776,094
Restricted cash - capital purchases	83,419	-	83,419	-
Receivables (net)	28,460,527	2,335,912	30,796,439	312,033
Internal balances	(127,640)	127,640	-	-
Inventories	2,301,354	354,526	2,655,880	-
Other assets	10,000	358,738	368,738	-
P&F Pension - negative net pension obligation (asset)	75,600,575	-	75,600,575	-
Nondepreciable capital assets	100,172,065	12,571,049	112,743,114	-
Depreciable capital assets, net	541,551,921	85,393,010	626,944,931	1,258,974
Total assets	<u>838,306,193</u>	<u>112,891,016</u>	<u>951,197,209</u>	<u>5,347,101</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	4,854,604	-	4,854,604	-
Total deferred outflows of resources	<u>4,854,604</u>	<u>-</u>	<u>4,854,604</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	21,639,892	1,935,588	23,575,480	574,493
Unearned revenue	453,400	571,592	1,024,992	-
Pension employer contribution payable	12,408,124	1,213,150	13,621,274	-
Long-term liabilities:				
Due within 1 year:				
Bonds and warrants payable	13,403,711	-	13,403,711	-
Notes payable	430,000	-	430,000	-
Capital lease obligations	950,961	-	950,961	-
Compensated absences	1,783,062	89,583	1,872,645	35,388
Insurance claims	5,414,867	-	5,414,867	-
Landfill postclosure liability	46,111	-	46,111	-
Due in more than 1 year:				
Bonds and warrants payable	270,573,038	-	270,573,038	-
Notes payable	2,950,000	-	2,950,000	-
Capital lease obligations	1,473,283	-	1,473,283	-
Compensated absences	11,554,172	329,712	11,883,884	500,386
Self-insured liability - legal	717,256	-	717,256	8,291,648
Insurance claims	10,619,852	-	10,619,852	-
Landfill postclosure liability	719,629	-	719,629	-
Postemployment benefits	182,025,000	-	182,025,000	-
Total liabilities	<u>537,162,358</u>	<u>4,139,625</u>	<u>541,301,983</u>	<u>9,401,915</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	-	3,966,837	3,966,837	-
Total deferred inflows of resources	<u>-</u>	<u>3,966,837</u>	<u>3,966,837</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	372,032,993	97,964,060	469,997,053	1,258,974
Restricted for:				
Police and Fire Pension	75,600,575	-	75,600,575	-
Capital projects	8,437,825	-	8,437,825	-
Debt Service	719,022	-	719,022	-
Economic development	8,529,434	-	8,529,434	-
Grant programs	1,930,590	-	1,930,590	-
Unrestricted (deficit)	<u>(161,252,000)</u>	<u>6,820,494</u>	<u>(154,431,506)</u>	<u>(5,313,788)</u>
Total net position	<u>305,998,439</u>	<u>104,784,554</u>	<u>410,782,993</u>	<u>(4,054,814)</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 78,626,293	\$ 51,222,299	\$ 5,153,243	\$ 208,713
Economic development	1,175,960	-	-	1,654,757
Public safety	115,054,082	5,841,687	1,712,554	-
Public works	41,782,266	430,550	-	661,845
Culture and recreation	24,192,649	437,059	71,442	-
Finance	5,886,971	-	-	-
Interest on long-term debt	14,123,164	-	-	-
Total governmental activities	<u>280,841,385</u>	<u>57,931,595</u>	<u>6,937,239</u>	<u>2,525,315</u>
Business-Type Activities:				
Alabama Cruise Terminal	1,143,905	206,892	-	-
Civic Center	3,581,709	2,031,222	-	-
Convention Center	9,674,772	2,204,743	-	-
Golf course	1,533,543	1,344,965	2,875	-
Firemedics	7,477,075	2,189,244	-	-
Parking garage	285,324	400,957	-	-
Tennis Center	707,450	261,450	-	-
Neighborhood renewal program	18,987	53,884	-	-
Saenger Theater	889,736	542,724	-	-
WAVE Transit	12,134,216	1,136,104	3,409,341	848,317
Total business-type activities	<u>37,446,717</u>	<u>10,372,185</u>	<u>3,412,216</u>	<u>848,317</u>
Total primary government	<u>318,288,102</u>	<u>68,303,780</u>	<u>10,349,455</u>	<u>3,373,632</u>
Component units:				
Mobile Public Library	9,779,426	770,470	453,435	3,573
Public Park and Recreation Board	1,045,220	1,053,911	-	-
Solid Waste Disposal Authority	10,048,281	227,756	-	-
Total component units	<u>\$ 20,872,927</u>	<u>\$ 2,052,137</u>	<u>\$ 453,435</u>	<u>\$ 3,573</u>

General Revenues:

Taxes:

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

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Adjustment to beginning net position

Net position - end of year

See Accompanying Notes to the Financial Statements.

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activities	Totals	Component Units
\$ (22,042,038)	\$ -	\$ (22,042,038)	\$ -
478,797	-	478,797	-
(107,499,841)	-	(107,499,841)	-
(40,689,871)	-	(40,689,871)	-
(23,684,148)	-	(23,684,148)	-
(5,886,971)	-	(5,886,971)	-
(14,123,164)	-	(14,123,164)	-
<u>(213,447,236)</u>	<u>-</u>	<u>(213,447,236)</u>	<u>-</u>
-	\$ (937,013)	(937,013)	-
-	(1,550,487)	(1,550,487)	-
-	(7,470,029)	(7,470,029)	-
-	(185,703)	(185,703)	-
-	(5,287,831)	(5,287,831)	-
-	115,633	115,633	-
-	(446,000)	(446,000)	-
-	34,897	34,897	-
-	(347,012)	(347,012)	-
-	(6,740,454)	(6,740,454)	-
-	<u>(22,813,999)</u>	<u>(22,813,999)</u>	<u>-</u>
<u>(213,447,236)</u>	<u>(22,813,999)</u>	<u>(236,261,235)</u>	<u>-</u>
-	-	-	\$ (8,551,948)
-	-	-	8,691
-	-	-	<u>(9,820,525)</u>
-	-	-	<u>\$ (18,363,782)</u>
17,130,837	-	17,130,837	-
171,549,434	8,985,838	180,535,272	-
9,474,098	-	9,474,098	-
5,389,031	1,790,951	7,179,982	-
2,025,855	-	2,025,855	-
8,497,843	-	8,497,843	-
1,815,029	-	1,815,029	-
442,344	-	442,344	-
399,417	-	399,417	-
366,789	-	366,789	-
348,437	-	348,437	9,891,906
72,025	4,829	76,854	72,213
7,500,929	-	7,500,929	-
<u>(4,969,603)</u>	<u>4,969,603</u>	<u>-</u>	<u>-</u>
<u>220,042,465</u>	<u>15,751,221</u>	<u>235,793,686</u>	<u>9,964,119</u>
6,595,229	(7,062,778)	(467,549)	(8,399,663)
302,087,065	111,847,332	413,934,397	4,096,624
<u>(2,683,855)</u>	<u>-</u>	<u>(2,683,855)</u>	<u>248,225</u>
<u>\$ 305,998,439</u>	<u>\$ 104,784,554</u>	<u>\$ 410,782,993</u>	<u>\$ (4,054,814)</u>

See Accompanying Notes to the Financial Statements.

GOVERNMENTAL FUNDS

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, 2014**

	General Fund	Capital Improvements Fund
ASSETS		
Cash, equity in pooled cash and investments	\$ 14,025,728	\$ 33,453,945
Restricted cash - capital purchases	-	-
Receivables (net)	20,560,027	4,635,610
Due from other funds	65,000	100,000
Inventories	2,301,354	-
Other assets	10,000	-
Total assets	\$ 36,962,109	\$ 38,189,555
LIABILITIES		
Accounts payable and accrued liabilities	\$ 16,718,789	\$ 3,814,615
Unearned revenue	-	143,928
Due to other funds	298,937	-
Compensated absences - terminated employees	297,177	-
Insurance claims payable	417,064	-
Escrowed funds liability	140	-
Total liabilities	17,732,107	3,958,543
FUND BALANCES		
Nonspendable	2,311,354	-
Restricted	-	-
Committed	-	-
Assigned	1,992,313	34,231,012
Unassigned	14,926,335	-
Total fund balances	19,230,002	34,231,012
Total liabilities and fund balances	\$ 36,962,109	\$ 38,189,555

See Accompanying Notes to the Financial Statements.

Governmental Funds - Non Major	Total Governmental Funds
\$ 39,316,082	\$ 86,795,755
83,419	83,419
2,519,840	27,715,477
106,297	271,297
-	2,301,354
-	10,000
<u>\$ 42,025,638</u>	<u>\$ 117,177,302</u>
\$ 4,557,467	\$ 25,090,871
453,400	597,328
100,000	398,937
-	297,177
-	417,064
11,026	11,166
<u>5,121,893</u>	<u>26,812,543</u>
-	2,311,354
18,024,769	18,024,769
8,581,543	8,581,543
10,308,654	46,531,979
(11,221)	14,915,114
36,903,745	90,364,759
<u>\$ 42,025,638</u>	<u>\$ 117,177,302</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
RECONCILIATION OF THE BALANCE SHEET GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

Total fund balances - governmental funds	\$ 90,364,759
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital Assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Governmental capital assets	\$ 888,384,427
Less accumulated depreciation	<u>(254,090,745)</u>
	634,293,682
Other assets and deferred inflows used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Police & Fire Pension negative net pension obligation	75,600,575
Long-term notes receivable	730,000
Deferred amount on refunding	4,854,604
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Accrued interest payable	(1,704,306)
Pension employer contribution payable	(6,867,161)
Bonds and warrants payable	(283,976,749)
Notes payable	(3,380,000)
Capital lease obligations	(1,699,994)
Compensated absences	(13,040,057)
Insurance claims payable	(13,253,155)
Landfill postclosure liability	(765,740)
OPEB liability	<u>(182,025,000)</u>
	(506,712,162)
Deferred revenue in governmental funds is susceptible to full accrual accounting in the government-wide financial statements.	
Revenue that is deferred because it is not available to finance current expenditures.	143,928
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.	
	<u>6,723,053</u>
Total net position - governmental activities	<u>\$ 305,998,439</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>General Fund</u>	<u>Capital Improvements Fund</u>
Revenues		
Taxes	\$ 158,457,909	\$ 41,383,505
Licenses and permits	36,380,782	-
Intergovernmental	65,645	-
Charges for services	8,257,636	-
Fines and forfeitures	3,106,672	-
State and federal assistance	175,710	348,437
Assessments	-	3,944
Interest	57,279	-
Other revenue	1,384,507	5,573,409
Total revenues	<u>207,886,140</u>	<u>47,309,295</u>
Expenditures		
Current:		
General government	15,910,198	-
Economic development	854,155	-
Public safety	79,698,315	-
Public works	34,013,827	-
Culture and recreation	13,321,383	-
Finance	5,028,125	-
Nondepartmental	43,620,850	-
Capital outlay	-	15,302,522
Debt service:		
Principal payments	-	693,302
Interest and fee payments	45,333	82,496
Total expenditures	<u>192,492,186</u>	<u>16,078,320</u>
Excess (deficiency) of revenues over expenditures	<u>15,393,954</u>	<u>31,230,975</u>
Other financing sources (uses)		
Transfers in	27,584,645	215,638
Transfers out	(23,574,026)	(32,869,104)
Proceeds from disposal of assets	7,124	-
Total other financing sources (uses)	<u>4,017,743</u>	<u>(32,653,466)</u>
Net change in fund balance	19,411,697	(1,422,491)
Fund balances - beginning of year	3,258,018	35,653,503
Adjustment to beginning fund balance	(3,439,713)	-
Fund balances - end of year	<u>\$ 19,230,002</u>	<u>\$ 34,231,012</u>

See Accompanying Notes to the Financial Statements.

Governmental Funds - Non Major	Total Governmental Funds
\$ 17,249,263	\$ 217,090,677
3,145,144	39,525,926
-	65,645
209,088	8,466,724
1,280,057	4,386,729
8,624,999	9,149,146
-	3,944
14,746	72,025
601,603	7,559,519
<u>31,124,900</u>	<u>286,320,335</u>
5,715,661	21,625,859
-	854,155
2,801,382	82,499,697
-	34,013,827
-	13,321,383
-	5,028,125
3,240,310	46,861,160
8,590,910	23,893,432
11,439,674	12,132,976
13,405,941	13,533,770
<u>45,193,878</u>	<u>253,764,384</u>
<u>(14,068,978)</u>	<u>32,555,951</u>
26,589,958	54,390,241
(13,349,829)	(69,792,959)
-	7,124
<u>13,240,129</u>	<u>(15,395,594)</u>
(828,849)	17,160,357
34,292,881	73,204,402
3,439,713	-
<u>\$ 36,903,745</u>	<u>\$ 90,364,759</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Net change in fund balances - total governmental funds		\$ 17,160,357
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report the acquisition of capital assets as expenditures. However, in the statement of activities, the cost of those assets are capitalized and depreciated over their estimated useful lives.		
Expenditures for capital assets	\$ 20,168,284	
Less accumulated depreciation	<u>(19,586,408)</u>	581,876
Contributions of capital assets are not reported as income in governmental funds		661,845
Change in deferred revenue		2,354
Change in P&F Pension negative net pension obligation		(509,116)
Change in long-term notes receivable		(70,000)
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 - capital lease obligations	693,302	
Principal payments - bonds and notes payable	<u>11,509,674</u>	12,202,976
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Amortization of deferred amount on refunding	(919,247)	
Amortization of current year bond premium	309,301	
Amortization of current year bond discount	(19,306)	
Change in long-term compensated absences	727,332	
Change in long-term insurance claims	(2,573,817)	
Change in long-term landfill postclosure liability	44,337	
Change in accrued interest	62,330	
Change in pension contribution payable	4,432,004	
Change in OPEB liability	(26,182,000)	
Gain (loss) on disposal of capital assets	<u>(236,908)</u>	(24,355,974)
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.		<u>920,911</u>
Change in net position of governmental activities		<u>\$ 6,595,229</u>

See Accompanying Notes to the Financial Statements.

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.

- Mobile Civic Center
- Mobile Convention Center
- WAVE Transit
- Municipal Parking Garage
- Alabama Cruise Terminal

**CITY OF MOBILE, ALABAMA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2014**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
ASSETS			
Current assets:			
Cash, equity in pooled cash and investments	\$ 323,923	\$ 9,103,666	\$ 163,112
Receivables (net)	78,147	1,163,785	414,024
Due from other funds	-	-	295,581
Other assets	4,062	11,602	331,330
Inventories	26,390	55,943	156,657
Total current assets	<u>432,522</u>	<u>10,334,996</u>	<u>1,360,704</u>
Capital assets:			
Non-depreciable capital assets	224,350	6,889,276	2,103,993
Depreciable capital assets, net	6,699,433	37,143,467	15,685,673
Total capital assets	<u>6,923,783</u>	<u>44,032,743</u>	<u>17,789,666</u>
Total assets	<u>7,356,305</u>	<u>54,367,739</u>	<u>19,150,370</u>
DEFERRED OUTFLOWS OF RESOURCES			
	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	275,028	692,380	312,595
Unearned revenue	286,305	80,157	-
Employer pension contributions payable	-	-	529,532
Capital lease obligations - current portion	-	-	-
Compensated absences - current portion	-	-	89,583
Insurance claims payable	-	-	-
Due to other funds	-	-	167,941
Total current liabilities	<u>561,333</u>	<u>772,537</u>	<u>1,099,651</u>
Long-term liabilities:			
Capital lease obligations - net of current portion	-	-	-
Compensated absences - net of current portion	-	-	329,712
Self-insured liability - legal	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>329,712</u>
Total liabilities	<u>561,333</u>	<u>772,537</u>	<u>1,429,363</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement receipts	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	6,923,783	44,032,743	17,789,666
Unrestricted (deficit)	(128,811)	9,562,459	(68,659)
Total net position	<u>\$ 6,794,972</u>	<u>\$ 53,595,202</u>	<u>\$ 17,721,007</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 994,722	\$ -	\$ 1,164,718	\$ 11,750,141	\$ 3,458,218
235,000	11,674	433,282	2,335,912	15,050
-	-	-	295,581	-
-	11,203	541	358,738	-
-	-	115,536	354,526	-
<u>1,229,722</u>	<u>22,877</u>	<u>1,714,077</u>	<u>15,094,898</u>	<u>3,473,268</u>
1,895,790	-	1,457,640	12,571,049	-
<u>3,898,445</u>	<u>16,961,819</u>	<u>5,004,173</u>	<u>85,393,010</u>	<u>7,430,304</u>
<u>5,794,235</u>	<u>16,961,819</u>	<u>6,461,813</u>	<u>97,964,059</u>	<u>7,430,304</u>
<u>7,023,957</u>	<u>16,984,696</u>	<u>8,175,890</u>	<u>113,058,957</u>	<u>10,903,572</u>
-	-	-	-	-
-	48,209	1,290,994	2,619,206	374,513
-	13,100	192,030	571,592	-
-	-	-	529,532	-
-	-	-	-	234,984
-	-	-	89,583	-
-	-	-	-	2,364,500
-	-	-	167,941	-
<u>-</u>	<u>61,309</u>	<u>1,483,024</u>	<u>3,977,854</u>	<u>2,973,997</u>
-	-	-	-	489,266
-	-	-	329,712	-
-	-	-	-	717,256
-	-	-	329,712	1,206,522
<u>-</u>	<u>61,309</u>	<u>1,483,024</u>	<u>4,307,566</u>	<u>4,180,519</u>
<u>3,966,837</u>	<u>-</u>	<u>-</u>	<u>3,966,837</u>	<u>-</u>
5,794,235	16,961,820	6,461,813	97,964,060	6,706,054
(2,737,115)	(38,433)	231,053	6,820,494	16,999
<u>\$ 3,057,120</u>	<u>\$ 16,923,387</u>	<u>\$ 6,692,866</u>	<u>\$ 104,784,554</u>	<u>\$ 6,723,053</u>

See Accompanying Notes to the Financial Statements.

CITY OF MOBILE, ALABAMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
OPERATING REVENUES			
Facility rent	\$ 423,129	\$ 591,566	\$ -
Sales revenue	-	-	-
Parking fees	345,563	142,150	-
User charges	820,992	201,184	1,010,893
Concessions	251,889	1,163,569	-
Retiree drug subsidy	-	-	-
Miscellaneous revenue	189,649	86,374	125,211
Cost reimbursement	-	19,900	-
Total operating revenues	<u>2,031,222</u>	<u>2,204,743</u>	<u>1,136,104</u>
OPERATING EXPENSES			
Personnel services	1,914,201	2,136,748	6,615,565
Commodities	70,804	948,670	2,303,119
Utilities	651,306	563,229	196,863
Cost of goods sold	-	-	-
Professional and technical	297,870	2,857,844	295,175
Architectural	-	19,550	-
Maintenance and repairs	16,648	149,778	-
Printing and reproduction	2,329	1,587	-
Insurance payments	101,744	379,256	719,044
Increase (decrease) in provision for self-insured loss	-	-	-
Event expenses	36,138	105,413	-
Other charges	79,180	1,007,792	529,644
Depreciation	406,499	1,262,011	1,473,162
Capital outlay	-	242,895	-
Total operating expenses	<u>3,576,719</u>	<u>9,674,773</u>	<u>12,132,572</u>
Operating income (loss)	<u>(1,545,497)</u>	<u>(7,470,030)</u>	<u>(10,996,468)</u>
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	10,776,789	-
Investment income	-	-	200
Interest and fee payments	-	-	(7,067)
Gain (loss) on disposal of capital assets	(4,990)	-	5,423
Federal grants	-	-	3,409,341
Damaged vehicles reimbursement	-	-	-
Net nonoperating revenues (expenses)	<u>(4,990)</u>	<u>10,776,789</u>	<u>3,407,897</u>
Net income (loss) before contributions and transfers	(1,550,487)	3,306,759	(7,588,571)
Capital grants and contributions	-	-	848,317
Transfers in	1,209,312	-	7,255,976
Transfers out	-	(4,154,016)	(3,759,062)
Change in net position	<u>(341,175)</u>	<u>(847,257)</u>	<u>(3,243,340)</u>
Net position - beginning of year	7,136,147	54,442,459	20,964,347
Net position - end of year	<u>\$ 6,794,972</u>	<u>\$ 53,595,202</u>	<u>\$ 17,721,007</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 400,957	\$ 174,617	\$ 170,934	\$ 1,761,203	\$ -
-	-	217,253	217,253	-
-	20,905	-	508,618	-
-	11,370	3,847,668	5,892,107	24,288,374
-	-	73,364	1,488,822	-
-	-	-	-	214,561
-	-	75,342	476,576	8,411
-	-	7,706	27,606	-
<u>400,957</u>	<u>206,892</u>	<u>4,392,267</u>	<u>10,372,185</u>	<u>24,511,346</u>
-	148,439	7,934,439	18,749,392	110,497
47,276	8,859	1,043,940	4,422,668	2,540,654
-	153,215	353,299	1,917,912	35,238
-	74,940	119,529	194,469	-
-	93,650	398,124	3,942,663	1,429,620
-	-	-	19,550	-
-	27,649	39,267	233,342	5,929
-	274	9,197	13,387	-
-	95,804	68,948	1,364,796	27,367,560
-	-	-	-	609,710
-	-	-	141,551	-
36,405	134,214	313,092	2,100,327	810,639
201,644	406,861	343,381	4,093,558	1,190,486
-	-	-	242,895	-
<u>285,325</u>	<u>1,143,905</u>	<u>10,623,216</u>	<u>37,436,510</u>	<u>34,100,333</u>
<u>115,632</u>	<u>(937,013)</u>	<u>(6,230,949)</u>	<u>(27,064,325)</u>	<u>(9,588,987)</u>
-	-	-	10,776,789	-
4,631	-	-	4,831	-
-	-	-	(7,067)	(22,472)
-	-	(3,573)	(3,140)	46,402
-	-	2,875	3,412,216	-
-	-	-	-	52,853
<u>4,631</u>	<u>-</u>	<u>(698)</u>	<u>14,183,629</u>	<u>76,783</u>
<u>120,263</u>	<u>(937,013)</u>	<u>(6,231,647)</u>	<u>(12,880,696)</u>	<u>(9,512,204)</u>
-	-	-	848,317	-
-	413,323	5,004,070	13,882,681	10,433,115
<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>(8,913,078)</u>	<u>-</u>
<u>(879,737)</u>	<u>(523,690)</u>	<u>(1,227,577)</u>	<u>(7,062,776)</u>	<u>920,911</u>
<u>3,936,857</u>	<u>17,447,077</u>	<u>7,920,443</u>	<u>111,847,330</u>	<u>5,802,142</u>
<u>\$ 3,057,120</u>	<u>\$ 16,923,387</u>	<u>\$ 6,692,866</u>	<u>\$ 104,784,554</u>	<u>\$ 6,723,053</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
Cash flows from operating activities			
Cash received from:			
User charges	\$ 820,992	\$ 201,184	\$ 1,127,726
Sales revenue	-	-	-
Internal billings	-	-	-
Employee contributions	-	-	-
Facility rent	395,011	447,154	-
Parking fees	345,563	142,150	-
Concessions	251,889	1,163,569	-
Miscellaneous	330,263	106,274	-
Cash payments for insurance claims	-	-	-
Cash payments for operating expenses	(1,161,966)	(6,002,313)	(4,397,612)
Cash payments for internal services	(12,092)	(15,937)	-
Cash payments to employees for services	(2,011,712)	(2,128,429)	(6,500,978)
Net cash provided (used) by operating activities	<u>(1,042,052)</u>	<u>(6,086,348)</u>	<u>(9,770,864)</u>
Cash flows from non-capital financing activities			
Taxes	-	10,602,939	-
Non-capital grants and contributions	-	-	6,044,972
Transfers in from other funds	1,209,312	-	7,349,240
Transfers out to other funds	-	(4,154,017)	(4,165,454)
Retiree drug subsidy	-	-	-
Net cash provided by non-capital financing activities	<u>1,209,312</u>	<u>6,448,922</u>	<u>9,228,758</u>
Cash flows from capital and related financing activities			
Interest payments	-	-	(7,722)
Acquisition of capital assets	-	(319,613)	(117,725)
Proceeds from sale of capital assets	-	-	5,423
Reimbursement for damaged vehicles	-	-	-
Payments on capital leases	-	-	(184,751)
Capital grants and contributions	-	-	823,955
Net cash used by capital and related financing activities	<u>-</u>	<u>(319,613)</u>	<u>519,180</u>
Cash flows from investing activities			
Investment income received	-	-	200
Net cash flows provided by investing activities	<u>-</u>	<u>-</u>	<u>200</u>
Net increase (decrease) in pooled cash and investments	167,260	42,961	(22,726)
Pooled cash and investments - beginning of the year	156,663	9,060,705	185,838
Pooled cash and investments - end of the year	<u>\$ 323,923</u>	<u>\$ 9,103,666</u>	<u>\$ 163,112</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ -	\$ 10,937	\$ 4,570,571	\$ 6,731,410	\$ 1,206,873
-	-	160,119	160,119	-
-	-	-	-	18,755,781
-	-	-	-	4,321,872
298,916	173,867	161,578	1,476,526	-
-	20,905	-	508,618	-
-	-	73,364	1,488,822	-
-	-	278,225	714,762	7,145
-	-	-	-	(27,634,567)
(83,680)	(479,461)	(1,965,048)	(14,090,080)	(5,192,940)
-	-	(596,315)	(624,344)	-
-	(139,571)	(7,384,042)	(18,164,732)	(111,235)
<u>215,236</u>	<u>(413,323)</u>	<u>(4,701,548)</u>	<u>(21,798,899)</u>	<u>(8,647,071)</u>
-	-	-	10,602,939	-
-	-	2,875	6,047,847	-
-	413,323	5,004,070	13,975,945	10,433,115
(1,000,000)	-	-	(9,319,471)	-
-	-	-	-	214,561
<u>(1,000,000)</u>	<u>413,323</u>	<u>5,006,945</u>	<u>21,307,260</u>	<u>10,647,676</u>
-	-	-	(7,722)	(22,472)
-	-	-	(437,338)	(1,006,292)
-	-	3,067	8,490	173,294
-	-	-	-	52,853
-	-	-	(184,751)	(228,776)
-	-	-	823,955	-
<u>-</u>	<u>-</u>	<u>3,067</u>	<u>202,634</u>	<u>(1,031,393)</u>
4,631	-	-	4,831	-
<u>4,631</u>	<u>-</u>	<u>-</u>	<u>4,831</u>	<u>-</u>
(780,133)	-	308,464	(284,174)	969,212
1,774,855	-	856,254	12,034,315	2,489,006
<u>\$ 994,722</u>	<u>\$ -</u>	<u>\$ 1,164,718</u>	<u>\$ 11,750,141</u>	<u>\$ 3,458,218</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA
STATEMENT OF CASH FLOWS (CONT'D)
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (1,545,497)	\$ (7,470,030)	\$ (10,996,468)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	406,499	1,262,011	1,473,162
Noncash expense included in operating income	-	-	-
Non-capital financing cash flow included in operating income	-	-	-
Change in assets and liabilities -			
Decrease (increase) in:			
Accounts receivable	(28,118)	(137,526)	(296,168)
Materials and supplies	(12,635)	(11,199)	2,057
Prepaid expenses	(1,340)	(440)	23,782
Increase (decrease) in:			
Accounts payable	(25,110)	269,403	(91,816)
Accrued liabilities	-	-	(89,898)
Payroll payable	23,535	8,319	-
Pension liability	-	-	204,485
Insurance claims payable	-	-	-
Self-insured liability - legal	-	-	-
Advance collections	140,614	(6,886)	-
Total adjustments	<u>503,445</u>	<u>1,383,682</u>	<u>1,225,604</u>
Net cash provided (used) by operating activities	<u>\$ (1,042,052)</u>	<u>\$ (6,086,348)</u>	<u>\$ (9,770,864)</u>

See Accompanying Notes to the Financial Statements.

				Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Other Enterprise Funds	Totals	Internal Service Funds
\$ 115,632	\$ (937,013)	\$ (6,230,949)	\$ (27,064,325)	\$ (9,588,987)
201,644	406,861	343,381	4,093,558	1,190,486
-	115,964	-	115,964	-
-	-	-	-	(214,561)
-	(433)	657,415	195,170	127,622
-	-	(28,428)	(50,205)	-
-	6,608	(541)	28,069	-
-	(13,428)	256,221	395,270	(360,404)
-	-	-	(89,898)	(738)
-	8,868	110,323	151,045	-
-	-	-	204,485	-
-	-	-	-	607,100
-	-	-	-	(407,589)
(102,040)	(750)	191,030	221,968	-
99,604	523,690	1,529,401	5,265,426	941,916
<u>\$ 215,236</u>	<u>\$ (413,323)</u>	<u>\$ (4,701,548)</u>	<u>\$ (21,798,899)</u>	<u>\$ (8,647,071)</u>

See Accompanying Notes to the Financial Statements.

COMPONENT UNITS

Mobile Public Library
The Public Park and Recreation Board
Solid Waste Disposal Authority

**CITY OF MOBILE, ALABAMA
STATEMENT OF NET POSITION
COMPONENT UNITS
SEPTEMBER 30, 2014**

	<u>Mobile Public Library</u>	<u>Public Park and Recreation Board</u>	<u>Solid Waste Disposal Authority</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 3,279,732	\$ 361,873	\$ 134,489	\$ 3,776,094
Receivables:				
Accounts, notes and other - net	84,741	227,292	-	312,033
Depreciable capital assets, net	<u>860,406</u>	<u>150,343</u>	<u>248,225</u>	<u>1,258,974</u>
Total assets	<u>\$ 4,224,879</u>	<u>\$ 739,508</u>	<u>\$ 382,714</u>	<u>\$ 5,347,101</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities Due within one year:	\$ 219,573	\$ 220,431	\$ 134,489	\$ 574,493
Compensated absences - current portion	35,388	-	-	35,388
Due after one year:				
Compensated absences - net of current portion	500,386	-	-	500,386
Self-insured liability - legal	<u>-</u>	<u>-</u>	<u>8,291,648</u>	<u>8,291,648</u>
Total liabilities	<u>755,347</u>	<u>220,431</u>	<u>8,426,137</u>	<u>9,401,915</u>
NET POSITION				
Net investment in capital assets	860,406	150,343	248,225	1,258,974
Unrestricted (deficit)	<u>2,609,126</u>	<u>368,734</u>	<u>(8,291,648)</u>	<u>(5,313,788)</u>
Total net position	<u>\$ 3,469,532</u>	<u>\$ 519,077</u>	<u>\$ (8,043,423)</u>	<u>\$ (4,054,814)</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA
STATEMENT OF ACTIVITIES
COMPONENTS UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Mobile Public Library				
Culture and recreation	\$ 9,779,426	\$ 770,470	\$ 453,435	\$ 3,573
Total Mobile Public Library	<u>9,779,426</u>	<u>770,470</u>	<u>453,435</u>	<u>3,573</u>
Public Park and Recreation Board				
Culture and recreation	1,045,220	1,053,911	-	-
Total Public Park and Recreation Board	<u>1,045,220</u>	<u>1,053,911</u>	<u>-</u>	<u>-</u>
Solid Waste Disposal Authority				
Public works	10,048,281	227,756	-	-
Total Solid Waste Disposal Authority	<u>10,048,281</u>	<u>227,756</u>	<u>-</u>	<u>-</u>
Total component units	<u>20,872,927</u>	<u>2,052,137</u>	<u>453,435</u>	<u>3,573</u>

General Revenues:

Payment from City of Mobile
Payment from Mobile County
Payment from City of Saraland
Grants, entitlements and contributions not restricted to specific programs
Interest income
Total general revenues
Change in net position
Net position - beginning of year
Adjustment to beginning net position
Net position - end of year

See Accompanying Notes to the Financial Statements.

Net (Expenses) Revenue and
Changes in Net Position

Public Library	Public Park and Recreation Board	Solid Waste Disposal Authority	Totals
<u>\$ (8,551,948)</u>			<u>\$ (8,551,948)</u>
<u>(8,551,948)</u>			<u>(8,551,948)</u>
	<u>\$ 8,691</u>		<u>8,691</u>
	<u>8,691</u>		<u>8,691</u>
		<u>\$ (9,820,525)</u>	<u>(9,820,525)</u>
-	-	<u>(9,820,525)</u>	<u>(9,820,525)</u>
<u>(8,551,948)</u>	<u>8,691</u>	<u>(9,820,525)</u>	<u>(18,363,782)</u>
6,597,319	-	1,528,877	8,126,196
1,238,342	-	-	1,238,342
171,000	-	-	171,000
356,368	-	-	356,368
72,213	-	-	72,213
<u>8,435,242</u>	<u>-</u>	<u>1,528,877</u>	<u>9,964,119</u>
(116,706)	8,691	(8,291,648)	(8,399,663)
3,586,238	510,386	-	4,096,624
-	-	248,225	248,225
<u>\$ 3,469,532</u>	<u>\$ 519,077</u>	<u>\$ (8,043,423)</u>	<u>\$ (4,054,814)</u>

See Accompanying Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation - Government-wide and Fund Accounting

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

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

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

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

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

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 non-major governmental funds. Special Revenue Funds used by the City are as follows:

- 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 - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning.
- 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.
- 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. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

- Public Safety Grants - This fund is used to account for public safety related activities funded by federal, state, local, and private grants. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

- 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. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current fiscal year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

- 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. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current fiscal year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting. .

- 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. In the prior fiscal year, these activities were reported as a component of the General Fund. In the current fiscal year, the City made the determination that these activities should appropriately be classified as a Special Revenue Fund to provide greater accountability, comparability and consistency in reporting.

Debt Service Funds - These funds are non-major 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:

- 2001 General Obligation Refunding and School Warrants - This fund is used to service the remaining debt outstanding on the 2001 General Obligation Refunding and School Warrants.

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

- 2002 Limited Obligation Tax Increment Warrants - This fund is used to service the remaining debt outstanding on the 2002 Limited Obligation Tax Increment Warrants.

- 2006 General Obligation Refunding and Improvement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Refunding and Improvement Warrants.

- 2006 General Obligation Private Placement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Private Placement Warrants.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.
- Strategic Plan - This fund is used to provide for several special projects. The majority of this fund is financed by a portion of the gasoline tax and sales tax.
- 1995 Capital Projects - This fund is used to provide for several projects: the closure of Bates Field Landfill, the upgrading of Azalea City Golf Course facilities, engineering for Magnolia Grove Road, a tennis court parking lot, purchase of the Touchdown building and improvements to Airport Boulevard and the garage work area. This fund was financed by the 1995 General Obligation Capital Improvement Warrants.
- 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.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- 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.
- 1999 General Obligation Private Placement (I.P.S.C.O.) - This fund is to provide for site and infrastructure improvements to be constructed and installed by the Industrial Development Board of Mobile County at the site of a facility that produces and manufactures steel products by I.P.S.C.O.
- 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.
- 2002 Limited Obligation Tax Increment Capital Projects -This fund is used to acquire certain land and finance, construct and install certain public improvements located within the Tax Increment District.
- 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.
- 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.
- 2008-B General Obligation Capital Improvement Projects - This fund is used for certain capital improvement projects of the City.
- 2009B General Obligation Capital Project - BAB 2009 Taxable Warrants - This fund, the General Obligation Build America Warrants Series 2009B (Taxable) is used to provide for the Gulfquest Maritime Museum, a future parking garage, and a fire station.
- 2009C General Obligation Capital Project - ARRA 2009 Taxable Warrants - This fund, the General Obligation Recovery Zone Economic Development Warrants Series 2009C (Taxable) is used to provide for the Gulfquest Maritime Museum, a future parking garage, and a fire station.
- Small Issue General Obligation Warrants (2010) - This fund is used to purchase pumper trucks for the City's fire department.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 2011 General Obligation Private Placement Capital Improvements - This fund is used to refund the 2001 General Obligation Refunding Warrants and to finance a portion of the costs of the completion of construction and installation of a maritime museum to be located at Mobile Landing.
- 2012 General Obligation Private Placement Capital Improvements - This fund is used to purchase police, fire and public service equipment.

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 shown 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.
- 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.
- WAVE Transit - This major enterprise fund is used to account for the operations of the City's public transportation system which derives the majority of its income from passenger fare revenues and various government subsidies.
- 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.
- 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.
- 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.
- Firemedics - This fund is used to account for the operations of the firemedics division which provides ambulance services to the general public.
- Tennis Center - This fund is used to account for the operations of the Tennis Center which derives the majority of its income from tennis court rentals.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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.
- Neighborhood Renewal Program - This fund is used to account for the operations of the Neighborhood Renewal Program which derives the majority 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.
- Insurance Fund - This fund is used to account for automobile and general liability claims and expenses paid 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.

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. The government-wide financial statements, as well as the proprietary funds, apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

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

Government-wide Financial Statements

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

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 are recognized when all eligibility requirements have been met.

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 actually received.

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

Proprietary Funds

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

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

- Prior to August 20, the Mayor submits to the City Council a proposed current revenue and expenditure budget for the general operations of the City government for the fiscal year beginning October 1, which constitutes the General Fund Budget, a Capital Budget and a budget message. However, a legally adopted budget is only required for the General Fund. By law, expenditures may not exceed revenues and surplus available, if any.
- A public hearing is held to obtain final taxpayer input, and necessary revisions are made not later than September 30.
- The budget is adopted by a majority vote of the City Council, and any required revenue measures are legally enacted through passage of an ordinance.
- Changes or amendments to budgeted expenditures of the City at the departmental and fund level must be approved by the City Council.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 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 - The fund financial statements include both unearned revenue and revenue that is not considered available to finance current expenditures. The government-wide financial statements include only unearned revenue.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the General Fund and Capital Projects Funds. Encumbrances outstanding at year-end for specific purposes are included within restricted, committed, or assigned fund balance as appropriate. For budgetary purposes, current year encumbrances are treated as expenditures and any unencumbered balances lapse at year-end. Encumbrances have been recorded in the General Fund and Capital Projects Funds.

Pooled Cash and Investments - Pooled cash and investments consist of cash, government securities, certificates of deposit, and repurchase agreements. Cash balances and the requirements of all funds are considered in determining the amount to be invested. Interest earned on pooled cash and investments is recorded as General Fund revenue and allocated between funds based upon balances (see Note 3). The City reports its money market investments and investments in short-term debt securities that have remaining maturities of one year or less at amortized cost.

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.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Government-wide Financial Statements

In the government-wide financial statements, capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Donated capital assets are valued at their estimated fair market value on the date donated. 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>Types of Assets</u>	<u>Estimated Useful Life</u>
Buildings	25-60 years
Improvements	20 years
Infrastructure (Drainage, Streets, Bridges, Sidewalks and Docking)	50 years
Infrastructure (Utilities and Landscaping)	25 years
Machinery and equipment	5-10 years
Automotive equipment	3-15 years
Office equipment	6 years

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

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

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

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

The current portion of this debt is estimated based on historical trends. In the enterprise funds, the compensated absences liability is presented in the balance sheet, and is classified as current and non-current. In the governmental fund financial statements, amounts that would normally be paid with expendable available financial resources once the liability has matured, for example as a result of 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 10).
- Unrestricted net position - All other net position which does not meet the definition of "restricted" or "net investment in capital assets."

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

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

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

Non-spendable Fund Balance - Inventory, prepaid expenditures and other similar assets not in a spendable form that are contractually required to be maintained intact are classified as non-spendable fund balance.

Restricted Fund Balance - Assets that are constrained by externally imposed restrictions, or by law through constitutional provisions or enabling legislation.

Committed Fund Balance - Amounts formally designated by City Council through equally binding ordinances or resolutions for a specific purpose that cannot be used for another purpose unless the City Council formally changes the use.

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.

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

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

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

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adoption of new GASB pronouncements:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Issued March 2012, this Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. The City implemented GASB Statement No. 65 in the current fiscal year resulting in a prior period adjustment to write off the beginning balance of unamortized bond issuance costs which are now required to be expensed in the period incurred. These amounts were previously capitalized and amortized over the term of the debt. This adjustment reduced beginning government-wide net position by \$2,435,630. See Note 17 for details on the adjustment to beginning net position.

GASB Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. Issued March 2012, the objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The provisions of this Statement were effective for financial statements for periods beginning after December 15, 2012.

GASB Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. Issued June 2012, the objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement was effective for financial statements for fiscal years beginning after June 15, 2013.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. Issued April 2013, this Statement establishes accounting and financial reporting standards related to nonexchange financial guarantees. Some governments extend financial guarantees for the obligations of another entity without receiving equal or approximately equal value in exchange. Also, some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. This statement is effective for fiscal years beginning after June 15, 2013. The City does not currently have any nonexchange financial guarantees.

Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2014:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB No. 27*. Issued June 2012, the primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement is effective for fiscal years beginning after June 15, 2014. The City is currently evaluating the impact, that GASB 68 will have on its financial statements.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*

Issued January 2013, this Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This statement is effective for fiscal years beginning after December 15, 2013. The City is currently evaluating the impact, if any, that GASB 69 will have on its financial statements.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*

Issued November 2013, this Statement addresses an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement is effective for fiscal years beginning after June 15, 2014. The City is currently evaluating the impact, if any, that GASB 71 will have on its financial statements.

The City of Mobile will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The City has not yet determined if the above listed new GASB pronouncements will have a significant financial impact to the City 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. 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.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)

Discretely Presented Component Units

• **Mobile Public Library** - The Library is an agency or instrumentality of the City of Mobile. All of 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, Mobile County and user fees. Complete financials of the library can be obtained directly from their administrative office at:

Mobile Public Library
700 Government Street
Mobile, AL 36602

• **The Public Park and Recreation Board (Ladd - Peebles Stadium)** - The City appropriates funds to the Public Park and Recreation Board for operational and capital outlay purposes. All of 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 of 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.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)

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 of the five board members are appointed by the Council of the City of Mobile. BWSC has the ability to issue its own debt, and its operations are financed through water and sewer usage fees.
- **Mobile Housing Board** - The Mayor appoints members to the governing board and can remove members for cause. The Housing Board has complete legislative and administrative authority. The Housing Board's primary revenues come from rents and monies received from the Federal government.
- **Mobile Airport Authority** - The Mayor appoints members to the governing board and can remove members for cause. The Airport Authority has complete legislative and administrative authority and has the ability to issue its own debt. Its operations are financed through aviation revenues and monies received from the Federal government.

Joint Ventures

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

- **Mobile Board of Health** - The Mayor and the Council of the City of Mobile do not appoint the board members for the Mobile Board of Health. The City is legally required to contribute financial support to the Board of Health on an annual basis. The City contributed \$600,000 to the Mobile Board of Health during the fiscal year ended September 30, 2014. 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 \$436,107 to Mobile Emergency Management during the fiscal year ended September 30, 2014. Mobile Emergency Management receives contributions from other municipalities included within Mobile County as well as State and Federal financial assistance. The City has no equity interest in Mobile Emergency Management. Complete financial statements for Mobile Emergency Management may be obtained from their administrative office at 348 North McGregor Avenue, Mobile, Alabama 36618.
- **Mobile Personnel Board** - The five board members are appointed by a supervisory committee. The supervisory committee consists of the mayors for all cities in Mobile County, the County Sheriff, the County License Commissioner, the County Revenue Commissioner and various county judges. The City is legally required to contribute financial support to the Personnel Board on an annual basis. The City contributed \$1,248,069 to the Mobile Personnel Board during the fiscal year ended September 30, 2014. 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.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)

• **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, 2014 the City contributed \$2,897,798 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, 2014. At year-end, the carrying amount of the City's deposits was \$102,087,532 and the bank balance was \$102,913,213. Included in the bank balances are certificates of deposit totaling \$9,362,379. Of the total bank balance, \$3,840,686 was covered by Federal Depository Insurance and \$99,072,527 was covered under the SAFE program.

Investments

The City is restricted by State statute to investments in U.S. Government Treasury and Agency securities, certificates of deposit and money market accounts, repurchase agreements and reverse repurchase agreements, banker's acceptances and commercial paper. In each case, all funds must be fully insured or collateralized by the pledge of securities. Securities allowed as collateral include U.S. Government Treasury and Agency securities, State of Alabama Obligations and City of Mobile Obligations. As of September 30, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 49,245,059	0.0027
Sweep accounts	195,000	0.0027
Certificates of deposit	9,362,379	0.0822
	<u>\$ 58,802,438</u>	

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 3 - CASH, EQUITY IN POOLED CASH AND INVESTMENTS (continued)

Credit Risk and Concentration of Credit Risk

The City's investment policy prohibits the purchase of debt securities rated below AA. As of September 30, 2014, the City's investments in money market accounts are under the SAFE program. The investment policy also requires diversification of the City's investment portfolio by security type and institution. With the exception of U.S. Treasury Securities, the City will allow no more than 65% of its investment portfolio to be invested in single security types.

Custodial Credit Risk

The City's investment policy includes a requirement that City funds be collateralized at 102%. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the City's name.

Interest Rate Risk

The City has an investment policy that limits the maturities on individual investments to no more than one year.

NOTE 4 - RECEIVABLES

Receivables at September 30, 2014 consist of the following:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total Primary Government</u>
Receivables			
Taxes	\$ 17,570,999	\$ 970,360	\$ 18,541,359
Customers and other	7,273,216	9,465,290	16,738,506
Other governmental units	<u>6,935,939</u>	<u>102,941</u>	<u>7,038,880</u>
Gross receivables	31,780,154	10,538,591	42,318,745
Allowance for uncollectables	<u>(3,319,627)</u>	<u>(8,202,679)</u>	<u>(11,522,306)</u>
Net receivables	<u>\$ 28,460,527</u>	<u>\$ 2,335,912</u>	<u>\$ 30,796,439</u>

Substantially all receivables are due in fiscal year 2014, except Capital Projects Funds assessments receivable for public improvements of \$143,928.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 5 - INTERFUND TRANSFERS

Transfers within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs. Interfund transfers for the year ended September 30, 2014, are as follows:

	Transfer In	Transfer Out
Major Governmental Funds		
General Fund		
Capital Improvements Fund	\$ 17,923,603	\$ 215,638
Other Governmental Funds	5,656,118	2,294,897
Internal Service Funds	-	10,433,115
Mobile Civic Center	-	1,209,312
Cruise Terminal	-	413,323
Parking Garage	1,000,000	-
WAVE Transit	3,004,924	6,755,976
Other Enterprise Funds	-	<u>3,780,642</u>
Total General Fund	<u>27,584,645</u>	<u>25,102,903</u>
Capital Improvements Fund		
General Fund	215,638	17,923,603
Other Governmental Funds	-	14,245,501
WAVE Transit	-	500,000
Other Enterprise Funds	-	<u>200,000</u>
Total Capital Improvements Fund	<u>215,638</u>	<u>32,869,104</u>
Other Governmental Funds		
General Fund	2,294,897	5,656,118
Capital Improvements Fund	14,245,501	-
Other Governmental Funds	6,670,283	6,670,283
Mobile Convention Center	4,154,016	-
WAVE Transit	754,138	-
Other Enterprise Funds	-	<u>1,023,428</u>
Total Other Governmental Funds	<u>28,118,835</u>	<u>13,349,829</u>
Internal Service Funds		
General Fund	10,433,115	-
Total Internal Service Funds	<u>10,433,115</u>	<u>-</u>
Major Enterprise Funds		
Mobile Civic Center		
General Fund	1,209,312	-
Total Mobile Civic Center	<u>1,209,312</u>	<u>-</u>
Mobile Convention Center		
Other Governmental Funds	-	4,154,016
Total Mobile Convention Center	<u>-</u>	<u>4,154,016</u>
WAVE Transit		
General Fund	6,755,976	3,004,924
Capital Improvements Fund	500,000	-
Other Governmental Funds	-	754,138
Total WAVE Transit	<u>7,255,976</u>	<u>3,759,062</u>
Municipal Parking Garage		
General Fund	-	1,000,000
Total Municipal Parking Garage	<u>-</u>	<u>1,000,000</u>
Alabama Cruise Terminal		
General Fund	413,323	-
Total Alabama Cruise Terminal	<u>413,323</u>	<u>-</u>
Other Enterprise Funds		
General Fund	3,780,642	-
Capital Improvements Fund	200,000	-
Other Governmental Funds	1,023,428	-
Total Other Enterprise Funds	<u>5,004,070</u>	<u>-</u>
	<u>\$ 80,234,914</u>	<u>\$ 80,234,914</u>

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Generally, outstanding balances between funds reported as "due to/from other funds" include subsidy commitments outstanding at year-end and other miscellaneous receivables/payables between funds.

Interfund receivables and payables at September 30, 2014, are as follows:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Major Governmental Funds		
General Fund		
Other Governmental Funds	\$ 3,356	\$ -
WAVE Transit	295,581	65,000
Total General Fund	<u>298,937</u>	<u>65,000</u>
Capital Improvements Fund		
Other Governmental Funds	<u>-</u>	<u>100,000</u>
Total Capital Improvements Fund	<u>-</u>	<u>100,000</u>
Other Governmental Funds		
General Fund	-	3,356
Capital Improvements Fund	100,000	-
WAVE Transit	<u>-</u>	<u>102,941</u>
Total Other Governmental Funds	<u>100,000</u>	<u>106,297</u>
Major Enterprise Funds		
WAVE Transit		
General Fund	65,000	295,581
Other Governmental Funds	<u>102,941</u>	<u>-</u>
Total WAVE Transit	<u>167,941</u>	<u>295,581</u>
	<u>\$ 566,878</u>	<u>\$ 566,878</u>

Substantially all interfund balances are expected to be repaid within one year except \$100,000 due to the Capital Improvements Fund from the Strategic Plan Fund.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 7 - CAPITAL ASSETS

Governmental Activities

The following is a summary of changes in capital assets for the year ended September 30, 2014:

	Capital Assets, Not Depreciated				Capital Assets, Depreciated					
	Land	Construction in Progress	Infrastructure in Progress	Intangible Assets	Buildings	Improvements Other Than Buildings	Vehicular Equipment	Other Equipment	Infrastructure	Totals
Balance, 10/1/13	\$ 27,478,237	\$ 62,636,461	\$ 19,981,413	\$ 3,943,624	\$ 71,499,933	\$ 111,496,755	\$ 63,878,904	\$ 44,887,824	\$ 498,869,018	\$ 904,672,169
Additions	14,099	3,404,489	13,445,194	172,755	-	1,454,764	3,898,628	6,431,984	23,722,473	52,544,386
Deductions	(233,702)	(7,609,886)	(23,060,620)	-	(53,500)	-	(1,792,306)	(477,746)	-	(33,227,760)
Balance, 9/30/14	<u>27,258,634</u>	<u>58,431,064</u>	<u>10,365,987</u>	<u>4,116,379</u>	<u>71,446,433</u>	<u>112,951,519</u>	<u>65,985,226</u>	<u>50,842,062</u>	<u>522,591,491</u>	<u>923,988,795</u>
Accumulated Depreciation										
Balance, 10/1/13	-	-	-	-	29,102,321	43,801,809	42,309,308	35,894,277	112,287,966	263,395,681
Additions	-	-	-	-	1,063,288	4,979,818	3,362,320	1,364,784	10,006,684	20,776,894
Deductions	-	-	-	-	(1,161)	-	(1,510,577)	(396,028)	-	(1,907,766)
Balance, 9/30/14	-	-	-	-	<u>30,164,448</u>	<u>48,781,627</u>	<u>44,161,051</u>	<u>36,863,033</u>	<u>122,294,650</u>	<u>282,264,809</u>
Capital Assets, Net	<u>\$ 27,258,634</u>	<u>\$ 58,431,064</u>	<u>\$ 10,365,987</u>	<u>\$ 4,116,379</u>	<u>\$ 41,281,985</u>	<u>\$ 64,169,892</u>	<u>\$ 21,824,175</u>	<u>\$ 13,979,029</u>	<u>\$ 400,296,841</u>	<u>\$ 641,723,986</u>

Construction in progress consists of the following:

	Balance October 1, 2013	Additions	Deductions	Balance September 30, 2014
Waterfront Development	\$ 54,248,446	\$ 2,058,746	\$ -	\$ 56,307,192
Kidd Park Improvements	15,928	-	(15,928)	-
Police-Renovate 850 St. Anthony Bldg	143,327	1,318	-	144,645
Bienville Park Restrooms	78,695	902	(79,597)	-
Theodore Area Park	98,631	275	(98,906)	-
Metro 800 MHZ Emergency Radios	5,943,156	211,966	(6,155,122)	-
Parks - Ballfield Lighting Baumhauer Randle Pk	-	65,193	(65,193)	-
Parks - Ballfield Lighting Herndon Park	-	22,259	(22,259)	-
Parks - Ballfield Lighting Dog River Park	-	23,811	(23,811)	-
Parks - Ballfield Lighting Langan Park	-	15,897	(15,897)	-
Parks - Herndon Park Improvements	-	56,653	-	56,653
Parks - James Seals Park Improvements	-	359,569	-	359,569
Mob Regional Senior Comm Center Flooring	-	49,215	(49,215)	-
Parks - Mardi Gras Park	1,327	(1,327)	-	-
Ft. Conde Welcome Center-Roof Repairs	446,176	135,651	-	581,827
Parks - Annexed Areas	714,730	81,577	(796,307)	-
Parks - Copeland/Cox Tennis Center Improvements	177,333	174,926	-	352,259
Parks - Public Safety-Skateboard Park	23,873	2,397	-	26,270
African American Archives HVAC Replace.	-	40,895	(40,895)	-
Hurtel Street Armory - New Fire Alarm Syst.	-	27,969	-	27,969
ERP System - MUNIS	-	62,747	-	62,747
Ladd Peebles Stadium Renovation	303,919	-	-	303,919
CDBG 2011 - Harmon Park Rec Center Impr.	58,981	-	(58,981)	-
CDBG 2011 - Trinity Gardens Park	40,152	(1,237)	(38,915)	-
CDBG 2011 - PFC Howard Johnson Park Impr	44,617	1,850	(46,467)	-
CDBG 2011 - Maitre Park Improvements	102,393	-	(102,393)	-
CDBG 2012 - Theodore Park Improvements	194,777	13,237	-	208,014
Total	<u>\$ 62,636,461</u>	<u>\$ 3,404,489</u>	<u>\$ (7,609,886)</u>	<u>\$ 58,431,064</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 7 - CAPITAL ASSETS (continued)

As of September 30, 2014, commitments to contractors on capital projects totaled approximately \$15.0 million. Budgeted costs to complete projects in progress totaled approximately \$30.1 million.

Depreciation expense was charged to governmental activities as follows:

General government	\$ 14,373,786
Economic development	2,450
Public safety	2,116,394
Public works	965,336
Culture and recreation	2,125,670
Finance	2,772
Total depreciation expense	<u>\$ 19,586,408</u>

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2014:

	Capital Assets, Not Depreciated		Capital Assets, Depreciated				Totals
	Land	Construction in Progress	Buildings	Improvements Other than Buildings	Vehicular Equipment	Other Equipment	
Balance, 10/1/13	\$ 10,615,755	\$ 1,749,895	\$ 126,750,424	\$ 17,554,026	\$ 13,823,234	\$ 6,756,496	\$ 177,249,830
Additions	59,052	262,311	-	-	-	115,975	437,338
Deductions	-	(115,964)	-	-	(256,724)	(116,295)	(488,983)
Balance, 9/30/14	<u>10,674,807</u>	<u>1,896,242</u>	<u>126,750,424</u>	<u>17,554,026</u>	<u>13,566,510</u>	<u>6,756,176</u>	<u>177,198,185</u>
<i>Accumulated Depreciation</i>							
Balance, 10/1/13	-	-	52,887,683	8,275,121	8,815,907	5,523,248	75,501,959
Additions	-	-	2,325,320	549,986	989,925	228,327	4,093,558
Deductions	-	-	-	-	(256,725)	(104,666)	(361,391)
Balance, 9/30/14	<u>-</u>	<u>-</u>	<u>55,213,003</u>	<u>8,825,107</u>	<u>9,549,107</u>	<u>5,646,909</u>	<u>79,234,126</u>
Capital Assets, Net	<u>\$ 10,674,807</u>	<u>\$ 1,896,242</u>	<u>\$ 71,537,421</u>	<u>\$ 8,728,919</u>	<u>\$ 4,017,403</u>	<u>\$ 1,109,267</u>	<u>\$ 97,964,059</u>

Approximately \$5.8 million (cost of \$12.0 million and accumulated depreciation of \$6.2 million) of the Municipal Parking Garage property is leased to others as of September 30, 2014. (See Note 11)

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

Civic center	\$ 406,499
Convention center	1,262,011
Cruise Terminal	406,861
WAVE Transit	1,473,162
Parking garage	201,644
Golf course	145,285
Firemedics	5,680
Tennis center	3,887
Saenger Theater	188,529
Neighborhood renewal program	-
Total depreciation expense	<u>\$ 4,093,558</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 8 - LONG-TERM DEBT

The general and limited obligation bonds/warrants and notes of the City include the following at September 30, 2014:

\$10,655,000; 2002 Limited Obligation Tax Increment Warrants; due annually with interest payable semi-annually at rates ranging from 3.75% to 5.50% per annum; maturing February 15, 2023	\$ 6,505,000
\$63,410,000; 2006 General Obligation Refunding and Improvement Warrants; due annually with interest payable semi-annually at rates ranging from 4.38% to 5.00% per annum; maturing February 15, 2030	45,300,000
\$3,100,000; 2006 General Obligation Private Placement Warrants; due semi-annually with interest payable semi-annually at a rate of 4.50% per annum; maturing August 15, 2016	745,000
\$57,000,000; 2008 General Obligation Refunding and Improvement Warrants, due semi-annually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2030	57,000,000
\$69,295,000; 2008B General Obligation Refunding and Improvement Warrants, due semi-annually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2020	55,435,000
\$22,095,000; 2008C (AMT) General Obligation Refunding and Improvement Warrants, due semi-annually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2030	19,860,000
\$56,380,000; 2009A General Obligation Refunding Warrants; due semi-annually with interest payable at 3.00% to 6.00% per annum; maturing February 15, 2028	55,910,000
\$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
\$2,000,000; 2010 General Obligation Build America Bond (Equipment); due semi-annually with interest payable at 4.230% per annum; maturing February 15, 2015	218,714
\$13,715,000; 2011 General Obligation Private Placement Warrants, due annually with interest payable semi-annually 2.84% per annum; maturing February 12, 2026	13,715,000
\$5,100,000; 2012 General Obligation Private Placement Warrants, due semi-annually with interest payable semi-annually 1.53% per annum; maturing August 15, 2017	3,092,697
Total bonds/warrants payable	<u><u>\$ 280,976,411</u></u>
\$1,275,000; note payable to JPMorgan Chase, annual principal payments ranging from \$40,000 to \$115,000 through August 2022, semi-annual interest payments at 2.77%	\$ 730,000
\$1,410,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$30,000 to \$135,000 through August 2017, semi-annual interest payments at 3.22%	380,000
\$1,440,000; note payable to Bank of New York Mellon, annual principal payments ranging from \$30,000 to \$140,000 through August 2018, semi-annual interest payments at 3.56%	500,000
\$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%	1,770,000
Total notes payable	<u><u>\$ 3,380,000</u></u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 8 - LONG-TERM DEBT (continued)

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

Bonds/Warrants Payable	Fiscal Year Ending September 30	Governmental Activities		
		Principal	Interest	Total
2015		\$ 13,403,711	\$ 13,105,070	\$ 26,508,781
2016		13,740,736	12,558,301	26,299,037
2017		15,511,854	11,958,565	27,470,419
2018		13,950,110	11,309,030	25,259,140
2019		14,590,000	10,622,059	25,212,059
2020-2024		83,360,000	41,651,435	125,011,435
2025-2029		103,125,000	19,493,840	122,618,840
2030		23,295,000	606,244	23,901,244
Subtotals		280,976,411	121,304,544	402,280,955
Plus: Bond Premium		3,254,593	(3,254,593)	-
Less: Deferred Bond Discount		(254,255)	254,255	-
Less: Deferred amount on refunding		(4,854,604)	4,854,604	-
Totals		<u>\$ 279,122,145</u>	<u>\$ 123,158,810</u>	<u>\$ 402,280,955</u>
Notes Payable				
2015		\$ 430,000	\$ 150,634	\$ 580,634
2016		455,000	138,125	593,125
2017		485,000	124,128	609,128
2018		375,000	108,155	483,155
2019		250,000	92,764	342,764
2020-2024		1,185,000	247,297	1,432,297
2025		200,000	11,480	211,480
Totals		<u>\$ 3,380,000</u>	<u>\$ 872,583</u>	<u>\$ 4,252,583</u>

The City has entered into capital leases for various items including an aerial ladder truck, garbage trucks and cans, fire trucks, heavy equipment for the motor pool, police cars, heavy equipment for public works and services. Future debt service payments under these governmental activity capital leases are as follows:

Fiscal Year Ending September 30	Present Value of Net Minimum Lease Payments	Amount Representing Interest	Total Minimum Future Lease Payments
2015	950,961	66,020	1,016,981
2016	980,764	36,217	1,016,981
2017	492,519	9,977	502,496
Totals	<u>\$ 2,424,244</u>	<u>\$ 112,214</u>	<u>\$ 2,536,458</u>

Generally, the capital leases provide for bargain purchase options or options to purchase at prices representing the expected fair value of the property.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 8 - LONG-TERM DEBT (continued)

The following is an analysis of the leased property under capital leases by major classes:

	Governmental Activities
Vehicles	\$ 5,544,896
Equipment	128,360
Other	88,858
	5,762,114
Less: Accumulated amortization	1,972,633
	\$ 3,789,481

The following is a summary of the changes in liabilities reported in the Statement of Net Position for the year ended September 30, 2014:

	Balance October 1	Additions	Deductions	Balance September 30	Due Within One Year
<u>Governmental Activities</u>					
General and limited obligation					
bonds/warrants	\$ 292,081,085	\$ -	\$ 11,104,674	\$ 280,976,411	\$ 13,403,711
Plus: Bond premium	3,563,894	-	309,301	3,254,593	-
Less: Bond discount	(273,561)	-	(19,306)	(254,255)	-
Less: Deferred amount on refunding	(5,773,851)	-	(919,247)	(4,854,604)	-
Total general and limited obligation bonds/warrants	289,597,567	-	10,475,422	279,122,145	13,403,711
Notes payable	3,785,000	-	405,000	3,380,000	430,000
Obligations under capital leases	3,346,323	-	922,079	2,424,244	950,961
Compensated absences	14,127,908	992,388	1,783,062	13,337,234	1,783,062
Self-insured legal liability	1,124,845	729,584	1,197,173	657,256	-
Insurance claims	13,101,221	33,819,636	30,886,138	16,034,719	5,414,867
Landfill postclosure liability	810,077	-	44,337	765,740	46,111
OPEB liability	155,843,000	26,182,000	-	182,025,000	-
Total governmental activities	481,735,941	61,723,608	45,713,211	497,746,338	22,028,712
<u>Business-type Activities</u>					
Obligations under capital leases	184,751	-	184,751	-	-
Compensated absences	435,693	557,494	573,892	419,295	89,583
Total business-type activities	620,444	557,494	758,643	419,295	89,583
Total primary government	\$ 482,356,385	\$ 62,281,102	\$ 46,471,854	\$ 498,165,633	\$ 22,118,295

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, 2014, the permissible debt limit exceeded actual debt by approximately \$269.4 million.

**CITY OF MOBILE, ALABAMA
 NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2014**

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS

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

Employees' Retirement System of Alabama (ERSA)	\$ 4,851,645
Police and Firefighters Retirement Plan (PFFRP)	14,950,855
General Municipal Employee Pension Trust Fund (GMEPTF)	<u>9,632</u>
Total	<u><u>\$ 19,812,132</u></u>

In addition to the above, the City has entered into an agreement and declaration of trust with Transit Management of Mobile, Inc. (the contracted operator), which contractually obligates the City (as plan sponsor) to reimburse the contracted Operator for payment of any pension plan or other employee benefits. This plan is discussed on pages 68-69.

Employees' Retirement System of Alabama - All of the City's employees, other than sworn police and certified fire-rescue employees, participate in ERSA, an agent multiple-employer, defined benefit pension plan. ERSA provides retirement and other benefits for state employees, state police, and, on an elective basis, to employees of all cities, counties, towns and quasi-public organizations.

The ERSA issues a stand-alone financial report which may be obtained by contacting The Retirement Systems of Alabama at 135 South Union Street, Montgomery, AL 36130-2150.

The plan provides retirement benefits as well as death and disability benefits. Members are classified as Tier 1 or Tier 2 employees with different benefits and contribution rates. Employees having any ERSA 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.

Tier 1 and Tier 2 participants vest after 10 years of service. Members may not 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 are entitled to an annual retirement benefit, payable monthly for life. Eligible members may convert unused sick leave days to service credit to meet the minimum requirement for service retirement.

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.

For both Tier 1 and Tier 2 participants, service retirement benefits are calculated by three methods with the members receiving payments under the method which yields the highest monthly benefit: (1) minimum guaranteed, (2) money purchase, or (3) formula. Under the formula method, members are allowed 2.0125% of their final average salary (best 3 of the last 10 years) for each year of service. Active employees who become disabled receive disability benefits which are calculated in the same manner as those used for service retirement benefits. These benefits are paid until the earlier of death or recovery from disability.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

If an active employee dies, his/her designated beneficiary receives payments, not to exceed the balance of his/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 Employees' Retirement System of Alabama, the member shall receive a refund of his/her member contribution plus interest credited at 4% per year compounded annually, based upon the following years of service:

<u>Service</u>	<u>Interest credit</u>
Less than 3 years	None
3 - 15 years	50% of interest earned
16 - 20 years	60% of interest earned
21 - 25 years	70 % of interest earned

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.

Tier 1 employer contributions during fiscal 2014 were based on 11.07% of salaries. Tier 2 employer contributions during during fiscal 2014 were based on 8.77% of salaries. Employer contributions required to support the benefits of the system are determined using a level funding approach and consist of a normal contribution, determined using the "entry age normal" method, and an unfunded accrued liability determined by subtracting the present value of prospective employer normal contributions and member contributions together with the current assets held from the present value of total expected benefits to be paid from the system.

Total contributions to the pension plan in fiscal 2014 amounted to \$7,103,446 of which \$4,851,645 and \$2,251,801 were made by the City of Mobile and its employees respectively. The contributed amounts were actuarially determined as described above and were based on an actuarial valuation as of September 30, 2013.

The authority to establish or amend the Plan's funding policy is granted under Provisions of Act 515, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specified benefits for state employees, state police, and, on an elective basis, all cities, counties, towns and quasi-public organizations. The responsibility for the general administration and operation of the employee retirement system is vested in the Board of Control. Benefit provisions are established by the Code of Alabama 1975, Sections 36-27-1 through 36-27-103, as amended, sections 36-27-120 through 36-27-139, as amended, and sections 36-27B-1 through 36-27B-6.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Additional information:

Valuation date	9/30/13
Actuarial cost method	Entry Age
Amortization method	Level percent open
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market*
Actuarial assumptions	
Investment rate of return**	8.00%
Projected salary increases**	3.75 - 7.25%
**Includes inflation at	3.00%
Cost-of-living adjustments	None

Trend information for the Plan:

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2011	\$ 4,616,105	100%	-
September 30, 2012	\$ 3,886,077	100%	-
September 30, 2013	\$ 4,190,154	100%	-
September 30, 2014	\$ 4,851,645	100%	-

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets* (a)	Actuarial Accrued Liability (AAL) Entry Age ¹ (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
9/30/2008	\$ 135,296,628	\$ 163,728,994	\$ 28,432,366	82.6 %	\$ 44,651,914	63.7 %
9/30/2009	\$ 135,094,757	\$ 172,880,100	\$ 37,785,343	78.1 %	\$ 50,662,843	74.6 %
9/30/2010 ²	\$ 131,909,321	\$ 179,327,291	\$ 47,417,970	73.6 %	\$ 47,539,003	99.7 %
9/30/2011 ⁴	\$ 127,816,011	\$ 183,596,993	\$ 55,780,982	69.6 %	\$ 47,964,720	116.3 %
9/30/2012 ⁵	\$ 121,539,714	\$ 173,042,157	\$ 51,502,443	70.2 %	\$ 41,982,743	122.7 %
9/30/2013 ⁶	\$ 127,122,551	\$ 182,438,618	\$ 55,316,067	69.7 %	\$ 45,157,180	122.5 %
9/30/2013 ^{3,6}	\$ 127,122,551	\$ 182,747,056	\$ 55,624,505	69.6 %	\$ 45,157,180	123.2 %

¹Reflects liability for cost of living benefit increases granted on or after October 1, 1978.

²Reflects the impact of Act 2011-27, which closes the DROP program to new applicants after March 24, 2011.

³Reflects the impact of Act 2011-676, which increases the member contribution rates by 2.25% beginning October 1, 2011 and by an additional 0.25% beginning October 1, 2012

⁴Reflects changes in actuarial assumptions.

⁶Reflects changes to interest smoothing methodology

⁶Reflects implementation of Board Funding Policy

*The actuarial value of assets was set equal to the market value of assets as of September 30, 2012.

Market value of Assets as of September 30, 2013: \$133,300,104

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Police and Firefighters Retirement Plan - 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, a single employer, defined-benefit pension plan. The PFFRP was established by an Act of the Alabama State Legislature. The Act requires that employees who have earned less than 30 years of service contribute 8% of their basic salary to the fund. 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 Minimum Required 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. 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.

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.

Participants in the PFFRP are entitled to certain benefits depending upon whether sufficient assets are in the fund to cover the benefits.

Participating members hired prior to March 28, 1990, attaining the earlier of age 50 and completing 20 or more years of service with the last ten years being consecutive are entitled to a monthly benefit of 2.5% of the member's final three years' average salary multiplied by the number of years in service and divided by twelve, not to exceed 75% of final average salary. Participating members hired on or after March 28, 1990, with 20 years of service (the last 10 years of which are consecutive) and who has attained 55 years of age, may retire and receive a monthly payment equal to 2.5% of the member's final average salary (average salary of the last five full years of active service) multiplied by the first 20 years of service, and 2.25% of the member's average salary for years of service in excess of 20 years, not to exceed 72.5% of final average salary. A member actively employed who is eligible for retirement may elect to remain employed by the City as an Eligible Employee and participate in the Deferred Retirement Option Plan for a period not to exceed 36 months, deferring receipt of retirement benefit until employment with the City is terminated. 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/her duties as a uniformed officer, he/she shall be entitled to a disability pension equal to 2.5% of his/her final salary multiplied by his/her years of service, but not more than 60% of his/her final salary. If any participant becomes permanently physically or mentally disabled in the line of duty, he/she shall receive a monthly benefit equal to 45% of his/her final salary. If a member disabled in the line of duty can prove to the Board's satisfaction that he/she is totally disabled, he/she will be entitled to 60% of his /her final salary.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

If a member terminates his/her employment for reasons other than disability or death after completing more than 15 years of service but less than 20 years, the last 10 years being consecutive, he/she is entitled to receive a maximum monthly benefit equal to 2.5% of his/her final three years' average salary multiplied by his/her years' service beginning the later of his/her termination or his/her 65th birthday. If a member with less than 15 years terminates his/her employment for reasons other than disability or death, he/she shall receive a refund of his/her contributions to the Plan.

If a member eligible for retirement dies prior to his/her annuity starting date, his/her eligible family members shall receive a benefit equal to the greater of the 50% survivor's benefit, or a single sum equal to the lesser of twice the member's contributions to the Plan or the sum of the member's contributions plus \$5,000. If a member eligible for retirement dies prior to his/her annuity starting date who is not survived by an eligible family member, or if a member not eligible for retirement dies, the beneficiary shall receive a single sum equal to the lesser of twice the member's contributions to the Plan or the sum of the member's contributions plus \$5,000.

The PFFRP Board has the authority to establish and/or amend the obligations to contribute to the Plan of the Plan members and/or the Plan's sponsor with approval by a majority vote of the city council or like governing body of the City.

The minimum required contribution as determined by the Act is the sum of the following amounts:

- (a) the normal cost for the plan year (determined using the projected unit credit actuarial cost method);
- (b) the increasing 30-year amortization payment required to amortize the initial unfunded actuarial accrued liability determined as of October 1, 1996, which amortization payment is scheduled to increase at the rate of 4% per annum;
- (c) the level-dollar 30-year amortization payment required to amortize changes in the unfunded actuarial accrued liability due to plan changes;
- (d) the level-dollar 10-year amortization payment required to amortize changes in the unfunded actuarial accrued liability due to assumption and method changes; and
- (e) the level-dollar five-year amortization payment required to amortize changes in the unfunded actuarial accrued liability due to experience.

The significant actuarial assumptions used to compute the contribution requirements are the same as those used to compute the actuarial accrued liability. The required contribution percentages, developed in the most recent actuarial valuations for the plans, to cover minimum pension liabilities are:

Estimated contributions by source:

	<u>% of Payroll</u>	
Employees	7.57 %	\$ 2,726,891
Fire insurance premiums	2.00 %	720,204
Municipal court fines	0.25 %	90,025
City of Mobile	<u>39.87 %</u>	<u>14,358,909</u>
	<u>49.69 %</u>	<u>\$ 17,896,029</u>

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Trend information for the Annual Pension Cost of the Plan for the current and four previous years are as follows:

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution (ARC)</u>	<u>% Contrib. /APC</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2010	\$ 15,060,773	100 %	\$ 15,233,494	99 %	\$ (76,846,259)
September 30, 2011	\$ 13,972,923	99 %	\$ 14,145,203	98 %	\$ (76,649,824)
September 30, 2012	\$ 17,584,231	100 %	\$ 17,755,853	99 %	\$ (76,357,260)
September 30, 2013	\$ 20,045,496	98 %	\$ 20,216,562	97 %	\$ (76,109,691)
September 30, 2014	\$ 15,169,138	99 %	\$ 15,570,910	96 %	\$ (75,600,575)

The schedule of funding progress is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
10/1/2008	\$ 89,418,544	\$ 225,276,657	\$ 135,858,113	39.7 %	\$ 39,153,543	347.0 %
10/1/2009	\$ 98,525,321	\$ 225,176,329	\$ 126,651,008	43.8 %	\$ 37,828,223	334.8 %
10/1/2010	\$ 102,393,499	\$ 220,173,032	\$ 117,779,533	46.5 %	\$ 36,845,566	319.7 %
10/1/2011	\$ 103,134,597	\$ 231,927,460	\$ 128,792,863	44.5 %	\$ 36,829,749	349.7 %
10/1/2012	\$ 107,359,212	\$ 235,613,618	\$ 128,254,406	45.6 %	\$ 36,525,850	351.1 %
10/1/2013	\$ 138,907,354	\$ 261,454,954	\$ 122,547,600	53.1 %	\$ 36,010,184	340.3 %

Additional Information:

Valuation Date: October 1, 2013

Actuarial Cost Method: Projected Unit Credit

Amortization Method: Level dollar, closed

Remaining Amortization Period: 30 years

Asset Valuation Method: Five-year smoothed market value

Discount Rate: 7.00%

Projected Salary Increase Rate: 3.00%

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Development of the Net Pension Obligation (Asset):

Net Pension Obligation (Asset) as of September 30, 2013	\$ (76,109,691)
Annual Pension Cost	20,216,562
Employer Contributions	<u>(19,707,446)</u>
Net Increase (Decrease) in NPO	509,116
Net Pension Obligation (Asset) as of September 30, 2014	<u>\$ (75,600,575)</u>

Development of the Annual Required Contribution (ARC):

Normal Cost	\$ 5,256,642
Expense Allowance	90,025
Expected Employee Contribution	(2,726,891)
Amortization of the UAAL	18,243,174
Amortization of the Net Pension Obligation (Asset)	(5,693,812)
Interest Adjustment	-
Annual Required Contribution (ARC)	<u>\$ 15,169,138</u>

Development of the Annual Pension Cost (APC):

Annual Required Contribution (ARC)	15,169,138
Interest on the Net Pension Obligation (Asset)	(5,292,040)
Adjustment to the ARC	<u>5,693,812</u>
Annual Pension Cost (APC)	<u>\$ 15,570,910</u>

As of the reporting date, the City has disclosed a negative net pension obligation (NPO), an asset. For the Police & Firefighters Pension Plan for the year ended September 30, 2014, the ARC was \$15,169,138, the interest on the NPO was \$5,292,040, the adjustment to the ARC was \$5,693,812. The net increase (decrease) in the NPO was \$509,116. The NPO at the reporting date was \$(75,600,575).

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 were able to 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, 2014, the Fund had no assets; accordingly, the City will pay benefits as needed from the General Fund. Annually, the City reviews the plan for significant changes in actuarial assumptions. As a result of such a review as of September 30, 2014, 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 and the relative insignificance 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, 2014 were \$9,632.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Transit Workers Pension Plan (TWPP) - On June 30, 2003, the City entered into an agreement and declaration of trust (the trust agreement) with Transit Management of Mobile, Inc. (the contracted Operator), to be retroactively effective to July 1, 2002 which contractually obligated the City (as plan sponsor) to reimburse the contracted Operator for the payment of any pension plan or other employee benefits. The trust agreement establishes the TWPP, a single-employer defined benefit pension plan, for the purpose of providing pension benefits to participants, retired participants and beneficiaries that are equivalent to those benefits that were previously offered under the ERSA. The TWPP covers employees of the contracted Operator (former employees of the City) and was established under the Urban Mass Transportation Act which requires provisions for the preservation of rights, privileges and benefits, including the continuation of pension rights and benefits. All full-time employees of the contracted Operator, other than the general manager, are eligible to participate in the plan. The plan year begins July 1, and ends June 30.

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

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 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 ERSA, including periods of purchased creditable service under the ERSA, as well as for the period beginning with the date the participant was no longer an active member of ERSA and ending on June 30, 2002. Members receive payments based on 2.0125% of average monthly compensation (best 3 of the last 10 years) multiplied by credited service, offset by the monthly accrued benefit payable from the ERSA and attributable to service recognized as credited service under this 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/her designated beneficiary receives payments, not to exceed the balance of his/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).

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Employees participating in the plan are required to contribute 5% of their earnings to the plan, and the City contributes an actuarially determined amount. Employer contributions required to support the benefits of the system are determined using a level funding approach and consist of a normal contribution, determined using the unit credit cost method, and an unfunded accrued liability determined by subtracting the present value of prospective employer normal contributions and member contributions together with the current assets held from the present value of total expected benefits to be paid from the system.

Trend information for the Annual Required Contribution of the Plan for the current and five previous years are as follows:

Plan Year Ended	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
June 30, 2009	\$ 745,342	100 %	-
June 30, 2010	\$ 695,577	100 %	-
June 30, 2011	\$ 861,901	100 %	-
June 30, 2012	\$ 1,319,178	100 %	-
June 30, 2013	\$ 580,620	100 %	-
June 30, 2014	\$ 785,105	100 %	-
Jul. 1 - Sep. 30, 2014	\$ 75,000	100 %	-

The schedule of funding progress is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) UAAL as a % of Covered Payroll (3)/(5)
7/1/2008	\$ 2,793,191	\$ 5,037,031	\$ 2,243,840	55.45 %	\$ 3,468,543	64.69 %
7/1/2009	\$ 3,231,272	\$ 5,465,487	\$ 2,234,315	59.12 %	\$ 3,452,194	64.72 %
7/1/2010	\$ 4,212,251	\$ 6,703,998	\$ 2,491,747	62.83 %	\$ 3,671,711	67.86 %
7/1/2011	\$ 5,717,186	\$ 8,853,671	\$ 3,136,485	64.57 %	\$ 3,681,811	85.19 %
7/1/2012	\$ 7,051,895	\$ 7,199,676	\$ 147,781	97.95 %	\$ 3,650,777	4.05 %
7/1/2013	\$ 8,242,780	\$ 8,604,978	\$ 362,198	95.79 %	\$ 3,679,642	9.84 %

Additional information:

Valuation Date: July 1, 2013

Actuarial Cost Method: Unprojected Unit Credit

Amortization Method: Level percentage, closed

Remaining Amortization Period: 7 years

Asset Valuation Method: Market value

Investment Rate of Return: 5.88%

Salary Increase Rate: 4.00%

Cost of Living Adjustments: None

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Other Post-Employment Benefits (OPEBs)

The City provides post-employment health care coverage, including dental benefits, and life insurance, as allowed by Alabama state laws, to eligible individuals on a pay-as-you-go basis. With respect to retirees, 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 plus an accidental death and dismemberment benefit of the same amount. The cost of retiree health care, dental care and life insurance benefits is recognized as an expenditure as claims are paid. For fiscal year 2014, those costs totaled approximately \$6,884,859 and the liability for incurred and not paid claims totaled \$2,600,900.

Eligible Individuals:

Eligible individuals include all regular, full-time employees of the City 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 firefighter retirement plan sponsored by the City. Alternatively, police and fire employees who terminate their employment prior to retirement, but who have earned at least 20 years of service, will also be eligible for coverage, provided that they pay the COBRA premium during the deferral period prior to their retirement. All other employees who terminate their employment are eligible for COBRA coverage. Spouses of deceased employees or retirees are also eligible for COBRA coverage prior to age 65.

Required Monthly Premium for Post-Employment Benefit Coverage:

Retirees must pay the required monthly premium for either single or family coverage, as applicable. During fiscal year 2014, retirees have been assumed to make monthly contributions equal to \$54 for single coverage and \$140 for family coverage. COBRA contributions for the same period have been assumed to be \$373 per month for single coverage and \$864 per month for family coverage. Dependents of deceased retirees may pay the monthly retiree rate for up to 12 months after the retiree's death, but must pay the monthly COBRA premium thereafter. Dependents of employees who either have earned at least 10 years of service or die in the line of duty are eligible to pay the same premium. All other terminated employees and dependents must pay the COBRA premium for continued coverage.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligation:

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of time. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the OPEB Plan:

	As of September 30, 2014
Annual OPEB Cost	\$ 34,655,000
Employer Contributions	(8,308,000)
Interest on Employer Contributions	(165,000)
Increase in the Net OPEB Obligation	26,182,000
Net OPEB Obligation, beginning of year	155,843,000
Net OPEB Obligation, end of year	\$ 182,025,000

Development of the Annual OPEB Cost:

ARC	\$ 41,899,000
Interest on the Net OPEB Obligation	6,234,000
Adjustment to the ARC	(13,478,000)
Total Annual OPEB Cost	\$ 34,655,000

Trend information for the OPEB Plan:

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed	Annual OPEB Cost	% Contributed
September 30, 2012	\$ 38,973,000	19%	\$ 34,174,000	22%
September 30, 2013	\$ 40,337,000	21%	\$ 34,293,000	25%
September 30, 2014	\$ 41,899,000	20%	\$ 34,655,000	24%

Funding Status and Funding Progress

As of September 30, 2014, the actuarial accrued liability for benefits was \$304,313,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$87,883,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 346.3 percent.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, present trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The schedule of funding progress is as follows:

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL (UAAL) (2)-(1)	(4) Funded Ratio (1)/(2)	(5) Covered Payroll	(6) Net OPEB Obligation (3)/(4)
October 1, 2009	\$ -	\$ 254,637,000	\$ 254,637,000	0%	\$ 93,574,000	272.1%
October 1, 2011	\$ -	\$ 278,507,000	\$ 278,507,000	0%	\$ 90,791,000	306.8%
October 1, 2013	\$ -	\$ 304,313,000	\$ 304,313,000	0%	\$ 87,883,000	346.3%

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The City used the projected unit credit cost method to determine all liabilities, with the liability for each active employee assumed to accrue over his working lifetime based on elapsed time from his date of hire until retirement.

Valuation date	October 1, 2013
Actuarial cost method	Projected unit credit
Amortization method	15 year open period; level-dollar payment
Investment return	4.0% per annum (includes inflation at 2.5% per annum)

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)

Healthcare cost trend rate(s):	Medical	Dental
Select rates	7% for 2013/2014 graded to 5.5% for 2016/17	Not applicable
Ultimate rate	5.0% per annum	3.0% per annum

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 10 - RESTRICTED NET POSITION

The following is a summary of the restricted net position at September 30, 2014:

Activity	Restricted By	Amount
Police & Fire Pension	Enabling Legislation	\$ 75,600,575
Capital Projects	Enabling Legislation	1,110,084
Capital Projects	Legal Restriction	7,327,740
Debt Service	Legal Restriction	719,022
Economic Development	Enabling Legislation	8,529,434
Grant Programs	Grant Agreements	1,930,590
		\$ 95,217,445

NOTE 11 - 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.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 11 - SERVICE CONCESSION ARRANGEMENT (continued)

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, 2014 was \$3,966,837 and this amount is reported as a deferred inflow of resources related to deferred service concession arrangement receipts in the Enterprise Funds - Municipal Parking Garage fund.

The lessee paid a base amount of \$5,000,000 which constituted payment in full of all base rent due under the lease for the lease term; therefore the base rental amount is being recognized as revenue over a period of 49 years. The lease allows the lessee to pay all expenses associated with the operation of the parking garage from rentals received. A percentage of the balance remaining after payment of these expenses is to be remitted to the City at the end of each lease year commencing on October 1 of each year. Rental income of \$400,957 for fiscal year 2014 is included in the Enterprise Funds - Municipal Parking Garage fund. Also see Note 7 for additional information relating to leased property.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Joint Governmental Complex

On June 26, 1990, the City entered into an operating lease with the County of Mobile (The County) to lease space in a joint governmental complex. Lease payments for the City were \$1,370,613 for the year ended September 30, 2014.

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

Self-Insured Liability - Legal

The City of Mobile is a defendant in various suits and has been notified of claims against it, said suits and claims arising from alleged defects in sidewalks, streets, public drainage facilities and other public ways, or arising from alleged negligent operation of motor vehicles and other alleged tortuous misconduct on the part of City employees. The City attorney has reviewed these claims and lawsuits in order 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. As a result 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 \$717,256 and \$997,256. Consequently, the City has accrued at September 30, 2014, the lesser of the range equal to \$717,256. Loss contingencies categorized as "reasonably possible" range between \$736,843 and \$1,006,843.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

Governmental Funds Encumbrances

Major Governmental Funds:

General Fund	\$ 1,008,876
Capital Improvements Fund	3,817,527
Governmental Funds - Non-Major	<u>715,261</u>
Total Governmental Funds Encumbrances	<u>\$ 5,541,664</u>

Encumbrances for the year ended September 30, 2014 are disclosed for each major fund and for all other governmental funds in the aggregate.

NOTE 13 - 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 12, the City has determined and recorded an estimate of \$717,256 for loss contingencies relating to claims and judgments. Claim settlement and loss expenses are accrued 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 also self-insured for workers' compensation claims up to \$500,000 per accident and for employee health insurance claims. An excess coverage insurance policy covers individual claims in excess of \$500,000 per accident for workers' compensation claims. The City has contracted with outside parties for claims administration. The estimated liability for workers' compensation claims as of September 30, 2014 is \$13,670,219.

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, 2014 is \$2,364,500.

**CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

NOTE 13 - RISK MANAGEMENT (continued)

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

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
Claims and judgments, general liability and general and automotive liability				
2012-2013	\$ 1,245,300	\$ 1,290,956	\$ 1,411,411	\$ 1,124,845
2013-2014	\$ 1,124,845	\$ 789,584	\$ 1,197,173	\$ 717,256
Employee Health				
2012-2013	\$ 2,069,187	\$ 25,868,187	\$ 26,179,974	\$ 1,757,400
2013-2014	\$ 1,757,400	\$ 27,974,660	\$ 27,367,560	\$ 2,364,500
Workers' Compensation				
2012-2013	\$ 9,660,453	\$ 4,674,634	\$ 2,991,265	\$ 11,343,822
2013-2014	\$ 11,343,822	\$ 5,844,975	\$ 3,518,578	\$ 13,670,219

NOTE 14 - FUNDS DEFICITS OF NON-MAJOR FUNDS

Deficits in net position/fund balance of non-major funds at September 30, 2014, are as follows:

Non-major Special Revenue Fund	
7-Cent Gasoline Tax	\$ 11,221
Non-major Debt Service Fund	
2012 G.O. Private Placement Warrants	\$ 77
Internal Service Fund	
Employee Health Fund	\$ 2,583,301
Non-Major Enterprise Fund	
Firemedics Fund	\$ 501,012

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 15 - MUNICIPAL SOLID WASTE LANDFILLS

The City has in operation two solid waste landfills. The responsibility for annual operation and future closure and postclosure care costs of the Chastang landfill has been transferred to another the Solid Waste Disposal Authority. At September 30, 2014, 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 \$765,740 reported in the Statement of Net Position as a landfill postclosure liability at September 30, 2014 represents the estimated current cost of all postclosure care. However, due to changes in technology, laws or regulations, these costs may change in the future.

NOTE 16 - IRREVOCABLE LETTER OF CREDIT

The City entered into an Irrevocable Letter of Credit on May 14, 2002 with their 2002 Limited Obligation Tax Increment Warrants' Paying Agent in the amount of \$11,148,326 for the benefit of the holders of the \$10,655,000 City of Mobile, Alabama Limited Obligation Tax Increment Warrants, Series 2002 (Warrants) issued by the City pursuant to an Ordinance duly adopted by the City on May 7, 2002. The Letter of Credit can only be used by the City to make a drawing to pay the amount of principal and/or interest due on the Warrants or redemption premium of the Warrants. The Letter of Credit was renewed on August 28, 2014 with the terms and conditions requiring an annual renewal of the agreement.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 17 - FUND BALANCE

The components of fund balance for the City's governmental funds as of September 30, 2014 are as follows:

	General Fund	Capital Improvements Fund	Special Revenue Funds - Non Major	Debt Service Funds - Non Major	Capital Projects Fund - Non Major	Total Governmental Funds
Nonspendable:						
Inventory	\$ 2,301,354	\$ -	\$ -	\$ -	\$ -	\$ 2,301,354
Prepaid Items	10,000	-	-	-	-	10,000
Restricted for:						
Grants	-	-	1,930,590	-	-	1,930,590
Debt Service	-	-	-	719,022	-	719,022
Capital Projects	-	-	-	-	13,874,911	13,874,911
Road and Bridge Construction	-	-	56,852	-	-	56,852
Road and Bridge Repair	-	-	1,058,928	-	-	1,058,928
Law Enforcement	-	-	384,466	-	-	384,466
Committed for:						
Tax Increment Program	-	-	8,497,657	-	-	8,497,657
Flood Management	-	-	-	-	83,886	83,886
Assigned for:						
Economic Development	-	-	31,777	-	-	31,777
Designated and Donated Funds	931,962	-	-	-	-	931,962
General Fund Encumbrances	1,008,876	-	-	-	-	1,008,876
Athletic Fund	51,475	-	-	-	-	51,475
Municipal Court	-	-	1,250,286	-	-	1,250,286
Capital Improvements Fund	-	34,231,012	-	-	-	34,231,012
Strategic Plan Fund	-	-	-	-	9,026,591	9,026,591
Unassigned	<u>14,926,335</u>	<u>-</u>	<u>(11,221)</u>	<u>-</u>	<u>-</u>	<u>14,915,114</u>
Total Fund Balance	<u>\$ 19,230,002</u>	<u>\$ 34,231,012</u>	<u>\$ 13,199,335</u>	<u>\$ 719,022</u>	<u>\$ 22,985,388</u>	<u>\$ 90,364,759</u>

NOTE 18 - PRIOR PERIOD ADJUSTMENTS

Statement of Net Position - Bond Issuance Costs

During the current year, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement requires that debt issuance costs be recognized as expense in the period incurred. Previously, debt issuance costs were capitalized by the City and amortized over the life of the associated debt. In accordance with GASB 65, a prior period adjustment reducing beginning net position of governmental activities by (\$2,435,630) was recorded by the City to remove the unamortized balance of debt issuance costs as of October 1, 2013.

Fund Financial Statements - Grant Related Special Revenue Funds

During the current year, the City determined that certain grant related activities which were previously reported in the General Fund are most appropriately reported in Special Revenue Funds to allow for multi-year comparability, accountability, and consistency in financial reporting. Therefore, the City established the following Special Revenue Funds: General Activities Grants, Housing and Urban Development Grants, Public Safety Grants, Drug Enforcement Fund, Court Referral Officers Program, and Municipal Court Judicial Admin Fund. The total net effect of this change on the beginning restricted fund balance of the General Fund was a reduction of \$2,468,988. The total net effect of this change on the beginning assigned fund balance of the General Fund was a reduction of \$970,725. The total reduction of beginning fund balance in the General Fund was \$3,439,713. Beginning fund balances of the newly established Special Revenue Funds is equal to this amount.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 18 - PRIOR PERIOD ADJUSTMENTS (continued)

Component Unit - Solid Waste Disposal Authority

In the previous fiscal year, the Solid Waste Disposal Authority was classified as a blended component unit and reported in a special revenue fund. During the current year, the City determined that the Solid Waste Disposal Authority does not meet any of the three blending criteria for component units as set forth by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which became effective for the City's fiscal year end September 30, 2013. As such, in the current year, the Solid Waste Disposal Authority is reported as a discretely presented component unit. The related landfill asset with a book value of \$248,225 is now being reported in the discretely presented component unit fund and results in a decrease in the beginning net assets of governmental activities on the government-wide financial statements.

RSI - GENERAL FUND

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

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN THE MD&A**

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual (Budgetary	Variance with Final Budget Positive/ Negative)
	Original	Final	Basis)	(Negative)
Revenues				
Taxes	\$ 147,515,276	\$ 153,402,879	\$ 158,457,909	\$ 5,055,030
Licenses and permits	33,960,323	35,540,815	36,380,782	839,967
Intergovernmental	110,000	108,000	65,645	(42,355)
Charges for services	7,891,031	8,301,000	8,257,636	(43,364)
Fines and forfeitures	3,499,540	3,332,000	3,106,672	(225,328)
State and federal assistance	-	60,000	175,710	115,710
Interest	230,860	60,000	57,279	(2,721)
Miscellaneous (other)	50,000	1,050,000	1,384,507	334,507
Total revenues	<u>193,257,030</u>	<u>201,854,694</u>	<u>207,886,140</u>	<u>6,031,446</u>
Expenditures				
Departmental				
General government				
Administrative services	248,207	480	29	451
Archives	330,290	271,049	254,485	16,564
City clerk	627,605	564,151	493,575	70,576
City council	447,346	465,229	478,634	(13,405)
City hall overhead	4,343,329	4,706,457	4,953,432	(246,975)
Geographical information system	773,000	726,266	696,343	29,923
Legal	1,368,967	1,264,428	1,132,730	131,698
Mayor's office	750,436	845,725	735,282	110,443
Mayor's office of strategic initiatives	79,013	1,157	728	429
Municipal information technology	3,131,707	3,045,409	2,833,030	212,379
Planning and development	-	210,732	152,518	58,214
Telecommunications	735,593	514,712	428,305	86,407
Urban development	4,677,342	4,301,608	3,804,890	496,718
Total general government	<u>17,512,835</u>	<u>16,917,403</u>	<u>15,963,981</u>	<u>953,422</u>
Economic development				
Community affairs	-	-	6,849	(6,849)
Historic development	381,196	272,048	248,604	23,444
Mobile film office	160,582	166,147	159,089	7,058
Special events	556,495	454,244	445,784	8,460
Total economic development	<u>1,098,273</u>	<u>892,439</u>	<u>860,326</u>	<u>32,113</u>
Public safety				
Animal shelter	883,249	890,737	805,865	84,872
Fire	29,014,622	28,522,949	27,226,014	1,296,935
Mobile metro jail	7,625,000	8,300,000	8,039,329	260,671
Municipal court	2,848,653	2,218,224	1,977,265	240,959
Police	47,948,707	42,456,714	41,333,673	1,123,041
Public safety administration	-	-	33,647	(33,647)
Safety and performance	270,179	332,296	265,057	67,239
Total public safety	<u>88,590,410</u>	<u>82,720,920</u>	<u>79,680,850</u>	<u>3,040,070</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT'D)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive/ (Negative)
Departmental (Cont'd)				
Public works				
Administration	\$ 1,209,247	\$ 907,269	\$ 834,319	\$ 72,950
Architectural engineering	1,454,782	1,326,805	1,199,776	127,029
Asphalt street repair	1,310,647	759,451	623,138	136,313
Concrete and sidewalk repair	1,642,853	1,404,186	1,253,799	150,387
Dredge	917,982	734,395	705,035	29,360
Electrical	2,134,573	2,073,504	1,848,946	224,558
Engineering	1,840,356	1,865,822	1,602,247	263,575
Environmental services	515,932	456,550	397,793	58,757
Flood control	1,665,111	1,478,604	1,369,637	108,967
Keep mobile beautiful	341,919	352,644	320,201	32,443
Landfill	2,483,689	38,298	85,507	(47,209)
Mechanical systems	1,724,024	1,632,593	1,634,482	(1,889)
Municipal enforcement	375,391	414,315	310,362	103,953
Municipal garage	11,536,576	10,896,714	9,039,125	1,857,589
Public buildings	2,273,309	2,136,204	2,042,280	93,924
Public service administration	254,014	219,899	218,561	1,338
Real estate asset management	177,607	174,341	162,250	12,091
Real estate office	234,281	231,357	227,186	4,171
Right-of-way maintenance	938,556	679,676	566,529	113,147
Street sweeping	668,202	491,410	438,763	52,647
Storm drain & heavy equipment	1,435,664	1,073,801	1,037,131	36,670
Solid waste	3,687,217	3,742,757	3,398,449	344,308
Traffic engineering	1,359,594	1,345,426	1,278,916	66,510
Trash	3,486,192	3,654,079	3,450,121	203,958
Total public works	<u>43,667,718</u>	<u>38,090,100</u>	<u>34,044,553</u>	<u>4,045,547</u>
Culture and recreation				
Community activities	98,420	805,871	249,344	556,527
History museum	1,262,616	1,143,363	1,102,466	40,897
Mobile museum of art	2,009,880	2,079,110	1,905,810	173,300
Mobile regional senior community center	495,849	437,728	385,261	52,467
Parks and cemeteries	2,004,304	2,161,419	2,171,569	(10,150)
Parks and recreation director	160,103	159,960	137,513	22,447
Parks maintenance	4,625,551	3,610,318	3,284,609	325,709
Recreation	3,579,972	2,451,740	2,660,805	(209,065)
Recreation - athletics	875,584	853,382	779,488	73,894
Special activities	726,010	752,347	673,976	78,371
Total culture and recreation	<u>15,838,289</u>	<u>14,455,238</u>	<u>13,350,841</u>	<u>1,104,397</u>
Finance				
Accounting	849,419	780,192	702,893	77,299
Budget	287,660	242,471	234,135	8,336
Finance administration	471,130	430,289	397,133	33,156
Human resources	399,344	326,943	293,329	33,614
Inventory control	462,102	453,128	431,912	21,216
Payroll	233,773	236,712	225,061	11,651
Police and fire pension	197,717	219,406	212,600	6,806
Purchasing	415,880	400,257	388,545	11,712
Revenue	2,225,817	2,006,923	1,802,135	204,788
Treasury	348,350	340,243	319,534	20,709
Total finance	<u>5,891,192</u>	<u>5,436,564</u>	<u>5,007,277</u>	<u>429,287</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT'D)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual (Budgetary)	Variance with Final Budget Positive/
	Original	Final	Basis)	(Negative)
Attrition savings	\$ (17,387,273)	\$ (1,901,574)	\$ -	\$ (1,901,574)
Reserve for retirement	1,300,000	1,800,000	1,951,989	(151,989)
Total departmental expenditures	<u>156,511,444</u>	<u>158,411,090</u>	<u>150,859,817</u>	<u>7,551,273</u>
Nondepartmental				
Mandated activities				
Board of health	600,000	600,000	600,000	-
Juvenile court and youth center	2,730,000	3,250,000	2,897,798	352,202
Personnel board	1,257,500	1,257,500	1,248,069	9,431
Total mandated activities	<u>4,587,500</u>	<u>5,107,500</u>	<u>4,745,867</u>	<u>361,633</u>
Joint activities				
Board of equalization	7,152	7,152	7,142	10
Emergency management	432,876	432,876	436,107	(3,231)
Mobile legislative delegation	9,972	9,972	4,578	5,394
Total joint activities	<u>450,000</u>	<u>450,000</u>	<u>447,827</u>	<u>2,173</u>
Agencies				
Solid waste disposal authority	-	1,600,000	1,528,877	71,123
Public library	6,597,319	6,597,319	6,597,319	-
Total agencies	<u>6,597,319</u>	<u>8,197,319</u>	<u>8,126,196</u>	<u>71,123</u>
Employee cost				
Employee education	120,000	120,000	93,200	26,800
Employees' pension	99,672	99,672	118,826	(19,154)
Police and firefighter's retirement	12,306,366	12,904,772	12,785,843	118,929
Retired employees insurance	4,200,000	4,808,380	4,865,941	(57,561)
Unemployment compensation	125,000	125,000	83,090	41,910
Workmen's compensation	2,650,000	3,000,168	3,597,703	(597,535)
Total employee cost	<u>19,501,038</u>	<u>21,057,992</u>	<u>21,544,603</u>	<u>(486,611)</u>
Other				
Athletic fund	154,000	154,000	55,205	98,795
Contractual	3,568,966	4,503,657	4,408,936	94,721
Dues	374,925	374,925	396,086	(21,161)
Fire insurance	2,092,000	2,092,000	1,463,613	628,387
General miscellaneous	305,000	244,704	482,672	(237,968)
Interest payments	-	-	45,333	(45,333)
Total other	<u>6,494,891</u>	<u>7,369,286</u>	<u>6,851,845</u>	<u>517,441</u>
Total nondepartmental expenditures	<u>37,630,748</u>	<u>42,182,097</u>	<u>41,716,338</u>	<u>465,759</u>
Total expenditures	<u>194,142,192</u>	<u>200,593,187</u>	<u>192,576,155</u>	<u>8,017,032</u>
Excess (deficiency) of revenues over expenditures	<u>(885,162)</u>	<u>1,261,507</u>	<u>15,309,985</u>	<u>14,048,478</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONT'D)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Other financing sources (uses):				
Transfers in	\$ 23,933,187	\$ 26,313,010	\$ 27,584,645	\$ 1,271,635
Transfers out	(19,627,661)	(22,361,927)	(23,574,026)	(1,212,099)
Sales of general capital assets	2,400	1,000	7,124	6,124
Total other financing sources (uses)	<u>4,307,926</u>	<u>3,952,083</u>	<u>4,017,743</u>	<u>65,660</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>3,422,764</u>	<u>5,213,590</u>	<u>19,327,728</u>	<u>\$ 14,114,138</u>
Fund balances				
Beginning of year			(1,106,602)	
End of year			<u>\$ 18,221,126</u>	
Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified accrual basis are as follows:				
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			\$ 19,327,728	
Encumbrances outstanding at September 30, 2014			1,008,876	
Encumbrances outstanding at September 30, 2013			<u>(924,907)</u>	
Net change in fund balance per the statement of revenues, expenditures, and changes in fund balance			<u>\$ 19,411,697</u>	

**CITY OF MOBILE, ALABAMA
NOTES TO
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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, 2014:

GAAP expenditures	\$ 192,492,186
Encumbrances at:	
September 30, 2014	1,008,876
September 30, 2013	<u>(924,907)</u>
Budgetary expenditures	<u>\$ 192,576,155</u>

For the fiscal year ended September 30, 2014, general fund budgetary appropriations exceeded expenditures by \$8,017,032.

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, 2014	\$ 18,221,126
Add encumbrances:	
Function	
General government	127,895
Economic development	13,485
Public safety	271,686
Public works	466,073
Culture and recreation	111,186
Finance	17,154
Other	<u>1,397</u>
Total encumbrances	<u>1,008,876</u>
Fund balance - GAAP basis at September 30, 2014	<u>\$ 19,230,002</u>

GOVERNMENTAL FUNDS - NON-MAJOR

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

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.

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.

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).

COMBINING FINANCIAL STATEMENTS

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
(BY FUND TYPE)
SEPTEMBER 30, 2014**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
ASSETS				
Cash, equity in pooled cash and investments	\$ 12,839,707	\$ 719,099	\$ 25,757,276	\$ 39,316,082
Restricted cash - capital purchases	-	-	83,419	83,419
Receivables (net)	1,702,193	-	817,647	2,519,840
Due from other funds	106,297	-	-	106,297
Total assets	<u>\$ 14,648,197</u>	<u>\$ 719,099</u>	<u>\$ 26,658,342</u>	<u>\$ 42,025,638</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 984,436	\$ 77	\$ 3,572,954	\$ 4,557,467
Unearned revenue	453,400	-	-	453,400
Escrowed funds liability	11,026	-	-	11,026
Due to other funds	-	-	100,000	100,000
Total liabilities	<u>1,448,862</u>	<u>77</u>	<u>3,672,954</u>	<u>5,121,893</u>
FUND BALANCES				
Restricted	3,430,836	719,022	13,874,911	18,024,769
Committed	8,497,657	-	83,886	8,581,543
Assigned	1,282,063	-	9,026,591	10,308,654
Unassigned	(11,221)	-	-	(11,221)
Total fund balances	<u>13,199,335</u>	<u>719,022</u>	<u>22,985,388</u>	<u>36,903,745</u>
Total liabilities and fund balances	<u>\$ 14,648,197</u>	<u>\$ 719,099</u>	<u>\$ 26,658,342</u>	<u>\$ 42,025,638</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
(BY FUND TYPE)
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
Revenues				
Taxes	\$ 7,583,082	\$ -	\$ 9,666,181	\$ 17,249,263
Licenses and permits	-	-	3,145,144	3,145,144
State and federal assistance	6,970,242	-	1,654,757	8,624,999
Interest	334	466	13,946	14,746
Charges for services	13,725	-	195,363	209,088
Fines and forfeitures	1,280,057	-	-	1,280,057
Other revenue	1,405	200	600,000	601,605
Total revenues	<u>15,848,845</u>	<u>666</u>	<u>15,275,391</u>	<u>31,124,902</u>
Expenditures				
Current:				
General government	5,715,661	-	-	5,715,661
Public safety	2,801,382	-	-	2,801,382
Nondepartmental	2,640,310	-	600,000	3,240,310
Capital outlay	1,680,169	-	6,910,741	8,590,910
Debt service:				
Principal payments	335,000	11,104,674	-	11,439,674
Interest and fee payments	116,676	13,100,805	188,462	13,405,943
Total expenditures	<u>13,289,198</u>	<u>24,205,479</u>	<u>7,699,203</u>	<u>45,193,880</u>
Excess (deficiency) of revenues over expenditures	<u>2,559,647</u>	<u>(24,204,813)</u>	<u>7,576,188</u>	<u>(14,068,978)</u>
Other financing sources (uses)				
Transfers in	1,887,728	24,702,230	-	26,589,958
Transfers out	(2,671,617)	-	(10,678,212)	(13,349,829)
Total other financing sources (uses)	<u>(783,889)</u>	<u>24,702,230</u>	<u>(10,678,212)</u>	<u>13,240,129</u>
Net change in fund balance	1,775,758	497,417	(3,102,024)	(828,849)
Fund balances - beginning of year	7,983,864	221,605	26,087,412	34,292,881
Adjustment to beginning fund balance	3,439,713	-	-	3,439,713
Fund balances - end of year	<u>\$ 13,199,335</u>	<u>\$ 719,022</u>	<u>\$ 22,985,388</u>	<u>\$ 36,903,745</u>

NON-MAJOR SPECIAL REVENUE FUNDS

- 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 - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning from the Mobile Housing Board.
- 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.
- 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.
- 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.
- Public Safety Grants - This fund is used to account for public safety related activities funded by federal, state, local, and private grants.
- 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.

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014**

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
ASSETS				
Cash, equity in pooled cash and investments	\$ 939,463	\$ 133	\$ -	\$ 939,596
Receivables (net)	115,204	56,719	198,518	370,441
Due from other funds	-	-	-	-
Total assets	<u>\$ 1,054,667</u>	<u>\$ 56,852</u>	<u>\$ 198,518</u>	<u>\$ 1,310,037</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,435	\$ -	\$ 209,739	\$ 211,174
Retainage payable	-	-	-	-
Unearned revenue	-	-	-	-
Escrowed funds liability	-	-	-	-
Total liabilities	<u>1,435</u>	<u>-</u>	<u>209,739</u>	<u>211,174</u>
Fund Balances:				
Restricted	1,053,232	56,852	-	1,110,084
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	(11,221)	(11,221)
Total fund balances	<u>1,053,232</u>	<u>56,852</u>	<u>(11,221)</u>	<u>1,098,863</u>
Total liabilities and fund balances	<u>\$ 1,054,667</u>	<u>\$ 56,852</u>	<u>\$ 198,518</u>	<u>\$ 1,310,037</u>

<u>Fuel Inspection Fees</u>	<u>Economic Development</u>	<u>Tax Increment</u>	<u>General Activities Grants</u>	<u>Housing and Urban Development Grants</u>	<u>Public Safety Grants</u>
\$ -	\$ 38,812	\$ 8,497,657	\$ 337,085	\$ 716,145	\$ 604,724
5,696	-	-	108,763	657,934	501,563
-	-	-	106,297	-	-
<u>\$ 5,696</u>	<u>\$ 38,812</u>	<u>\$ 8,497,657</u>	<u>\$ 552,145</u>	<u>\$ 1,374,079</u>	<u>\$ 1,106,287</u>
\$ -	\$ 7,035	\$ -	\$ 45,151	\$ 398,421	\$ 111,073
-	-	-	24,829	58,021	-
-	-	-	221,338	191,211	40,851
-	-	-	-	11,026	-
<u>-</u>	<u>7,035</u>	<u>-</u>	<u>291,318</u>	<u>658,679</u>	<u>151,924</u>
5,696	-	-	260,827	715,400	954,363
-	-	8,497,657	-	-	-
-	31,777	-	-	-	-
-	-	-	-	-	-
<u>5,696</u>	<u>31,777</u>	<u>8,497,657</u>	<u>260,827</u>	<u>715,400</u>	<u>954,363</u>
<u>\$ 5,696</u>	<u>\$ 38,812</u>	<u>\$ 8,497,657</u>	<u>\$ 552,145</u>	<u>\$ 1,374,079</u>	<u>\$ 1,106,287</u>

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2014**

	Drug Enforcement Fund	Court Referral Officers Program	Municipal Court Judicial Admin Fund	Total
ASSETS				
Cash, equity in pooled cash and investments	\$ 389,628	\$ 469,731	\$ 846,329	\$ 12,839,707
Receivables (net)	-	57,796	-	1,702,193
Due from other funds	-	-	-	106,297
Total assets	<u>\$ 389,628</u>	<u>\$ 527,527</u>	<u>\$ 846,329</u>	<u>\$ 14,648,197</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 5,162	\$ 123,570	\$ -	\$ 901,586
Retainage payable	-	-	-	82,850
Unearned revenue	-	-	-	453,400
Escrowed funds liability	-	-	-	11,026
Total liabilities	<u>5,162</u>	<u>123,570</u>	<u>-</u>	<u>1,448,862</u>
Fund Balances:				
Restricted	384,466	-	-	3,430,836
Committed	-	-	-	8,497,657
Assigned	-	403,957	846,329	1,282,063
Unassigned	-	-	-	(11,221)
Total fund balances	<u>384,466</u>	<u>403,957</u>	<u>846,329</u>	<u>13,199,335</u>
Total liabilities and fund balances	<u>\$ 389,628</u>	<u>\$ 527,527</u>	<u>\$ 846,329</u>	<u>\$ 14,648,197</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
Revenues				
Taxes	\$ 1,279,555	\$ 629,587	\$ 2,203,556	\$ 4,112,698
State and federal assistance	-	-	-	-
Fines and forfeitures	-	-	-	-
User charges	-	-	-	-
Interest	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>1,279,555</u>	<u>629,587</u>	<u>2,203,556</u>	<u>4,112,698</u>
Expenditures				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Nondepartmental				
Economic development	-	-	-	-
Gas	-	-	48,521	48,521
Electricity	-	-	2,407,790	2,407,790
Total nondepartmental	<u>-</u>	<u>-</u>	<u>2,456,311</u>	<u>2,456,311</u>
Capital outlay				
Construction	778,206	-	-	778,206
Testing	8,967	-	-	8,967
Engineering	14,995	-	-	14,995
Commodities	-	-	-	-
Other	-	-	-	-
Total capital outlay	<u>802,168</u>	<u>-</u>	<u>-</u>	<u>802,168</u>
Debt service				
Principal payments	-	-	-	-
Interest and fee payments	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>802,168</u>	<u>-</u>	<u>2,456,311</u>	<u>3,258,479</u>
Excess (deficiency) of revenues over expenditures	477,387	629,587	(252,755)	854,219
Other financing sources (uses)				
Transfers in	-	-	391,020	391,020
Transfers out	-	(864,000)	(142,893)	(1,006,893)
Net change in fund balance	477,387	(234,413)	(4,628)	238,346
Fund balances - beginning of year	575,845	291,265	(6,593)	860,517
Adjustment to beginning fund balances	-	-	-	-
Fund balances - end of year	<u>\$ 1,053,232</u>	<u>\$ 56,852</u>	<u>\$ (11,221)</u>	<u>\$ 1,098,863</u>

Fuel Inspection Fees	Economic Development	Tax Increment	General Activities Grants	Housing and Urban Development Grants	Public Safety Grants
\$ 78,702	\$ -	\$ 3,391,681	\$ -	\$ -	\$ -
-	-	-	570,407	4,687,282	1,365,898
-	-	-	-	-	118,597
-	-	-	-	-	13,725
-	19	-	-	-	178
-	1,403	-	-	-	-
<u>78,702</u>	<u>1,422</u>	<u>3,391,681</u>	<u>570,407</u>	<u>4,687,282</u>	<u>1,498,398</u>
-	-	-	1,053,856	4,661,805	-
-	-	-	-	-	1,481,695
-	-	183,998	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	<u>183,998</u>	-	-	-
-	-	591,939	-	-	-
-	-	-	-	-	-
-	-	219,772	-	-	-
-	-	59,255	-	-	-
-	7,035	-	-	-	-
-	<u>7,035</u>	<u>870,966</u>	-	-	-
-	-	-	-	335,000	-
-	-	-	-	116,676	-
-	-	-	-	<u>451,676</u>	-
-	7,035	1,054,964	1,053,856	5,113,481	1,481,695
<u>78,702</u>	<u>(5,613)</u>	<u>2,336,717</u>	<u>(483,449)</u>	<u>(426,199)</u>	<u>16,703</u>
-	-	-	929,138	288,056	279,514
<u>(80,010)</u>	-	<u>(918,013)</u>	<u>(377,660)</u>	<u>(288,057)</u>	<u>(984)</u>
(1,308)	(5,613)	1,418,704	68,029	(426,200)	295,233
7,004	37,390	7,078,953	-	-	-
-	-	-	192,798	1,141,600	659,130
<u>\$ 5,696</u>	<u>\$ 31,777</u>	<u>\$ 8,497,657</u>	<u>\$ 260,827</u>	<u>\$ 715,400</u>	<u>\$ 954,363</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Drug Enforcement Fund	Court Referral Officers Program	Municipal Court Judicial Admin Fund	Total
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 7,583,081
State and federal assistance	-	346,656	-	6,970,243
Fines and forfeitures	133,234	659,675	368,552	1,280,058
User charges	-	-	-	13,725
Interest	137	-	-	334
Other revenue	-	-	-	1,403
Total revenues	133,371	1,006,331	368,552	15,848,844
Expenditures				
Current				
General government	-	-	-	5,715,661
Public safety	224,365	1,095,322	-	2,801,382
Nondepartmental				
Economic development	-	-	-	183,998
Gas	-	-	-	48,521
Electricity	-	-	-	2,407,790
Total nondepartmental	-	-	-	2,640,309
Capital outlay				
Construction	-	-	-	1,370,145
Testing	-	-	-	8,967
Engineering	-	-	-	234,767
Commodities	-	-	-	59,255
Other	-	-	-	7,035
Total capital outlay	-	-	-	1,680,169
Debt service				
Principal payments	-	-	-	335,000
Interest and fee payments	-	-	-	116,676
Total debt service	-	-	-	451,676
Total expenditures	224,365	1,095,322	-	13,289,197
Excess (deficiency) of revenues over expenditures	(90,994)	(88,991)	368,552	2,559,647
Other financing sources (uses)				
Transfers in	-	-	-	1,887,728
Transfers out	-	-	-	(2,671,617)
Net change in fund balance	(90,994)	(88,991)	368,552	1,775,758
Fund balances - beginning of year	-	-	-	7,983,864
Adjustment to beginning fund balances	475,460	492,948	477,777	3,439,713
Fund balances - end of year	\$ 384,466	\$ 403,957	\$ 846,329	\$ 13,199,335

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION
NON-MAJOR SPECIAL REVENUE FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014

<u>Program/Project Name</u>	Project Cost Prior Years	Current Activity	Total Project to September 30 2014
4 Cent Gasoline Tax Fund			
Resurfacing projects	\$ 2,789,333	\$ 802,167	\$ 3,591,500
Total 4 cent gasoline tax fund	<u>2,789,333</u>	<u>802,167</u>	<u>3,591,500</u>
Tax Increment Fund			
Gulfquest maritime museum	1,757,665	870,966	2,628,631
TIF District - 450 St. Louis St	-	108,999	108,999
Total tax increment fund	<u>1,757,665</u>	<u>979,965</u>	<u>2,737,630</u>
Total special revenue funds projects	<u>\$ 4,546,998</u>	<u>\$ 1,782,132</u>	<u>\$ 6,329,130</u>

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 34,250	\$ -	\$ 3,557,251
-	34,250	-	3,557,251
-	2,628,631	-	-
-	-	108,999	-
-	2,628,631	108,999	-
\$ -	\$ 2,662,881	\$ 108,999	\$ 3,557,251

NON-MAJOR DEBT SERVICE FUNDS

- 2001 General Obligation Refunding and School Warrants - This fund is used to service the remaining debt outstanding on the 2001 General Obligation Refunding and School Warrants.
- Bank Service Charges - Various Issues - This fund is used to pay agent and trustee fees for defeased debt.
- 2002 Limited Obligation Tax Increment Warrants - This fund is used to service the remaining debt outstanding on the 2002 Limited Obligation Tax Increment Warrants.
- 2006 General Obligation Refunding and Improvement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Refunding and Improvement Warrants.
- 2006 General Obligation Private Placement Warrants - This fund is used to service the remaining debt outstanding on the 2006 General Obligation Private Placement Warrants.
- 2008 General Obligation Capital Improvement Warrants - This fund is used to service the remaining debt outstanding on the 2008 General Obligation Capital Improvement Warrants.
- 2008B & C General Obligation Refunding and Capital Warrants - This fund is used to service the remaining debt outstanding on the 2008B and 2008C General Obligation Refunding and Capital Warrants.
- 2009A General Obligation Refunding Warrants - This fund is used to service the remaining debt outstanding on the 2002 & 2009A General Obligation Refunding Warrants.
- 2009B General Obligation BAB Capital Taxable Warrants - This fund is used to service the remaining debt outstanding on the 2009B General Obligation BAB Capital Taxable Warrants.
- 2009C General Obligation ARRA Capital Taxable Warrants - This fund is used to service the remaining debt outstanding on the 2009C General Obligation ARRA Capital Taxable Warrants.
- Small Issue Warrants - This fund is used to service the remaining debt outstanding on the Small Issue Warrants.
- 2011 General Obligation Private Placement Warrants – This fund is used to service the remaining debt outstanding on the 2011 General Obligation Private Placement Warrants.
- 2012 General Obligation Private Placement Warrants – This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2012.

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
SEPTEMBER 30, 2014**

	2001 General Obligation Refunding and School Warrants	Bank Service Charges - Various Issues	2002 Limited Obligation Tax Increment Warrants	2006 General Obligation Refunding and Improvement Warrants	2006 General Obligation Private Placement Warrants	2008 General Obligation Cap Impv Warrants
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS						
Cash, equity in pooled cash and investments	\$ 359	\$ 122,626	\$ -	\$ 5,921	\$ 3,068	\$ 985
Total assets	<u>\$ 359</u>	<u>\$ 122,626</u>	<u>\$ -</u>	<u>\$ 5,921</u>	<u>\$ 3,068</u>	<u>\$ 985</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Restricted	<u>359</u>	<u>122,626</u>	<u>-</u>	<u>5,921</u>	<u>3,068</u>	<u>985</u>
Total fund balances	<u>359</u>	<u>122,626</u>	<u>-</u>	<u>5,921</u>	<u>3,068</u>	<u>985</u>
Total liabilities and fund balances	<u>\$ 359</u>	<u>\$ 122,626</u>	<u>\$ -</u>	<u>\$ 5,921</u>	<u>\$ 3,068</u>	<u>\$ 985</u>

<u>2008B & C General Obligation Ref & Cap Warrants</u>	<u>2009A General Obligation Refunding Warrants</u>	<u>2009B General Obligation BAB Cap Taxable Warrants</u>	<u>2009C General Obligation ARRA Cap Taxable Warrants</u>	<u>Small Issue Warrants</u>	<u>2011 General Obligation Private Placement Warrants</u>	<u>2012 General Obligation Private Placement Warrants</u>	<u>Total</u>
<u>\$ 618</u>	<u>\$ 6,377</u>	<u>\$ 352,796</u>	<u>\$ 216,332</u>	<u>\$ 9,838</u>	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ 719,099</u>
<u>\$ 618</u>	<u>\$ 6,377</u>	<u>\$ 352,796</u>	<u>\$ 216,332</u>	<u>\$ 9,838</u>	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ 719,099</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77</u>	<u>77</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77</u>	<u>77</u>
<u>618</u>	<u>6,377</u>	<u>352,796</u>	<u>216,332</u>	<u>9,838</u>	<u>179</u>	<u>(77)</u>	<u>719,022</u>
<u>618</u>	<u>6,377</u>	<u>352,796</u>	<u>216,332</u>	<u>9,838</u>	<u>179</u>	<u>(77)</u>	<u>719,022</u>
<u>\$ 618</u>	<u>\$ 6,377</u>	<u>\$ 352,796</u>	<u>\$ 216,332</u>	<u>\$ 9,838</u>	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ 719,099</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2001 General Obligation Refunding and School Warrants	Bank Service Charges - Various Issues	2002 Limited Obligation Tax Increment Warrants	2006 General Obligation Refunding and Improvement Warrants	2006 General Obligation Private Placement Warrants	2008 General Obligation Cap Impv Warrants
Revenues						
Interest	\$ 243	\$ 127	\$ -	\$ -	\$ -	\$ -
Other revenue	-	-	-	-	-	-
Total revenues	<u>243</u>	<u>127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Principal payments	-	-	545,000	2,700,000	345,000	-
Interest	-	-	372,763	2,294,475	45,225	2,492,900
Interest reimbursement	-	-	-	-	-	-
Bank fees	-	-	250	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>918,013</u>	<u>4,994,475</u>	<u>390,225</u>	<u>2,492,900</u>
Excess (deficiency) of revenues over expenditures	<u>243</u>	<u>127</u>	<u>(918,013)</u>	<u>(4,994,475)</u>	<u>(390,225)</u>	<u>(2,492,900)</u>
Other financing sources (uses)						
Transfers in	-	-	918,013	4,994,475	390,225	2,492,900
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>918,013</u>	<u>4,994,475</u>	<u>390,225</u>	<u>2,492,900</u>
Net change in fund balances	243	127	-	-	-	-
Fund balances - beginning of year	<u>116</u>	<u>122,499</u>	<u>-</u>	<u>5,921</u>	<u>3,068</u>	<u>985</u>
Fund balances - end of year	<u>\$ 359</u>	<u>\$ 122,626</u>	<u>\$ -</u>	<u>\$ 5,921</u>	<u>\$ 3,068</u>	<u>\$ 985</u>

2008B & C General Obligation Ref & Cap Warrants	2009A General Obligation Refunding Warrants	2009B General Obligation BAB Cap Taxable Warrants	2009C General Obligation ARRA Cap Taxable Warrants	Small Issue Warrants	2011 General Obligation Private Placement Warrants	2012 General Obligation Private Placement Warrants	Total
\$ -	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ 79	\$ 465
-	-	-	-	-	200	-	200
-	-	-	-	16	200	79	665
6,090,000	-	-	-	425,351	-	999,323	11,104,674
3,768,648	2,742,600	1,020,150	391,266	22,587	394,916	59,760	13,605,290
-	-	(331,345)	(163,392)	(10,236)	-	-	(504,973)
-	-	-	-	-	24	213	487
<u>9,858,648</u>	<u>2,742,600</u>	<u>688,805</u>	<u>227,874</u>	<u>437,702</u>	<u>394,940</u>	<u>1,059,296</u>	<u>24,205,478</u>
<u>(9,858,648)</u>	<u>(2,742,600)</u>	<u>(688,805)</u>	<u>(227,874)</u>	<u>(437,686)</u>	<u>(394,740)</u>	<u>(1,059,217)</u>	<u>(24,204,813)</u>
<u>9,858,648</u>	<u>2,742,600</u>	<u>1,020,150</u>	<u>391,266</u>	<u>439,954</u>	<u>394,916</u>	<u>1,059,083</u>	<u>24,702,230</u>
<u>9,858,648</u>	<u>2,742,600</u>	<u>1,020,150</u>	<u>391,266</u>	<u>439,954</u>	<u>394,916</u>	<u>1,059,083</u>	<u>24,702,230</u>
-	-	331,345	163,392	2,268	176	(134)	497,417
<u>618</u>	<u>6,377</u>	<u>21,451</u>	<u>52,940</u>	<u>7,570</u>	<u>3</u>	<u>57</u>	<u>221,605</u>
<u>\$ 618</u>	<u>\$ 6,377</u>	<u>\$ 352,796</u>	<u>\$ 216,332</u>	<u>\$ 9,838</u>	<u>\$ 179</u>	<u>\$ (77)</u>	<u>\$ 719,022</u>

NON-MAJOR CAPITAL PROJECTS FUNDS

- Strategic Plan - This fund is used to provide for several special projects. The majority of this fund is financed by a portion of the gasoline tax and sales tax.
- 1995 Capital Projects - This fund is used to provide for provide several projects: the closure of Bates Field Landfill, the upgrading of Azalea City Golf Course facilities, engineering for Magnolia Grove Road, a tennis court parking lot, purchase of the Touchdown building and improvements to Airport Boulevard and the garage work area.
- 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.
- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- 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.
- 1999 General Obligation Private Placement (I.P.S.C.O.) - This fund is to provide for site and infrastructure improvements to be constructed and installed by the Industrial Development Board of Mobile County at the site of a facility that produces and manufacturers steel products by I.P.S.C.O.
- 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.
- 2002 Limited Obligation Tax Increment Capital Projects - This fund is used to acquire certain land and finance, construct and install certain public improvements located within the Tax Increment District.
- 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.
- 2006 General Obligation Refunding and Capital Projects – This fund is used to provide for certain capital improvement projects.
- 2008 General Capital Improvements Projects – This fund is used to provide for certain capital improvement projects.
- 2008B General Obligation Capital Improvement Projects - This fund is used to provide for the certain capital improvement projects.
- 2009B General Obligation Capital Projects – BAB Taxable Warrants – This fund is used to provide for the Gulfquest Maritime Museum, a future parking garage, and a fire station.
- 2009C General Obligation ARRA Capital Taxable Warrants - This fund is used to provide for certain capital improvement projects.
- Small Issue General Obligation Warrants - This fund is used for the purchase of fire pumper trucks.
- 2011 General Obligation Private Placement Capital Improvements – This fund is used to pay a portion of the costs of the construction of a maritime museum.
- 2012 General Obligation Private Placement Capital Equipment – This fund is used to purchase police, fire and public service equipment.

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2014**

	Strategic Plan	1995 Capital Projects	1996 General Obligation Capital Projects	Municipal Government Capital Improvements	1998 General Obligation Capital Projects	1998 General Obligation Refunding and Capital Projects
ASSETS						
Cash, equity in pooled cash and investments	\$ 9,226,315	\$ 230	\$ 143,928	\$ 7,338,599	\$ 1,293,779	\$ 960,251
Restricted cash - capital purchases	-	-	-	-	-	-
Receivables (net)	817,647	-	-	-	-	-
Total assets	<u>\$ 10,043,962</u>	<u>\$ 230</u>	<u>\$ 143,928</u>	<u>\$ 7,338,599</u>	<u>\$ 1,293,779</u>	<u>\$ 960,251</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 917,371	\$ 15	\$ -	\$ 225,773	\$ 12,960	\$ 39,765
Retainage payable	-	-	-	2,497	-	-
Due to other funds	100,000	-	-	-	-	-
Total liabilities	<u>1,017,371</u>	<u>15</u>	<u>-</u>	<u>228,270</u>	<u>12,960</u>	<u>39,765</u>
Fund balances						
Restricted	-	215	143,928	7,110,329	1,280,819	920,486
Committed	-	-	-	-	-	-
Assigned	9,026,591	-	-	-	-	-
Total fund balances	<u>9,026,591</u>	<u>215</u>	<u>143,928</u>	<u>7,110,329</u>	<u>1,280,819</u>	<u>920,486</u>
Total liabilities and fund balances	<u>\$ 10,043,962</u>	<u>\$ 230</u>	<u>\$ 143,928</u>	<u>\$ 7,338,599</u>	<u>\$ 1,293,779</u>	<u>\$ 960,251</u>

<u>1999 General Obligation Private Placement - IPSCO</u>	<u>2000 Capital Projects</u>	<u>2002 Limited Obligation Tax Increment Capital Projects</u>	<u>Flood Management</u>	<u>2006 G. O. Refunding and Capital Projects Funds</u>	<u>2008 General Capital Improvements Projects</u>	<u>2008B General Obligation Capital Improvement Projects</u>	<u>2009B G O Cap Proj - BAB 2009 Taxable WTS</u>
\$ 249	\$ 464,433	\$ 133,526	\$ 83,886	\$ 1,201,280	\$ 3,877,222	\$ 533,658	\$ 296,973
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 249</u>	<u>\$ 464,433</u>	<u>\$ 133,526</u>	<u>\$ 83,886</u>	<u>\$ 1,201,280</u>	<u>\$ 3,877,222</u>	<u>\$ 533,658</u>	<u>\$ 296,973</u>
\$ -	\$ 5,274	\$ -	\$ -	\$ 272,580	\$ 1,698,415	\$ 184,921	\$ 134,866
-	-	-	-	-	52,711	4,726	-
-	-	-	-	-	-	-	-
-	5,274	-	-	272,580	1,751,126	189,647	134,866
249	459,159	133,526	-	928,700	2,126,096	344,011	162,107
-	-	-	83,886	-	-	-	-
-	-	-	-	-	-	-	-
<u>249</u>	<u>459,159</u>	<u>133,526</u>	<u>83,886</u>	<u>928,700</u>	<u>2,126,096</u>	<u>344,011</u>	<u>162,107</u>
<u>\$ 249</u>	<u>\$ 464,433</u>	<u>\$ 133,526</u>	<u>\$ 83,886</u>	<u>\$ 1,201,280</u>	<u>\$ 3,877,222</u>	<u>\$ 533,658</u>	<u>\$ 296,973</u>

**CITY OF MOBILE, ALABAMA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2014**

	2009C General Obligation ARRA Cap Taxable Warrants	Small Issue General Obligation Warrants	2011 General Obligation Private Placement Capital Improvements	2012 General Obligation Private Placement Capital Equipment	Total
ASSETS					
Cash, equity in pooled cash and investments	\$ 9,040	\$ 142,825	\$ 41,564	\$ 9,518	\$ 25,757,276
Restricted cash - capital purchases	-	-	-	83,419	83,419
Receivables (net)	-	-	-	-	817,647
Total assets	<u>\$ 9,040</u>	<u>\$ 142,825</u>	<u>\$ 41,564</u>	<u>\$ 92,937</u>	<u>\$ 26,658,342</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 21,080	\$ -	\$ 3,513,020
Retainage payable	-	-	-	-	59,934
Due to other funds	-	-	-	-	100,000
Total liabilities	<u>-</u>	<u>-</u>	<u>21,080</u>	<u>-</u>	<u>3,672,954</u>
Fund balances					
Restricted	9,040	142,825	20,484	92,937	13,874,911
Committed	-	-	-	-	83,886
Assigned	-	-	-	-	9,026,591
Total fund balances	<u>9,040</u>	<u>142,825</u>	<u>20,484</u>	<u>92,937</u>	<u>22,985,388</u>
Total liabilities and fund balances	<u>\$ 9,040</u>	<u>\$ 142,825</u>	<u>\$ 41,564</u>	<u>\$ 92,937</u>	<u>\$ 26,658,342</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED

	Strategic Plan	1995 Capital Projects	1996 General Obligation Capital Projects	Municipal Government Capital Improvements	1998 General Obligation Capital Projects	1998 General Obligation Refunding and Capital Projects
Revenues						
Sales tax	\$ 3,718,666	\$ -	\$ -	\$ -	\$ -	\$ -
Lease/rental - tax	2,075,182	-	-	-	-	-
Motor fuel - tax	2,076,049	-	-	-	-	-
Room - tax	1,796,284	-	-	-	-	-
Business license	3,145,144	-	-	-	-	-
State and federal assistance	-	-	-	1,654,757	-	-
Interest	6,566	-	72	3,432	1,313	386
Other revenue	600,000	-	-	-	-	-
Charges for services	195,363	-	-	-	-	-
Total revenues	<u>13,613,254</u>	<u>-</u>	<u>72</u>	<u>1,658,189</u>	<u>1,313</u>	<u>386</u>
Expenditures						
Current						
Nondepartmental	600,000	-	-	-	-	-
Debt service						
Interest and fee payments	163,671	105	-	19,845	-	-
Capital outlay						
Capitalized equipment	317,532	-	-	13,286	-	-
Right-of-way and realty	-	-	-	2,496	479	1,028
Testing	-	-	-	680	-	-
Engineering	-	-	1,281	9,228	25,480	-
Architectural	-	-	-	29,151	-	-
Commodities	65,336	23,343	-	193,335	-	3,486
Construction	-	-	-	422,198	66,027	22,417
Professional services	107,434	-	-	217,216	-	-
Other	1,622,610	-	-	7,640	-	-
Total capital outlay	<u>2,112,912</u>	<u>23,343</u>	<u>1,281</u>	<u>895,230</u>	<u>91,986</u>	<u>26,931</u>
Total expenditures	<u>2,876,583</u>	<u>23,448</u>	<u>1,281</u>	<u>915,075</u>	<u>91,986</u>	<u>26,931</u>
Excess (deficiency) of revenues over expenditures	<u>10,736,671</u>	<u>(23,448)</u>	<u>(1,209)</u>	<u>743,114</u>	<u>(90,673)</u>	<u>(26,545)</u>
Other financing sources (uses)						
Transfers out	(10,287,987)	-	-	(390,225)	-	-
Total other financing sources (uses)	<u>(10,287,987)</u>	<u>-</u>	<u>-</u>	<u>(390,225)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	448,684	(23,448)	(1,209)	352,889	(90,673)	(26,545)
Fund balances - beginning of year	8,577,907	23,663	145,137	6,757,440	1,371,492	947,031
Fund balances - end of year	<u>\$ 9,026,591</u>	<u>\$ 215</u>	<u>\$ 143,928</u>	<u>\$ 7,110,329</u>	<u>\$ 1,280,819</u>	<u>\$ 920,486</u>

1999 General Obligation Private Placement - IPSCO	2000 Capital Projects	2002 Limited Obligation Tax Increment Capital Projects	Flood Management	2006 G. O. Refunding and Capital Projects Funds	2008 General Capital Improvements Projects	2008B General Obligation Capital Improvement Proj	2009B G O Cap Proj - BAB 2009 Taxable WTS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9	-	-	42	220	818	331	415
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>9</u>	<u>-</u>	<u>-</u>	<u>42</u>	<u>220</u>	<u>818</u>	<u>331</u>	<u>415</u>
-	-	-	-	-	-	-	-
-	-	-	-	1,613	-	3,225	-
-	-	-	-	-	163,282	-	-
-	863	-	-	1,336	34	147	-
-	-	-	-	-	-	-	-
-	65,669	-	-	61,437	153,057	-	-
-	-	-	-	-	5,297	15,300	-
-	-	-	-	-	80,863	29,351	99,733
9,447	63,203	-	-	206,584	2,124,860	284,380	115,433
-	-	-	-	1,443	137,861	275	-
-	-	-	-	-	-	-	-
<u>9,447</u>	<u>129,735</u>	<u>-</u>	<u>-</u>	<u>270,800</u>	<u>2,665,254</u>	<u>329,453</u>	<u>215,166</u>
<u>9,447</u>	<u>129,735</u>	<u>-</u>	<u>-</u>	<u>272,413</u>	<u>2,665,254</u>	<u>332,678</u>	<u>215,166</u>
<u>(9,438)</u>	<u>(129,735)</u>	<u>-</u>	<u>42</u>	<u>(272,193)</u>	<u>(2,664,436)</u>	<u>(332,347)</u>	<u>(214,751)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(9,438)</u>	<u>(129,735)</u>	<u>-</u>	<u>42</u>	<u>(272,193)</u>	<u>(2,664,436)</u>	<u>(332,347)</u>	<u>(214,751)</u>
<u>9,687</u>	<u>588,894</u>	<u>133,526</u>	<u>83,844</u>	<u>1,200,893</u>	<u>4,790,532</u>	<u>676,358</u>	<u>376,858</u>
<u>\$ 249</u>	<u>\$ 459,159</u>	<u>\$ 133,526</u>	<u>\$ 83,886</u>	<u>\$ 928,700</u>	<u>\$ 2,126,096</u>	<u>\$ 344,011</u>	<u>\$ 162,107</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED

	2009C General Obligation ARRA Cap Taxable Warrants	Small Issue General Obligation Warrants	2011 General Obligation Private Placement Capital Improvements	2012 General Obligation Private Placement Capital Equipment	Total
Revenues					
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ 3,718,666
Lease/rental - tax	-	-	-	-	2,075,182
Motor fuel - tax	-	-	-	-	2,076,049
Room - tax	-	-	-	-	1,796,284
Business license	-	-	-	-	3,145,144
State and federal assistance	-	-	-	-	1,654,757
Interest	8	71	123	138	13,944
Other revenue	-	-	-	-	600,000
Charges for services	-	-	-	-	195,363
Total revenues	<u>8</u>	<u>71</u>	<u>123</u>	<u>138</u>	<u>15,275,666</u>
Expenditures					
Current					
Nondepartmental	-	-	-	-	600,000
Debt service					
Interest and fee payments	-	-	-	-	188,459
Capital outlay					
Capitalized equipment	-	-	-	64,210	558,310
Right-of-way and realty	-	-	-	-	6,383
Testing	-	-	-	-	680
Engineering	-	-	-	-	316,152
Architectural	-	-	-	-	49,748
Commodities	-	-	551	10,776	506,774
Construction	6,192	-	9,218	-	3,329,959
Professional services	-	-	48,257	-	512,486
Other	-	-	-	-	1,630,250
Total capital outlay	<u>6,192</u>	<u>-</u>	<u>58,026</u>	<u>74,986</u>	<u>6,910,742</u>
Total expenditures	<u>6,192</u>	<u>-</u>	<u>58,026</u>	<u>74,986</u>	<u>7,699,201</u>
Excess (deficiency) of revenues over expenditures	<u>(6,184)</u>	<u>71</u>	<u>(57,903)</u>	<u>(74,848)</u>	<u>7,576,465</u>
Other financing sources (uses)					
Transfers out	-	-	-	-	(10,678,212)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,678,212)</u>
Net change in fund balance	(6,184)	71	(57,903)	(74,848)	(3,102,024)
Fund balances - beginning of year	<u>15,224</u>	<u>142,754</u>	<u>78,387</u>	<u>167,785</u>	<u>26,087,412</u>
Fund balances - end of year	<u>\$ 9,040</u>	<u>\$ 142,825</u>	<u>\$ 20,484</u>	<u>\$ 92,937</u>	<u>\$ 22,985,388</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30, 2014
General Government			
Multipurpose			
Miscellaneous bank service charges	\$ -	\$ 13,336	\$ 13,336
Issue cost - bank service charges 2006	-	1,613	1,613
Assessment expenditures	-	1,561	1,561
Finance - general government equip and misc items	-	56,656	56,656
Administrative services	-	1,001	1,001
Building and grounds allowance	-	359,535	359,535
African American Archives - hvac replacement	-	40,895	40,895
Hurtel St Armory - new fire alarm system	-	27,969	27,969
City share - economic development	-	250,000	250,000
Citywide strategic and marketing plans	-	5,920	5,920
Archives roof replacement	-	75	75
Demolitions - condemned buildings	-	23,817	23,817
Equipment - public works	-	267,820	267,820
Mayor's discretionary	-	2,181	2,181
Mayor's misc capital	-	1,811	1,811
Equipment - animal shelter	-	8,533	8,533
Equipment - city clerk	-	25,225	25,225
Equipment - urban development	-	327,390	327,390
Financial software maintenance	-	275,205	275,205
GIS/aerial mapping system	-	92,402	92,402
Housing First/homeless center	-	67,500	67,500
Lease - 2011 capital equipment	-	3,950	3,950
Lease - 2012 capital equipment	-	74,986	74,986
Workforce development	-	54,000	54,000
Mechanical maintenance - maintenance projects	-	241,268	241,268
Mobile Area Education Fund	-	135,000	135,000
Mobile Airport - rent Aviation Training School	-	10,112	10,112
Public buildings - maintenance projects	-	157,492	157,492
Tax increment financing	-	23,217	23,217
Technology bldg-purch & renovation	-	4,100	4,100
Telephone switch upgrade	92,609	-	92,609
Strategic planning - consultant and misc.	-	6,000	6,000
New computer system - consultant	-	62,747	62,747
Strategic planning - comm/react/CitiSmart	-	46,822	46,822
Total multipurpose	<u>92,609</u>	<u>2,670,139</u>	<u>2,762,748</u>

		Disposition					
		In-Progress		Completed			
		Expensed	Capitalized	Expensed	Capitalized		
\$	-	\$	-	\$	13,336	\$	-
	-		-		1,613		-
	-		-		1,561		-
	-		-		56,656		-
	-		-		1,001		-
	-		-		359,535		-
	-		-		-		40,895
	-		27,969		-		-
	-		-		250,000		-
	-		-		5,920		-
	-		75		-		-
	-		-		23,817		-
	-		-		-		267,820
	-		-		2,181		-
	-		-		1,811		-
	-		-		8,533		-
	-		-		25,225		-
	-		-		-		327,390
	-		-		275,205		-
	-		92,402		-		-
	-		-		67,500		-
	-		-		3,950		-
	-		-		42,836		32,150
	-		-		54,000		-
	-		-		235,261		6,007
	-		-		135,000		-
	-		-		10,112		-
	-		-		145,872		11,620
	-		-		23,217		-
	-		-		4,100		-
	92,609		-		-		-
	-		62,747		6,000		-
	-		-		46,822		-
	<u>92,609</u>		<u>183,193</u>		<u>1,801,064</u>		<u>685,882</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2014
General Government			
Environmental			
Engineering, row and testing	\$ -	\$ 95,826	\$ 95,826
Equip-dredging/barge modif	-	3,487	3,487
Stormwater-misc bridges	-	128,670	128,670
2007 Annex areas 1 & 2	-	27,920	27,920
2008 Misc drainage/pipes	189,783	-	189,783
Ann St (Tenn to McDonald)	-	33,291	33,291
Misc. drainage pipes	174,424	43,848	218,272
Antoine St rd & drainage	-	238	238
Bayou St. Board of Health	183,925	-	183,925
Big Stickney Culvert at Springhill Avenue	49,363	-	49,363
Conception Street drainage	96,651	-	96,651
Citywide storm drainage repairs	-	2,290,836	2,290,836
Dubroca emergency drainage	111,865	-	111,865
Emogene Street bridge repairs	445,151	-	445,151
Emergency rep - McGregor	-	120,326	120,326
Emergency rep - Girby Rd	-	195,145	195,145
Eslava Creek at Airport	73,953	-	73,953
Florida Street - Woodcock Creek	7,910,756	(61,171)	7,849,585
Gaslight drainage	-	239	239
Halls Mill Road at Moore - bridge	51,597	-	51,597
Michigan Avenue bridge repairs	1,208,491	2,200,706	3,409,197
Mobile St. improvements	-	22,144	22,144
Moores Creek - Burma to Moores	451,947	93,069	545,016
Vanderbilt drainage	-	240	240
Trinity Gardens ditch enclosures	238,258	-	238,258
Total environmental	<u>11,186,164</u>	<u>5,194,814</u>	<u>16,380,978</u>

Disposition			
In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ 55,810	\$ 40,015
-	-	3,487	-
-	-	-	128,670
-	27,920	-	-
-	-	-	189,783
-	33,291	-	-
-	218,272	-	-
-	238	-	-
-	-	-	183,925
-	-	-	49,363
-	96,651	-	-
-	-	-	2,290,836
-	-	-	111,865
-	-	-	445,151
-	120,326	-	-
-	-	-	195,145
-	-	-	73,953
-	-	-	7,849,585
-	239	-	-
-	-	-	51,597
-	-	-	3,409,197
-	22,145	-	-
-	545,016	-	-
-	240	-	-
-	-	-	238,258
-	1,064,338	59,297	15,257,343

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2014
General Government			
Transportation			
Electrical equipment	\$ -	\$ 14,158	\$ 14,158
INFRA-ADA modifications	409,573	25,480	435,053
Traffic engineering - street improvements	-	32,746	32,746
Traffic eng-crowd control barricades	-	2,043	2,043
Resurfacing - 4 cent gas tax project	24,609	832,419	857,028
Blacklawn lighting & improvements	-	31,180	31,180
City guardrails	-	243	243
Airbus Way & Aerospace Dr roadway	881,507	3,698,183	4,579,690
City's share - Hillcrest MPO project	3,018,704	66,026	3,084,730
City's share - Airport/Snow Road	196,890	-	196,890
City's share - Zeigler Boulevard	844,724	237,578	1,082,302
ED-Pinebrook-McGregor	-	1,310	1,310
Baker St improv-Yeend St.	-	1,493,243	1,493,243
Hillsdale Heights sidewalks	26,909	-	26,909
MHO-Dauphin at Sage	-	60,086	60,086
MPO McGregor Ave-widening	77,365	61,997	139,362
Miscellaneous street improvements	-	1,179,902	1,179,902
Traffic circles/calming devices	-	27,540	27,540
Total transportation	5,480,281	7,764,134	13,244,415
Security			
Metro 800 mhz emergency radios	5,943,156	211,966	6,155,122
Equipment - police	-	2,342,078	2,342,078
Equipment - public safety	-	2,350	2,350
Fire - misc fire station bldg imprv	-	9,022	9,022
Firestation #11 roof replacement	-	60,782	60,782
Equipment-fire hose	-	278,017	278,017

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ 14,158	\$ -
-	435,053	-	-
-	-	32,746	-
-	-	2,043	-
-	793,826	-	63,202
-	31,180	-	-
-	243	-	-
-	4,576,037	3,653	-
-	-	-	3,084,730
-	-	-	196,890
-	1,082,302	-	-
-	1,310	-	-
-	1,493,243	-	-
-	26,909	-	-
-	60,086	-	-
-	139,362	-	-
-	-	397,131	782,771
-	-	-	27,540
-	8,639,551	449,731	4,155,133
-	-	-	6,155,122
-	-	374,480	1,967,598
-	-	2,350	-
-	-	9,022	-
-	60,782	-	-
-	-	278,017	-

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2014
General Government			
Security (Cont'd)			
Police building - 200 Government St. purchase	\$ -	\$ 198,078	\$ 198,078
St Plan-police motor vehicles	-	368,813	368,813
Police bldg-850 St. Anthony	143,327	1,318	144,645
Total security	<u>6,086,483</u>	<u>3,472,424</u>	<u>9,558,907</u>
Recreation			
Equipment - parks and recreation	-	107,791	107,791
Ballfield lighting-Baumhauer Randle Pk	-	65,193	65,193
Ballfield lighting-Herndon Park	-	22,259	22,259
Ballfield lighting-Dog River Park	-	23,811	23,811
Ballfield lighting-Langan Park	-	15,897	15,897
Mobile Regional Senior Comm Ctr-flooring replace	-	49,215	49,215
College football bowl	-	1,135,000	1,135,000
Ladd Stadium renovation	303,918	-	303,918
Parks - annexed area	714,730	81,577	796,307
Parks - Copeland-Cox tennis center	177,333	174,926	352,259
Parks-Hank Aaron Stadium	-	159,000	159,000
Parks-Herndon Park improv	-	56,653	56,653
Parks - Hillsdale community center	-	2,080	2,080
Parks - James Seals	-	359,569	359,569
Parks - ISOM park improvements	-	8,985	8,985
Parks - Kidd Park improvements	15,928	-	15,928
Parks - Mardi Gras Park	1,327	-	1,327
Mary Abby Berg Senior Ctr	-	100,000	100,000

Dispositon			
In Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 198,078	\$ -	\$ -
-	-	55,566	313,247
-	144,645	-	-
-	403,505	719,435	8,435,967
-	-	107,791	-
-	-	-	65,193
-	-	-	22,259
-	-	-	23,811
-	-	-	15,897
-	-	-	49,215
-	-	1,135,000	-
-	303,918	-	-
-	-	-	796,307
-	352,259	-	-
-	-	159,000	-
-	56,653	-	-
-	-	2,080	-
-	359,569	-	-
-	-	-	8,985
-	-	-	15,928
-	-	1,327	-
-	-	100,000	-

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)
CAPITAL PROJECTS FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2014
General Government			
Recreation (Cont'd)			
Parks - Publ Safety - Skateboard	\$ 23,873	\$ 2,397	\$ 26,270
Parks - Theodore area park	98,631	275	98,906
Waterfront development	55,848,435	1,923,880	57,772,315
Waterfront development - general fund	(25,642,407)	(818,120)	(26,460,527)
Waterfront - enterprise fund	(1,600,000)	-	(1,600,000)
Waterfront development - TIF portion	(1,757,665)	(870,966)	(2,628,631)
Total recreation	<u>28,184,103</u>	<u>2,599,422</u>	<u>30,783,525</u>
Cultural			
Fort Conde Welcome Center - roof repairs	446,176	135,651	581,827
Strategic Plan - Saenger Theatre renovations	-	140,441	140,441
Tardy Cottage improvements	-	4,472	4,472
Historic Dev-African American	-	10,000	10,000
Total cultural	<u>446,176</u>	<u>290,564</u>	<u>736,740</u>
Total general government	<u>51,475,816</u>	<u>21,991,497</u>	<u>73,467,313</u>
Proprietary			
Mobile Civic Center:			
Civic Center renovations	-	73,354	73,354
Total proprietary	<u>-</u>	<u>73,354</u>	<u>73,354</u>
Total capital projects	<u>\$ 51,475,816</u>	<u>\$ 22,064,851</u>	<u>\$ 73,540,667</u>

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 26,270	\$ -	\$ -
-	-	-	98,906
-	57,772,315	-	-
-	(26,460,527)	-	-
-	(1,600,000)	-	-
-	(2,628,631)	-	-
-	28,181,826	1,505,198	1,096,501
-	581,827	-	-
-	-	140,441	-
-	-	4,472	-
-	-	10,000	-
-	581,827	154,913	-
92,609	39,054,240	4,689,638	29,630,826
-	-	73,354	-
-	-	73,354	-
\$ 92,609	\$ 39,054,240	\$ 4,762,992	\$ 29,630,826

INTERNAL SERVICE FUNDS

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

Motor Pool Fund - This fund is used to account for vehicles and equipment provided and maintained by the Motor Pool for other departments of the City.

Insurance Fund - This fund is used to account for automobile and general liability claims and expenses paid 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.

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2014

	<u>Motor Pool Fund</u>	<u>Insurance Fund</u>	<u>Employee Health Fund</u>	<u>Total</u>
ASSETS				
Current assets				
Cash, equity in pooled cash and investments	\$ 2,648,516	\$ 809,702	\$ -	\$ 3,458,218
Receivables (net)	15,050	-	-	15,050
Total current assets	<u>2,663,566</u>	<u>809,702</u>	<u>-</u>	<u>3,473,268</u>
Capital assets				
Vehicles	31,421,187	-	-	31,421,187
Furniture, fixtures and equipment	4,183,181	-	-	4,183,181
	35,604,368	-	-	35,604,368
Less: accumulated depreciation	<u>(28,174,064)</u>	<u>-</u>	<u>-</u>	<u>(28,174,064)</u>
Total capital assets (net)	<u>7,430,304</u>	<u>-</u>	<u>-</u>	<u>7,430,304</u>
Total assets	<u>10,093,870</u>	<u>809,702</u>	<u>-</u>	<u>10,903,572</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	88,750	65,033	218,801	372,584
Accrued payroll	1,929	-	-	1,929
Capital lease obligations - current portion	234,984	-	-	234,984
Insurance claims payable	-	-	2,364,500	2,364,500
Total current liabilities	<u>325,663</u>	<u>65,033</u>	<u>2,583,301</u>	<u>2,973,997</u>
Long-term liabilities				
Capital lease obligations - net of current portion	489,266	-	-	489,266
Self-insured liability - legal	-	717,256	-	717,256
Total long-term liabilities	<u>489,266</u>	<u>717,256</u>	<u>-</u>	<u>1,206,522</u>
Total liabilities	<u>814,929</u>	<u>782,289</u>	<u>2,583,301</u>	<u>4,180,519</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	6,706,054	-	-	6,706,054
Unrestricted (deficit)	2,572,887	27,413	(2,583,301)	16,999
Total net position	<u>\$ 9,278,941</u>	<u>\$ 27,413</u>	<u>\$ (2,583,301)</u>	<u>\$ 6,723,053</u>

CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
Operating revenues				
Charges for services	\$ 4,362,979	\$ -	\$ 19,925,395	\$ 24,288,374
Retiree drug subsidy	-	-	214,561	214,561
Miscellaneous revenue	246	1,020	7,145	8,411
Total operating revenues	<u>4,363,225</u>	<u>1,020</u>	<u>20,147,101</u>	<u>24,511,346</u>
Operating expenses				
Insurance payments	-	-	27,367,560	27,367,560
Commodities	2,514,560	26,094	-	2,540,654
Personnel services	110,497	-	-	110,497
Professional and technical	3,239	1,351,381	75,000	1,429,620
Maintenance and repairs	-	5,929	-	5,929
Utilities	35,238	-	-	35,238
Other charges	5,307	789,583	15,749	810,639
Increase (decrease) in provision for self-insured loss	-	-	609,710	609,710
Depreciation	1,190,486	-	-	1,190,486
Total operating expenses	<u>3,859,327</u>	<u>2,172,987</u>	<u>28,068,019</u>	<u>34,100,333</u>
Operating income (loss)	<u>503,898</u>	<u>(2,171,967)</u>	<u>(7,920,918)</u>	<u>(9,588,987)</u>
Nonoperating revenues (expenses)				
Gain (loss) on disposal of capital assets	46,402	-	-	46,402
Damaged vehicles reimbursement	52,853	-	-	52,853
Interest expense	(22,472)	-	-	(22,472)
Total nonoperating revenues	<u>76,783</u>	<u>-</u>	<u>-</u>	<u>76,783</u>
Income (loss) before operating transfers	580,681	(2,171,967)	(7,920,918)	(9,512,204)
Transfers in	300,000	2,552,290	7,580,825	10,433,115
Transfers out	-	-	-	-
Change in net position	880,681	380,323	(340,093)	920,911
Net position - beginning of year	8,398,260	(352,910)	(2,243,208)	5,802,142
Net position - end of year	<u>\$ 9,278,941</u>	<u>\$ 27,413</u>	<u>\$ (2,583,301)</u>	<u>\$ 6,723,053</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
Cash flows from operating activities				
Cash received from:				
Internal billings	\$ 4,359,132	\$ -	\$ 14,396,649	\$ 18,755,781
Customers and users	-	-	1,206,873	1,206,873
Employee contributions	-	-	4,321,872	4,321,872
Miscellaneous	-	-	7,145	7,145
Cash payments for insurance claims	-	-	(27,634,567)	(27,634,567)
Cash payments for operating expenses	(2,477,333)	(2,622,249)	(93,358)	(5,192,940)
Cash payments to employees for services	(111,235)	-	-	(111,235)
Net cash provided (used) by operating activities	<u>1,770,564</u>	<u>(2,622,249)</u>	<u>(7,795,386)</u>	<u>(8,647,071)</u>
Cash flows from non-capital financing activities				
Transfers in from other funds	300,000	2,552,290	7,580,825	10,433,115
Retiree drug subsidy	-	-	214,561	214,561
Net cash provided by non-capital financing activities	<u>300,000</u>	<u>2,552,290</u>	<u>7,795,386</u>	<u>10,647,676</u>
Cash flows from capital and related financing activities				
Acquisition of capital assets	(1,006,292)	-	-	(1,006,292)
Proceeds from sale of capital assets	173,294	-	-	173,294
Payments on capital leases	(228,776)	-	-	(228,776)
Interest payments	(22,472)	-	-	(22,472)
Reimbursement for damaged vehicles	52,853	-	-	52,853
Net cash used by capital and related financing activities	<u>(1,031,393)</u>	<u>-</u>	<u>-</u>	<u>(1,031,393)</u>
Cash flows from investing activities				
Investment income received	-	-	-	-
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	1,039,171	(69,959)	-	969,212
Pooled cash and investments - beginning of the year	1,609,345	879,661	-	2,489,006
Pooled cash and investments - end of the year	<u>\$ 2,648,516</u>	<u>\$ 809,702</u>	<u>\$ -</u>	<u>\$ 3,458,218</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS (CONT'D)
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Motor Pool Fund</u>	<u>Insurance Fund</u>	<u>Employee Health Fund</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	<u>\$ 503,898</u>	<u>\$ (2,171,967)</u>	<u>\$ (7,920,918)</u>	<u>\$ (9,588,987)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,190,486	-	-	1,190,486
Non-capital financing cash flow included in operating income	-	-	(214,561)	(214,561)
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(3,847)	-	131,469	127,622
Increase (decrease) in:				
Accounts payable	80,765	(42,693)	(398,476)	(360,404)
Accrued liabilities	(738)	-	-	(738)
Self-insured liability - legal	-	(407,589)	-	(407,589)
Insurance claims payable	-	-	607,100	607,100
Total adjustments	<u>1,266,666</u>	<u>(450,282)</u>	<u>125,532</u>	<u>941,916</u>
Net cash provided (used) by operating activities	<u>\$ 1,770,564</u>	<u>\$ (2,622,249)</u>	<u>\$ (7,795,386)</u>	<u>\$ (8,647,071)</u>

ENTERPRISE FUNDS – NON MAJOR

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 - This fund is used to account for the operations of the Azalea City Golf Course which derives revenues from course and cart rental.

Firemedics - This fund is used to account for the operations of the Firemedics division which provides ambulance service to the general public.

Tennis Center - This fund is used to account for the operations of the Tennis Center which derives the majority of its income from tennis court rentals.

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.

Neighborhood Renewal Program – This fund is used to account for the operations of the Neighborhood Renewal Program which derives the majority of its income from the sale of real property inventory.

**CITY OF MOBILE, ALABAMA
 COMBINING STATEMENT OF NET POSITION
 NON-MAJOR ENTERPRISE FUNDS
 SEPTEMBER 30, 2014**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
ASSETS		
Current assets		
Cash, equity in pooled cash and investments	\$ 1,100	\$ -
Receivables (net)	-	420,676
Other assets	-	-
Inventories	86,703	-
Total current assets	<u>87,803</u>	<u>420,676</u>
Capital assets		
Non-depreciable capital assets	1,457,640	-
Depreciable capital assets, net	1,822,198	76,924
Total capital assets	<u>3,279,838</u>	<u>76,924</u>
Total assets	<u>3,367,641</u>	<u>497,600</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	68,835	998,612
Unearned revenue	-	-
Total current liabilities	<u>68,835</u>	<u>998,612</u>
NET POSITION		
Net investment in capital assets	3,279,838	76,924
Unrestricted (deficit)	18,968	(577,936)
Total net position	<u>\$ 3,298,806</u>	<u>\$ (501,012)</u>

<u>Tennis Center</u>	<u>Saenger Theater</u>	<u>Neighborhood Renewal Program</u>	<u>Totals</u>
\$ 600	\$ 431,095	\$ 731,923	\$ 1,164,718
-	12,606	-	433,282
-	541	-	541
-	10,951	17,882	115,536
<u>600</u>	<u>455,193</u>	<u>749,805</u>	<u>1,714,077</u>
-	-	-	1,457,640
<u>66,827</u>	<u>3,038,224</u>	<u>-</u>	<u>5,004,173</u>
<u>66,827</u>	<u>3,038,224</u>	<u>-</u>	<u>6,461,813</u>
<u>67,427</u>	<u>3,493,417</u>	<u>749,805</u>	<u>8,175,890</u>
37,914	184,793	840	1,290,994
-	192,030	-	192,030
<u>37,914</u>	<u>376,823</u>	<u>840</u>	<u>1,483,024</u>
66,828	3,038,223	-	6,461,813
<u>(37,315)</u>	<u>78,371</u>	<u>748,965</u>	<u>231,053</u>
<u>\$ 29,513</u>	<u>\$ 3,116,594</u>	<u>\$ 748,965</u>	<u>\$ 6,692,866</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
Operating revenues		
Facility rent	\$ -	\$ -
Sales revenue	160,119	-
User charges	1,182,998	2,181,538
Concessions	-	-
Miscellaneous revenue	1,848	-
Cost reimbursement	-	7,706
	<u>1,344,965</u>	<u>2,189,244</u>
Total operating revenues		
Operating expenses		
Utilities	84,337	42,011
Cost of goods sold	104,794	-
Personnel services	812,355	6,383,796
Professional and technical	3,840	128,139
Maintenance and repairs	8,944	22,678
Commodities	234,575	737,609
Insurance payments	68,948	-
Printing and reproduction	336	7,715
Other charges	66,556	149,446
Depreciation	145,285	5,680
	<u>1,529,970</u>	<u>7,477,074</u>
Total operating expense		
Operating income (loss)	<u>(185,005)</u>	<u>(5,287,830)</u>
Nonoperating revenues (expenses)		
State and federal assistance	2,875	-
Gain (loss) on disposal of capital assets	(3,573)	-
	<u>(698)</u>	<u>-</u>
Total nonoperating revenues (expenses)		
Net income (loss) before transfers	(185,703)	(5,287,830)
Transfers in	89,665	4,285,077
Change in net position	(96,038)	(1,002,753)
Net position - beginning of year	<u>3,394,844</u>	<u>501,741</u>
Net position - end of year	<u>\$ 3,298,806</u>	<u>\$ (501,012)</u>

<u>Tennis Center</u>	<u>Saenger Theater</u>	<u>Neighborhood Renewal Program</u>	<u>Totals</u>
\$ -	\$ 170,934	\$ -	\$ 170,934
3,250	-	53,884	217,253
244,908	238,224	-	3,847,668
13,281	60,083	-	73,364
11	73,483	-	75,342
-	-	-	7,706
<u>261,450</u>	<u>542,724</u>	<u>53,884</u>	<u>4,392,267</u>
68,558	158,393	-	353,299
-	-	14,735	119,529
432,035	306,253	-	7,934,439
153,998	111,749	398	398,124
225	7,420	-	39,267
38,276	31,962	1,518	1,043,940
-	-	-	68,948
774	372	-	9,197
9,696	85,058	2,336	313,092
3,887	188,529	-	343,381
<u>707,449</u>	<u>889,736</u>	<u>18,987</u>	<u>10,623,216</u>
<u>(445,999)</u>	<u>(347,012)</u>	<u>34,897</u>	<u>(6,230,949)</u>
-	-	-	2,875
-	-	-	(3,573)
-	-	-	(698)
(445,999)	(347,012)	34,897	(6,231,647)
<u>429,328</u>	<u>200,000</u>	<u>-</u>	<u>5,004,070</u>
(16,671)	(147,012)	34,897	(1,227,577)
<u>46,184</u>	<u>3,263,606</u>	<u>714,068</u>	<u>7,920,443</u>
<u>\$ 29,513</u>	<u>\$ 3,116,594</u>	<u>\$ 748,965</u>	<u>\$ 6,692,866</u>

**CITY OF MOBILE, ALABAMA
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Azalea City Golf Course	Firemedics
Cash flows from operating activities		
Cash received from:		
User charges	\$ 1,182,996	\$ 2,851,559
Sales revenue	160,119	-
Facility rent	-	-
Concessions	-	-
Miscellaneous	1,848	7,706
Cash payments for operating expenses	(628,754)	(779,604)
Cash payment for internal services	(62,741)	(500,483)
Cash payments to employees for services	(749,075)	(5,924,166)
Net cash provided (used) by operating activities	(95,607)	(4,344,988)
Cash flows from non-capital financing activities		
Transfers in from other funds	89,665	4,285,077
Proceeds from federal grants	2,875	-
Net cash provided by non-capital financing activities	92,540	4,285,077
Cash flows from capital and related financing activities		
Proceeds from sale of capital assets	3,067	-
Net cash used by capital and related financing activities	3,067	-
Cash flows from investing activities		
Net increase (decrease) in pooled cash and investments	-	(59,911)
Pooled cash and investments - beginning of the year	1,100	59,911
Pooled cash and investments - end of the year	\$ 1,100	\$ -

<u>Tennis Center</u>	<u>Saenger Theater</u>	<u>Neighborhood Renewal Program</u>	<u>Total</u>
\$ 244,908	\$ 238,224	\$ 52,884	\$ 4,570,571
-	-	-	160,119
3,250	158,328	-	161,578
13,281	60,083	-	73,364
3,158	265,513	-	278,225
(259,924)	(264,460)	(32,306)	(1,965,048)
(29,533)	(3,558)	-	(596,315)
<u>(404,468)</u>	<u>(306,333)</u>	<u>-</u>	<u>(7,384,042)</u>
<u>(429,328)</u>	<u>147,797</u>	<u>20,578</u>	<u>(4,701,548)</u>
429,328	200,000	-	5,004,070
-	-	-	2,875
<u>429,328</u>	<u>200,000</u>	<u>-</u>	<u>5,006,945</u>
-	-	-	3,067
-	-	-	3,067
-	347,797	20,578	308,464
<u>600</u>	<u>83,298</u>	<u>711,345</u>	<u>856,254</u>
<u>\$ 600</u>	<u>\$ 431,095</u>	<u>\$ 731,923</u>	<u>\$ 1,164,718</u>

**CITY OF MOBILE, ALABAMA
COMBINING STATEMENT OF CASH FLOWS (CONT'D)
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Azalea City Golf Course</u>	<u>Firemedics</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (185,005)</u>	<u>\$ (5,287,830)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities		
Depreciation	145,285	5,680
Change in assets and liabilities:		
Decrease (increase) in		
Accounts receivable	-	670,021
Prepaid expenses	-	-
Materials and supplies	(17,477)	-
Increase (decrease) in		
Accounts payable	(42,669)	161,635
Payroll payable	4,259	105,506
Advance collection	-	-
Total adjustments	<u>89,398</u>	<u>942,842</u>
Net cash provided (used) by operating activities	<u>\$ (95,607)</u>	<u>\$ (4,344,988)</u>

<u>Tennis Center</u>	<u>Saenger Theater</u>	<u>Neighborhood Renewal Program</u>	<u>Total</u>
<u>\$ (445,999)</u>	<u>\$ (347,012)</u>	<u>\$ 34,897</u>	<u>\$ (6,230,949)</u>
3,887	188,529	-	343,381
-	(12,606)	-	657,415
-	(541)	-	(541)
-	(10,951)	-	(28,428)
10,669	139,905	(13,319)	256,221
2,115	(1,557)	-	110,323
-	192,030	(1,000)	191,030
<u>16,671</u>	<u>494,809</u>	<u>(14,319)</u>	<u>1,529,401</u>
<u>\$ (429,328)</u>	<u>\$ 147,797</u>	<u>\$ 20,578</u>	<u>\$ (4,701,548)</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION
ENTERPRISE FUNDS
BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2014

<u>Program/Project Name</u>	<u>Project Cost Prior Years</u>	<u>Current Activity</u>	<u>Total Project Cost to September 30, 2014</u>
WAVE Transit			
Facility improvement - N. Mobile County	\$ 535,726	\$ -	\$ 535,726
Mobile Convention Center			
Waterfront Development-GulfQuest	1,600,000	-	1,600,000
Restroom renovation	27,390	262,311	289,701
Equipment & misc	-	109,788	109,788
World leisure	-	150,000	150,000
Marketing	-	9,504	9,504
Robert Trent Jones Golf	-	315,000	315,000
Bayfest Inc	-	243,000	243,000
Battleship Park	-	45,000	45,000
Events Mobile	-	100,000	100,000
Senior Bowl	-	135,000	135,000
Total	<u>\$ 2,163,116</u>	<u>\$ 1,369,603</u>	<u>\$ 3,532,719</u>

Disposition			
In Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ 535,726	\$ -
-	1,600,000	-	-
-	289,701	-	-
-	-	85,998	23,790
-	-	150,000	-
-	-	9,504	-
-	-	315,000	-
-	-	243,000	-
-	-	45,000	-
-	-	100,000	-
-	-	135,000	-
<u>\$ -</u>	<u>\$ 1,889,701</u>	<u>\$ 1,619,228</u>	<u>\$ 23,790</u>

SUPPLEMENTARY INFORMATION

Other Supplementary Information

General Fund
Capital Assets
Long-Term Debt

OTHER SUPPLEMENTARY INFORMATION

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
SEPTEMBER 30, 2014

	Original Budget	Actual	Variance Positive/ (Negative)
Taxes			
Property			
Real estate	\$ 12,282,915	\$ 12,059,504	\$ (223,411)
Motor vehicle	1,800,000	1,679,652	(120,348)
Sales and use			
Sales tax - City	109,587,632	118,951,589	9,363,957
Sales tax - Police Jurisdiction	7,168,147	7,495,674	327,527
Lease/rental - City	4,107,338	4,893,789	786,451
Lease/rental - Police Jurisdiction	176,954	387,389	210,435
Room tax - City	3,346,681	3,582,439	235,758
Room tax - Police Jurisdiction	8,000	10,308	2,308
Motor vehicle rental - City	1,006,892	1,098,293	91,401
Motor vehicle rental - Police Jurisdiction	70,000	43,190	(26,810)
Selective sales and use			
Motor fuel			
Regular - City	2,100,000	2,076,049	(23,951)
Regular - Police Jurisdiction	673,264	706,796	33,532
County equalization	431,190	423,803	(7,387)
Alcoholic beverages			
Liquor - City	450,000	479,495	29,495
Liquor - Police Jurisdiction	20,000	23,819	3,819
Liquor - ABC Board	205,000	209,431	4,431
Table Wine	170,000	174,440	4,440
Beer	1,200,000	1,138,670	(61,330)
Other			
Cigarette stamp tax	2,150,000	1,815,029	(334,971)
Other tobacco tax - City	335,263	398,994	63,731
Other tobacco tax - Police Jurisdiction	36,000	43,350	7,350
Business privilege tax	-	278,688	278,688
Other tax revenue	190,000	487,518	297,518
Total taxes	<u>147,515,276</u>	<u>158,457,909</u>	<u>10,942,633</u>
Licenses and permits			
Business licenses - City	31,238,864	33,001,869	1,763,005
Business licenses - Police Jurisdiction	2,025,862	2,057,381	31,519
Motor vehicle licenses	667,597	749,052	81,455
Dog licenses	28,000	22,480	(5,520)
Other permit fees	-	550,000	550,000
Total licenses and permits	<u>33,960,323</u>	<u>36,380,782</u>	<u>2,420,459</u>
Intergovernmental			
Alcoholic Beverage Control Board	75,000	47,623	(27,377)
Mobile County Racing Commission	35,000	18,022	(16,978)
Total intergovernmental	<u>110,000</u>	<u>65,645</u>	<u>(44,355)</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND (CONT'D)
SEPTEMBER 30, 2014

	Original Budget	Actual	Variance Positive/ (Negative)
Charges for services			
Health			
Lot cleaning	\$ 35,000	\$ 16,377	\$ (18,623)
Building demolition fee	50,000	16,048	(33,952)
Animal shelter	12,000	23,674	11,674
Public safety			
Inspection	1,189,951	1,332,150	142,199
Fire plan review fee	30,000	32,473	2,473
Police and fire	574,399	613,554	39,155
Engineering	293,681	430,550	136,869
Parking management fees	250,000	267,479	17,479
County sales tax collection fee	2,275,000	2,017,603	(257,397)
Property rental	36,000	18,163	(17,837)
Franchise fees - miscellaneous	2,600,000	3,047,333	447,333
Recreational fees	425,000	418,896	(6,104)
Landfill	120,000	23,336	(96,664)
Total charges for services	<u>7,891,031</u>	<u>8,257,636</u>	<u>366,605</u>
Fines and forfeitures			
Municipal offense fines	70,000	42,175	(27,825)
Police fines	1,400,000	1,132,808	(267,192)
Driver's education	364,540	405,243	40,703
Bond forfeitures	40,000	82,052	42,052
Court costs	375,000	350,461	(24,539)
DA Restitution Unit collection fees	130,000	116,295	(13,705)
Corrections fund	1,100,000	965,588	(134,412)
Alarm ordinance fines and permits	20,000	12,050	(7,950)
Total fines and forfeitures	<u>3,499,540</u>	<u>3,106,672</u>	<u>(392,868)</u>
State and federal assistance	<u>-</u>	<u>175,710</u>	<u>175,710</u>
Interest			
Investment of idle funds	62,353	55,640	(6,713)
Interest on receivables	168,507	17	(168,490)
Dividend income	-	1,622	1,622
Total interest	<u>230,860</u>	<u>57,279</u>	<u>(173,581)</u>
Miscellaneous			
Athletic fund	-	39,515	39,515
Miscellaneous	50,000	1,344,992	1,294,992
Total miscellaneous (other)	<u>50,000</u>	<u>1,384,507</u>	<u>1,334,507</u>
Total revenues	<u>\$ 193,257,030</u>	<u>\$ 207,886,140</u>	<u>\$ 14,629,110</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF OTHER FINANCING SOURCES (USES)
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Actual	Variance Positive/ (Negative)
Other financing sources			
Operating transfers in:			
From 5-cent Gasoline Tax Special Revenue Fund	\$ 865,000	\$ 864,000	\$ (1,000)
From 7-cent Gasoline Tax Special Revenue Fund	(150,000)	142,893	292,893
From Fuel Inspection Fees Special Revenue Fund	84,000	80,010	(3,990)
From Strategic Plan Fund	4,270,084	4,270,084	-
From Capital Projects Fund	17,864,103	17,923,603	59,500
From WAVE Transit	-	3,004,924	3,004,924
From Municipal Parking Garage	1,000,000	1,000,000	-
From Grant Administration Funds	-	299,131	299,131
Total operating transfers in	<u>23,933,187</u>	<u>27,584,645</u>	<u>3,651,458</u>
Sales of general capital assets	2,400	7,124	4,724
Total other financing sources	<u>23,935,587</u>	<u>27,591,769</u>	<u>3,656,182</u>
Other financing uses			
Operating transfers out:			
To Capital Improvement Fund	-	215,638	(215,638)
To 7-Cent Roadway Maintenance Fund	-	391,020	(391,020)
To Grant Administration Funds	375,000	375,000	-
To Mobile Civic Center Enterprise Fund	983,605	1,209,312	(225,707)
To Metro Transit Enterprise Fund	6,026,948	6,755,976	(729,028)
To Cruise Terminal Enterprise Fund	-	413,323	(413,323)
To Firemedics Enterprise Fund	4,441,983	3,261,649	1,180,334
To Mobile Tennis Center Enterprise Fund	550,125	429,328	120,797
To Azalea City Golf Course Enterprise Fund	-	89,665	(89,665)
To Employee Health Plan Internal Service Fund	4,950,000	7,580,825	(2,630,825)
To Motor Pool Internal Service Fund	300,000	300,000	-
To Insurance Internal Service Fund	2,000,000	2,552,290	(552,290)
Total operating transfers out	<u>19,627,661</u>	<u>23,574,026</u>	<u>(3,946,365)</u>
Total other financing sources (uses)	<u>\$ 4,307,926</u>	<u>\$ 4,017,743</u>	<u>\$ 290,183</u>

CITY OF MOBILE, ALABAMA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY SOURCE
SEPTEMBER 30, 2014

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Governmental activities capital assets			
Land	\$ 27,258,633	\$ -	\$ 27,258,633
Buildings	71,446,433	30,164,448	41,281,985
Improvements other than buildings	112,951,519	48,781,627	64,169,892
Vehicular equipment	65,985,226	44,161,051	21,824,175
Other equipment	50,842,062	36,863,034	13,979,028
Infrastructure	522,591,491	122,294,649	400,296,842
Infrastructure-in-progress	10,365,987	-	10,365,987
Intangible assets	4,116,379	-	4,116,379
Construction-in-progress	58,431,064	-	58,431,064
Total governmental activities	<u>\$ 923,988,794</u>	<u>\$ 282,264,809</u>	<u>\$ 641,723,985</u>
Investment in governmental activities			
General obligation warrants	\$ 101,415,314	\$ 34,976,757	\$ 66,438,557
General grants and other	101,918,589	18,140,441	83,778,148
Revenue sharing	931,472	733,036	198,436
Capital improvements	374,440,173	130,028,956	244,411,217
General fund	7,892,867	4,778,937	3,113,930
Internal service funds	35,902,507	28,441,769	7,460,738
Special revenue funds	60,329,027	16,440,438	43,888,589
Intangible assets	4,116,379	-	4,116,379
Gifts	237,042,466	48,724,475	188,317,991
Total investment in governmental activities	<u>\$ 923,988,794</u>	<u>\$ 282,264,809</u>	<u>\$ 641,723,985</u>

CITY OF MOBILE, ALABAMA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION
SEPTEMBER 30, 2014

	<u>Land</u>	<u>Improvements</u>
General government	\$ 23,812,916	\$ 64,495,864
Economic development	-	-
Public safety	419,850	7,539,501
Public works	217,814	1,907,840
Culture and recreation	1,133,957	37,058,422
Finance	-	3,457
Nondepartmental	<u>1,674,100</u>	<u>1,946,436</u>
Total governmental capital assets allocated to functions	<u>\$ 27,258,637</u>	<u>\$ 112,951,520</u>
Construction in progress		
Infrastructure in progress		
Total governmental activities capital assets		
Less: accumulated depreciation		
Net governmental activities capital assets		

<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Total</u>
\$ 23,634,773	\$ 46,990,736	\$ 525,541,620	\$ 684,475,909
-	4,020	-	4,020
16,252,841	33,489,777	-	57,701,969
1,428,858	19,391,695	-	22,946,207
27,615,798	3,205,193	-	69,013,370
-	5,023,881	-	5,027,338
<u>2,514,163</u>	<u>8,721,987</u>	<u>1,166,245</u>	<u>16,022,931</u>
<u>\$ 71,446,433</u>	<u>\$ 116,827,289</u>	<u>\$ 526,707,865</u>	855,191,744
			58,431,064
			<u>10,365,987</u>
			923,988,795
			<u>282,264,809</u>
			<u>\$ 641,723,986</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Interest Rate Percent	Interest Payment Dates	Issue Dates	Final Maturity Date
2002 Limited Obligation Tax Increment Warrants	3.7-5.5%	2/15-8/15	5/15/02	2/15/23
2006 General Obligation Refunding and Improvement Warrants	4.38-5.0%	2/15-8/15	7/1/06	2/15/30
2006 General Obligation Private Placement Warrants	4.5%	2/15-8/15	10/2/06	8/15/16
2008 General Obligation Warrants	4.5-5.0%	2/15-8/15	1/22/08	2/15/30
2008B General Obligation Refunding and Improvement Warrants	4.0-4.66%	2/15-8/15	7/24/08	2/15/20
2008C (AMT) General Obligation Improvement Warrants	4.0-4.83%	2/15-8/15	7/24/08	2/15/30
2009A General Obligation Refunding Warrants	3.0-4.5%	2/15-8/15	12/9/09	2/15/28
2009B General Obligation Build America Warrants (Taxable)	6.085%	2/15-8/15	12/9/09	2/15/30
2009C General Obligation Recovery Zone Economic Development Warrants	6.085%	2/15-8/15	12/9/09	2/15/30
2010 General Obligation Taxable Build America Warrants	4.23%	2/15-8/15	2/17/10	2/15/15
2011 General Obligation Private Placement Warrants	2.84%	2/15-8/15	7/20/11	2/15/26
2012 General Obligation Private Placement Warrants	1.53%	2/15-8/15	12/4/12	8/15/17
Note Payable to Bank of New York Mellon (Fort Conde)	2.77%		6/30/04	8/1/22
Note payable to Bank of New York Mellon (Harmon Park)	3.22%	2/1-8/1	4/28/99	8/1/17
Note payable to Bank of New York Mellon (E.D. Center)	3.56%	2/1-8/1	4/28/99	8/1/18
Note payable to Bank of New York Mellon (Library)	2.70%		9/14/06	8/1/25

Serial Payments	Original Amount of Issue	Balance September 30, 2013	Year Ended September 30, 2014 Issued	Year Ended September 30, 2014 Retirements	Balance September 30, 2014	Interest for Year Ended September 2014
Semi-annual interest payments with annual principal payments ranging from \$390,000 to \$885,000	\$ 10,655,000	\$ 7,050,000	\$ -	\$ 545,000	\$ 6,505,000	\$ 372,763
Semi-annual interest payments with annual principal payments ranging from \$1,000,000 to \$8,750,000	63,410,000	48,000,000	-	2,700,000	45,300,000	2,294,475
Semi-annual interest payments with semi-annual principal payments ranging from \$225,000 to \$380,000	3,100,000	1,090,000	-	345,000	745,000	45,225
Semi-annual interest payments with annual principal payments ranging from \$1,905,000 to \$8,950,000	57,000,000	57,000,000	-	-	57,000,000	2,492,900
Semi-annual interest payments with annual principal payments ranging from \$3,160,000 to \$11,285,000	69,295,000	60,750,000	-	5,315,000	55,435,000	2,681,263
Semi-annual interest payments with annual principal payments ranging from \$715,000 to \$845,000	22,095,000	20,635,000	-	775,000	19,860,000	1,087,385
Semi-annual interest payments with annual principal payments ranging from \$60,000 to \$7,730,000	56,380,000	55,910,000	-	-	55,910,000	2,742,600
Semi-annual interest payments with annual principal payments ranging from \$3,320,000 to \$9,380,000	16,765,000	16,765,000	-	-	16,765,000	1,020,150
Semi-annual interest payments with a lump sum principal payment in the amount of \$6,430,000	6,430,000	6,430,000	-	-	6,430,000	391,266
Semi-annual interest payments with semi-annual principal payments ranging from \$210,338 to \$219,330	2,000,000	644,065	-	425,351	218,714	22,588
Semi-annual interest payments with annual principal payments ranging from \$640,000 to \$2,040,000	13,715,000	13,715,000	-	-	13,715,000	394,916
Semi-annual interest payments with semi-annual principal payments ranging from \$494,261 to \$525,499	5,100,000	4,092,020	-	999,323	3,092,697	59,760
Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$115,000	1,275,000	800,000	-	70,000	730,000	45,333
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$135,000	1,410,000	490,000	-	110,000	380,000	5,457
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$140,000	1,440,000	600,000	-	100,000	500,000	7,634
Semi-annual interest payments with annual principal payments ranging from \$105,000 to \$200,000	2,695,000	1,895,000	-	125,000	1,770,000	103,585
0	<u>\$ 332,765,000</u>	<u>\$ 295,866,085</u>	<u>\$ -</u>	<u>\$ 11,509,674</u>	<u>\$ 284,356,411</u>	<u>\$ 13,767,300</u>



WILLIAM S. STIMPSON
MAYOR

Part III Statistical Section

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.

Contents	Page
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	137
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's local resources.</i>	151
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	161
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	168
Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	173

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 TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2014	Restated 2013	Restated 2012	Restated 2011
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities				
Net investment in capital assets	\$ 372,032,993	\$ 366,741,756	\$ 360,178,198	\$ 350,323,247
Restricted	95,217,446	93,283,087	97,600,533	95,803,612
Unrestricted (deficit)	<u>(161,252,000)</u>	<u>(157,937,778)</u>	<u>(126,055,943)</u>	<u>(90,121,806)</u>
Total governmental activities net position	<u>\$ 305,998,439</u>	<u>\$ 302,087,065</u>	<u>\$ 331,722,788</u>	<u>\$ 356,005,053</u>
Business-type activities				
Net investment in capital assets	\$ 97,964,060	\$ 101,563,121	\$ 101,478,517	\$ 102,867,788
Unrestricted (deficit)	<u>6,820,494</u>	<u>10,284,211</u>	<u>4,634,952</u>	<u>6,145,132</u>
Total business-type activities net position	<u>\$ 104,784,554</u>	<u>\$ 111,847,332</u>	<u>\$ 106,113,469</u>	<u>\$ 109,012,920</u>
Primary government				
Net investment in capital assets	\$ 469,997,053	\$ 468,304,877	\$ 461,656,715	\$ 453,191,035
Restricted	95,217,446	93,283,087	97,600,533	95,803,612
Unrestricted (deficit)	<u>(154,431,506)</u>	<u>(147,653,567)</u>	<u>(121,420,991)</u>	<u>(83,976,674)</u>
Total primary government net position	<u>\$ 410,782,993</u>	<u>\$ 413,934,397</u>	<u>\$ 437,836,257</u>	<u>\$ 465,017,973</u>

Restated	Restated	Restated	Restated	Restated	Restated
2010	2009	2008	2007	2006	2005
\$ 352,295,866	\$ 360,784,525	\$ 165,220,265	\$ 268,805,699	\$ 209,514,867	\$ 216,935,303
92,363,209	82,012,164	163,913,530	67,707,443	90,373,307	54,084,675
<u>(81,290,372)</u>	<u>(62,583,863)</u>	<u>2,166,159</u>	<u>10,736,409</u>	<u>16,388,241</u>	<u>5,596,978</u>
<u>\$ 363,368,703</u>	<u>\$ 380,212,826</u>	<u>\$ 331,299,954</u>	<u>\$ 347,249,551</u>	<u>\$ 316,276,415</u>	<u>\$ 276,616,956</u>
\$ 105,870,417	\$ 104,970,172	\$ 108,695,419	\$ 92,821,853	\$ 93,845,147	\$ 94,654,880
5,217,216	(1,392,389)	(1,354,221)	(3,287,345)	(1,610,125)	(829,620)
<u>\$ 111,087,633</u>	<u>\$ 103,577,783</u>	<u>\$ 107,341,198</u>	<u>\$ 89,534,508</u>	<u>\$ 92,235,022</u>	<u>\$ 93,825,260</u>
\$ 458,166,283	\$ 465,754,697	\$ 273,915,684	\$ 361,627,552	\$ 303,360,014	\$ 311,590,183
92,363,209	82,012,164	163,913,530	67,707,443	90,373,307	54,084,675
<u>(76,073,156)</u>	<u>(63,976,252)</u>	<u>811,938</u>	<u>7,449,064</u>	<u>14,778,116</u>	<u>4,767,358</u>
<u>\$ 474,456,336</u>	<u>\$ 483,790,609</u>	<u>\$ 438,641,152</u>	<u>\$ 436,784,059</u>	<u>\$ 408,511,437</u>	<u>\$ 370,442,216</u>

**CITY OF MOBILE, ALABAMA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2014	Restated 2013	Restated 2012	Restated 2011
Expenses				
Governmental activities:				
General government	\$ 78,626,293	\$ 89,601,242	\$ 74,952,084	\$ 82,670,334
Economic development	1,175,960	1,271,271	975,841	1,299,046
Public safety	115,054,082	116,799,647	109,210,514	108,344,311
Public works	41,782,266	41,980,768	42,860,205	43,316,969
Culture and recreation	24,192,649	24,345,756	23,928,393	25,262,720
Finance	5,886,971	5,313,958	5,325,800	5,509,037
Nondepartmental	-	-	-	-
Interest on long-term debt	14,123,164	14,531,680	14,880,418	15,119,170
Total governmental activities net position	<u>280,841,385</u>	<u>293,844,322</u>	<u>272,133,255</u>	<u>281,521,587</u>
Business-type activities:				
Alabama Cruise Terminal	1,143,905	1,303,494	1,045,826	3,689,985
Civic Center	3,581,709	3,562,838	3,523,551	3,758,785
Convention Center	9,674,772	8,525,656	8,415,212	9,800,672
Golf course	1,533,543	1,545,563	1,428,306	1,619,823
Firemedics	7,477,075	6,795,760	6,385,225	6,113,101
Parking garage	285,324	228,298	280,776	251,674
Tennis Center	707,450	639,725	602,193	612,999
Neighborhood renewal program	18,987	1,408	25,141	16,710
Saenger Theater	889,736	259,127	-	-
WAVE Transit	12,134,216	11,551,094	12,369,217	11,579,865
Total business-type activities net position	<u>37,446,717</u>	<u>34,412,963</u>	<u>34,075,447</u>	<u>37,443,614</u>
Total primary government expenses	<u>\$ 318,288,102</u>	<u>\$ 328,257,285</u>	<u>\$ 306,208,702</u>	<u>\$ 318,965,201</u>

Restated	Restated	Restated	Restated	Restated	Restated
2010	2009	2008	2007	2006	2005
\$ 84,138,439	\$ 98,695,339	\$ 49,310,958	\$ 25,688,828	\$ 25,254,679	\$ 24,452,166
2,802,701	1,429,622	984,354	1,011,217	749,116	881,185
101,844,933	107,158,818	84,761,044	79,092,490	72,728,165	69,825,747
44,867,891	45,892,056	40,955,090	34,964,378	33,730,335	31,860,023
19,665,980	20,373,562	22,191,802	15,418,136	13,666,917	13,964,452
5,791,514	6,823,212	5,273,774	5,363,060	5,220,066	4,886,293
-	-	-	40,980,936	44,605,075	45,014,275
14,120,058	15,717,193	36,120,233	9,879,154	8,310,320	8,856,242
<u>273,231,516</u>	<u>296,089,802</u>	<u>239,597,255</u>	<u>212,398,199</u>	<u>204,264,673</u>	<u>199,740,383</u>
527,408	415,494	-	-	-	-
4,506,235	3,685,566	4,134,371	3,833,788	3,882,027	3,664,294
8,977,037	10,981,125	9,921,621	9,240,980	7,842,320	7,997,931
1,452,509	1,518,478	1,302,813	1,371,130	1,347,414	1,262,802
5,430,599	5,478,439	5,632,700	4,473,192	4,265,886	4,099,539
275,939	270,307	264,875	243,425	247,879	463,143
560,212	509,708	542,698	546,246	494,000	426,896
5,143	7,875	16,295	10,864	11,223	31,865
-	-	-	-	-	-
10,620,087	10,812,366	10,244,202	9,445,274	9,144,479	8,168,928
<u>32,355,169</u>	<u>33,679,358</u>	<u>32,059,575</u>	<u>29,164,899</u>	<u>27,235,228</u>	<u>26,115,398</u>
<u>\$ 305,586,685</u>	<u>\$ 329,769,160</u>	<u>\$ 271,656,830</u>	<u>\$ 241,563,098</u>	<u>\$ 231,499,901</u>	<u>\$ 225,855,781</u>

**CITY OF MOBILE, ALABAMA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Restated	Restated	Restated
	2014	2013	2012
	<u>2014</u>	<u>2013</u>	<u>2012</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>
Program Revenues			
Governmental activities:			
Charges for services			
General government	\$ 51,222,299	\$ 48,203,217	\$ 48,142,712
Public safety	5,841,687	6,282,468	5,652,106
Public works	430,550	654,746	296,647
Culture and recreation	437,059	525,468	458,196
Operating grants and contributions	6,937,239	9,032,116	5,984,128
Capital grants and contributions	2,525,315	5,105,011	14,496,855
Total governmental activities program revenues	<u>67,394,149</u>	<u>69,803,026</u>	<u>75,030,644</u>
Business-type activities:			
Charges for services			
Alabama Cruise Terminal	206,892	771,780	291,867
Civic Center	2,031,222	1,960,052	1,938,375
Convention Center	2,204,743	1,969,680	1,902,004
Golf course	1,344,965	1,339,025	1,348,748
Firemedics	2,189,244	2,149,941	2,927,822
Parking garage	400,957	410,482	414,799
Tennis Center	261,450	214,030	211,361
Affordable homes program	-	-	-
Neighborhood renewal program	53,884	-	-
Saenger Theater	542,724	200,270	-
WAVE Transit	1,136,104	1,115,896	984,645
Operating grants and contributions	3,412,216	2,910,578	2,429,300
Capital grants and contributions	848,317	1,275,691	4,142,259
Total business-type activities program revenues	<u>14,632,718</u>	<u>14,317,425</u>	<u>16,591,180</u>
Total primary government program revenues	<u>\$ 82,026,867</u>	<u>\$ 84,120,451</u>	<u>\$ 91,621,824</u>
Net Expense			
Governmental activities	\$ (213,447,236)	\$(224,041,296)	\$(197,102,611)
Business-type activities	(22,813,999)	(20,095,538)	(17,484,267)
Total primary government net expense	<u>\$ (236,261,235)</u>	<u>\$ (244,136,834)</u>	<u>\$ (214,586,878)</u>

Restated	Restated	Restated	Restated	Restated	Restated
2010	2009	2008	2007	2006	2005
\$ 49,218,621	\$ 13,394,552	\$ 9,056,023	\$ 9,357,220	\$ 9,738,673	\$ 8,559,445
5,931,428	41,261,597	41,289,992	43,238,905	39,537,888	35,693,676
325,592	267,731	277,672	261,901	233,358	241,089
453,870	537,176	516,332	488,084	503,998	421,705
12,691,226	1,938,788	5,189,084	4,611,096	2,259,958	1,312,445
4,520,212	4,647,220	3,180,406	2,849,792	10,452,699	12,160,117
<u>73,140,949</u>	<u>62,047,064</u>	<u>59,509,509</u>	<u>60,806,998</u>	<u>62,726,574</u>	<u>58,388,477</u>
2,579,507	1,058,523	202,671	-	-	-
2,094,485	1,754,181	2,200,886	1,886,225	1,927,101	1,781,537
4,766,976	3,576,172	3,169,704	1,626,680	1,438,348	1,582,472
1,340,499	1,509,422	1,423,508	1,436,369	1,433,407	1,248,908
2,487,710	2,425,990	2,299,286	1,935,848	1,783,517	1,589,705
408,137	411,804	475,082	315,206	332,442	270,805
161,321	78,687	76,195	71,577	72,256	64,550
-	-	-	-	2,515	42,033
-	-	-	-	-	-
-	-	-	-	-	-
1,086,131	1,027,542	1,099,053	1,001,989	960,770	826,705
7,789,433	3,330,363	3,667,452	189,500	-	190,775
-	-	82,935	2,463,690	3,187,170	7,069,778
<u>22,714,199</u>	<u>15,172,684</u>	<u>14,696,772</u>	<u>10,927,084</u>	<u>11,137,526</u>	<u>14,667,268</u>
<u>\$ 95,855,148</u>	<u>\$ 77,219,748</u>	<u>\$ 74,206,281</u>	<u>\$ 71,734,082</u>	<u>\$ 73,864,100</u>	<u>\$ 73,055,745</u>
\$(200,090,567)	\$(234,042,738)	\$(180,087,746)	\$(151,591,201)	\$(141,538,099)	\$(141,351,906)
(9,640,970)	(18,506,674)	(17,362,803)	(18,237,815)	(16,097,702)	(11,448,130)
<u>\$(209,731,537)</u>	<u>\$(252,549,412)</u>	<u>\$(197,450,549)</u>	<u>\$(169,829,016)</u>	<u>\$(157,635,801)</u>	<u>\$(152,800,036)</u>

**CITY OF MOBILE, ALABAMA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Restated	Restated	Restated
	2014	2013	2011
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Real and personal property tax	\$ 17,130,837	\$ 16,364,039	\$ 16,262,921
Sales tax	171,549,434	163,725,091	133,215,345
Gasoline tax	9,474,098	9,499,092	9,680,455
Room tax	5,389,031	5,182,775	5,003,180
Beer and liquor tax	2,025,855	2,078,693	2,031,634
Rental and leasing tax	8,497,843	8,015,194	6,309,404
Cigarette stamp tax	1,815,029	1,993,093	2,200,090
Other tobacco tax	442,344	432,831	411,392
Financial excise tax	399,417	363,317	147,964
Other tax revenue	366,789	87,364	71,835
Grants and contributions not restricted to a specific program	348,437	-	-
Investment earnings	72,025	94,013	283,034
Other	7,500,929	1,766,581	1,409,680
Capital contributions	-	-	-
Transfers	(4,969,603)	(15,212,065)	(4,206,588)
Total governmental activities	<u>220,042,465</u>	<u>194,390,018</u>	<u>172,820,346</u>
Business-type activities			
Taxes:			
Sales tax	8,985,838	8,894,386	8,715,107
Room tax	1,790,951	1,722,185	1,662,898
Investment earnings	4,829	763	223
Other	-	-	-
Transfers	4,969,603	15,212,065	4,206,588
Total business-type activities	<u>15,751,221</u>	<u>25,829,399</u>	<u>14,584,816</u>
Total primary government	<u>\$ 235,793,686</u>	<u>\$ 220,219,417</u>	<u>\$ 187,405,162</u>
Changes in Net Position			
Governmental activities	\$ 6,595,229	\$ (29,651,278)	\$ (24,282,265)
Business-type activities	(7,062,778)	5,733,861	(2,899,451)
Total primary government net expense	<u>\$ (467,549)</u>	<u>\$ (23,917,417)</u>	<u>\$ (27,181,716)</u>

Restated	Restated	Restated	Restated	Restated	Restated
2010	2009	2008	2007	2006	2005
\$ 16,077,830	\$ 15,969,310	\$ 14,938,843	\$ 13,200,779	\$ 12,834,026	\$ 12,514,663
141,825,022	132,218,742	140,470,973	135,345,733	142,430,882	125,670,947
10,213,140	7,735,285	7,775,814	10,020,374	10,054,815	10,240,950
6,040,106	4,795,120	5,239,745	4,689,885	4,883,060	4,038,979
2,196,467	2,137,149	2,027,597	1,933,147	2,000,960	1,851,427
5,699,115	4,104,708	4,430,951	6,638,181	6,573,934	5,817,366
2,370,001	2,253,663	2,188,771	2,229,154	2,250,584	2,306,408
462,814	455,907	434,014	444,534	461,272	387,780
79,224	1,320,726	4,264,065	1,286,414	1,681,486	676,323
105,055	4,554,032	-	149,249	185,176	156,916
-	-	-	-	-	-
301,434	1,009,662	3,150,149	4,658,748	2,914,890	1,224,720
2,239,320	6,298,450	5,550,454	5,086,335	1,688,182	4,941,870
2,417,423	105,130,798	-	4,693,831	-	-
<u>(6,780,507)</u>	<u>(5,027,942)</u>	<u>(26,333,227)</u>	<u>(7,812,027)</u>	<u>(6,761,709)</u>	<u>(172,177)</u>
<u>183,246,444</u>	<u>282,955,610</u>	<u>164,138,149</u>	<u>182,564,337</u>	<u>181,197,558</u>	<u>169,656,172</u>
8,378,986	7,974,021	7,354,647	6,285,253	6,255,350	5,574,203
1,997,710	1,568,826	1,586,408	1,405,841	1,438,130	1,284,105
3,321	16,563	59,405	34,180	40,239	29,506
(9,704)	155,907	(164,194)	-	12,036	70,178
6,780,507	5,027,942	26,333,227	7,812,027	6,761,709	172,177
<u>17,150,820</u>	<u>14,743,259</u>	<u>35,169,493</u>	<u>15,537,301</u>	<u>14,507,464</u>	<u>7,130,169</u>
<u>\$ 200,397,264</u>	<u>\$ 297,698,869</u>	<u>\$ 199,307,642</u>	<u>\$ 198,101,638</u>	<u>\$ 195,705,022</u>	<u>\$ 176,786,341</u>
\$ (16,844,123)	\$ 48,912,872	\$ (15,949,597)	\$ 30,973,136	\$ 39,659,459	\$ 28,304,266
7,509,850	(3,763,415)	17,806,690	(2,700,514)	(1,590,238)	(4,317,961)
<u>\$ (9,334,273)</u>	<u>\$ 45,149,457</u>	<u>\$ 1,857,093</u>	<u>\$ 28,272,622</u>	<u>\$ 38,069,221</u>	<u>\$ 23,986,305</u>

**CITY OF MOBILE, ALABAMA
GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE
LAST TEN 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>
2014	\$ 17,130,837	\$ 171,549,434	\$ 9,474,098	\$ 5,389,031	\$ 2,025,855
2013	16,364,039	163,725,091	9,499,092	5,182,775	2,078,693
2012	16,262,921	133,215,345	9,680,455	5,003,180	2,031,634
2011	16,093,899	163,405,226	10,115,711	5,092,514	2,005,816
2010	16,077,830	141,825,022	10,213,140	6,040,106	2,196,467
2009	15,969,310	132,218,742	7,735,285	4,795,120	2,137,149
2008	14,938,843	140,470,973	7,775,814	5,239,745	2,027,597
2007	13,200,779	135,345,733	10,020,374	4,689,885	1,933,147
2006	12,834,026	142,430,882	10,054,815	4,883,060	2,000,960
2005	12,514,663	125,670,947	10,240,950	4,038,979	1,851,427

Note: Effective October 1, 2003, the City changed from a gross receipts tax to a sales tax.

	Rental and Leasing Tax	Tobacco Tax	Financial Excise Tax	Other Taxes*	Total
\$	8,497,843	\$ 2,257,373	\$ 399,417	\$ 366,789	\$ 217,090,677
	8,015,194	2,425,924	363,317	87,364	207,741,489
	6,309,404	2,611,482	147,964	71,835	175,334,220
	6,080,474	2,693,985	77,098	114,016	205,678,739
	5,699,115	2,832,815	79,224	105,055	185,068,774
	4,104,708	2,709,570	1,320,726	4,554,032	175,544,642
	4,430,951	2,622,785	-	4,264,065	181,770,773
	6,638,181	2,673,688	1,286,414	153,726	175,941,927
	6,573,934	2,711,856	1,681,486	176,443	183,347,462
	5,817,366	2,694,188	676,323	152,296	163,657,139

CITY OF MOBILE, ALABAMA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	2,311,354	2,251,159	3,264,694	3,379,640
Restricted	-	2,468,988	2,848,846	4,547,386
Assigned	1,992,313	2,834,071	2,355,302	2,804,615
Unassigned	14,926,335	(4,296,200)	11,371,036	24,722,193
Total general fund	<u>\$ 19,230,002</u>	<u>\$ 3,258,018</u>	<u>\$ 19,839,878</u>	<u>\$ 35,453,834</u>
All other governmental funds				
Reserved	-	-	-	-
Restricted	18,024,769	18,521,380	29,337,505	38,546,027
Committed	8,581,543	7,162,797	11,107,307	5,746,043
Assigned	44,539,666	44,268,800	28,770,798	30,467,472
Unassigned	<u>(11,221)</u>	<u>(6,593)</u>	<u>-</u>	<u>(6,599)</u>
Total other governmental funds	71,134,757	69,946,384	69,215,610	74,752,943
Unreserved, reported in:				
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ 71,134,757</u>	<u>\$ 69,946,384</u>	<u>\$ 69,215,610</u>	<u>\$ 74,752,943</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.

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$	5,435,439	\$ 5,752,801	\$ 5,832,499	\$ 5,205,071	\$ 4,689,693	\$ 5,174,935
	8,444,256	(1,266,959)	11,035,656	12,993,274	18,402,448	11,796,629
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>\$ 13,879,695</u>	<u>\$ 4,485,842</u>	<u>\$ 16,868,155</u>	<u>\$ 18,198,345</u>	<u>\$ 23,092,141</u>	<u>\$ 16,971,564</u>
	14,696,034	10,882,881	10,510,041	11,622,558	5,793,041	5,520,833
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>14,696,034</u>	<u>10,882,881</u>	<u>10,510,041</u>	<u>11,622,558</u>	<u>5,793,041</u>	<u>5,520,833</u>
	64,892,359	59,856,507	92,514,133	56,428,126	72,006,529	42,678,174
	3,494,130	3,367,695	3,338,317	2,688,293	2,400,188	1,433,489
	<u>\$ 83,082,523</u>	<u>\$ 74,107,083</u>	<u>\$ 106,362,491</u>	<u>\$ 70,738,977</u>	<u>\$ 80,199,758</u>	<u>\$ 49,632,496</u>

CITY OF MOBILE, ALABAMA
CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2014	2013	2012	2011
Revenues				
Taxes	\$ 217,090,677	\$ 207,741,489	\$ 175,115,820	\$ 207,431,270
Licenses and permits	39,525,926	36,532,107	36,427,112	35,853,964
Intergovernmental	65,645	137,740	443,642	245,581
Charges for services	8,466,724	8,723,683	8,260,051	8,559,708
Fines and forfeitures	4,386,729	4,548,189	4,365,667	4,468,316
State and federal assistance	9,149,146	13,594,457	20,151,236	12,530,527
Assessments	3,944	-	-	526
Interest	72,025	94,013	283,035	324,573
Other	7,559,519	1,987,282	1,418,460	7,297,106
Total revenues	<u>286,320,335</u>	<u>273,358,960</u>	<u>246,465,023</u>	<u>276,711,571</u>
Expenditures				
General government	21,625,859	16,795,637	16,672,894	17,319,848
Economic development	854,155	832,668	801,029	943,489
Public safety	82,499,697	83,692,248	79,899,320	78,453,950
Public works	34,013,827	32,913,792	34,990,667	36,523,540
Culture and recreation	13,321,383	13,475,345	13,396,491	14,293,565
Finance	5,028,125	4,542,960	4,672,001	4,703,808
Nondepartmental	46,861,160	57,085,851	59,413,866	51,280,489
Capital outlay	23,893,432	33,359,798	21,907,267	32,327,434
Debt service				
Principal	12,132,976	11,952,149	8,749,175	7,301,694
Interest and fees	13,533,770	13,934,349	14,268,697	14,692,483
Total expenditures	<u>253,764,384</u>	<u>268,584,797</u>	<u>254,771,407</u>	<u>257,840,300</u>
Excess of revenue over (under) expenditures	<u>32,555,951</u>	<u>4,774,163</u>	<u>(8,306,384)</u>	<u>18,871,271</u>
Other Financing Sources (Uses)				
Proceeds from borrowing	-	5,100,000	-	15,334,069
Proceeds (payment) from refunding	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	(10,657,242)
Transfers in	54,390,241	39,264,957	30,456,574	28,985,202
Transfers out	(69,792,959)	(61,044,043)	(43,314,602)	(39,249,373)
Insurance recoveries	-	-	-	1,559
Premiums (discounts) on bonds issued	-	-	-	-
Bond Issuance Cost	-	(10,529)	-	(57,750)
Sale of general fixed assets	7,124	18,121	13,123	16,822
Total other financing sources (uses)	<u>(15,395,594)</u>	<u>(16,671,494)</u>	<u>(12,844,905)</u>	<u>(5,626,713)</u>
Net change in fund balance	<u>\$ 17,160,357</u>	<u>\$ (11,897,331)</u>	<u>\$ (21,151,289)</u>	<u>\$ 13,244,558</u>
Debt service as a percentage of noncapital expenditures	10.99 %	10.68 %	10.31 %	9.80 %

	2010	2009	2008	2007	2006	2005
\$	186,728,761	\$ 174,810,707	\$ 181,770,773	\$ 174,536,999	\$ 181,520,268	\$ 162,867,988
	35,887,762	37,000,838	36,321,711	34,637,574	31,928,461	29,365,388
	199,992	1,548,996	539,578	1,730,873	2,242,992	1,076,162
	8,184,608	8,167,239	9,850,027	9,764,293	9,722,612	8,691,951
	4,724,902	4,691,317	4,968,281	4,547,176	3,573,552	3,177,332
	17,168,956	6,502,302	8,306,569	7,460,888	12,712,656	13,472,562
	-	-	-	-	-	-
	301,811	1,056,562	3,150,147	4,786,183	2,914,890	1,224,720
	2,244,211	5,608,303	4,575,337	4,652,330	1,481,766	4,287,774
	<u>255,441,003</u>	<u>239,386,264</u>	<u>249,482,423</u>	<u>242,116,316</u>	<u>246,097,197</u>	<u>224,163,877</u>
	17,244,146	18,919,217	16,774,235	15,156,729	14,781,181	14,382,821
	946,081	1,008,755	903,138	996,402	714,758	800,771
	79,674,151	86,342,817	84,463,292	75,746,232	69,966,349	67,849,441
	36,745,281	37,334,095	36,655,722	33,982,373	32,858,243	31,394,476
	14,696,416	15,154,032	13,191,508	12,830,294	11,331,104	11,215,110
	4,829,821	5,010,643	4,597,974	4,395,742	4,295,572	4,112,383
	58,242,547	40,363,981	46,884,800	46,938,096	51,929,138	46,402,180
	22,269,823	45,338,810	46,840,175	36,810,657	20,300,611	21,688,401
	7,104,607	12,020,851	46,944,636	12,556,427	13,261,003	9,364,428
	13,478,392	14,440,851	36,120,233	9,637,487	8,887,309	8,643,848
	<u>255,231,265</u>	<u>275,934,052</u>	<u>333,375,713</u>	<u>249,050,439</u>	<u>228,325,268</u>	<u>215,853,859</u>
	<u>209,738</u>	<u>(36,547,788)</u>	<u>(83,893,290)</u>	<u>(6,934,123)</u>	<u>17,771,929</u>	<u>8,310,018</u>
	84,775,000	569,000	148,390,000	3,930,000	1,800,000	2,763,710
	-	-	-	-	63,410,000	-
	(58,207,259)	-	-	-	(37,722,873)	-
	32,058,663	32,984,026	56,126,848	41,185,247	44,794,015	48,194,093
	(42,116,454)	(41,718,561)	(86,780,999)	(53,102,723)	(55,805,630)	(51,744,152)
	2,113	-	448,534	564,370	1,166,236	-
	2,287,511	-	-	-	1,190,117	-
	(643,350)	-	-	-	-	-
	3,331	75,602	2,233	2,652	84,045	44,359
	<u>18,159,555</u>	<u>(8,089,933)</u>	<u>118,186,616</u>	<u>(7,420,454)</u>	<u>18,915,910</u>	<u>(741,990)</u>
\$	<u>18,369,293</u>	<u>\$ (44,637,721)</u>	<u>\$ 34,293,326</u>	<u>\$ (14,354,577)</u>	<u>\$ 36,687,839</u>	<u>\$ 7,568,028</u>
	8.82 %	11.48 %	28.99 %	10.61 %	10.95 %	9.61 %

**CITY OF MOBILE, ALABAMA
VALUE OF TAXABLE SALES
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30</u>	<u>Value of Taxable Sales- General Sales Tax (in millions)</u>	<u>Direct Tax Rate- General Sales Tax</u>
2014	\$ 3,386	5.0%
2013	3,285	5.0%
2012	3,309	4.0%
2011	2,769	5.0%
2010	2,853	4.0%
2009	2,728	4.0%
2008	2,910	4.0%
2007	2,166	4.0%
2006	2,152	4.0%
2005	2,062	4.0%

Note: Sales tax increase effective June 1, 2010 through September 30, 2011. Additional sales tax increase effective November 1, 2012.

**CITY OF MOBILE, ALABAMA
SALES TAX RATES
DIRECT AND OVERLAPPING¹ GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	City of Mobile ²					City of Mobile Police Jurisdiction ³				
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
2014	5.000 %	2.250 %	2.250 %	2.250 %	5.000 %	2.500 %	1.125 %	1.125 %	1.125 %	2.500 %
2013	5.000 %	2.250 %	2.250 %	2.250 %	5.000 %	2.500 %	1.125 %	1.125 %	1.125 %	2.500 %
2012	4.000 %	2.000 %	2.000 %	2.000 %	4.000 %	2.000 %	1.000 %	1.000 %	1.000 %	2.000 %
2011	5.000 %	2.250 %	2.250 %	2.250 %	5.000 %	2.500 %	1.125 %	1.125 %	1.125 %	2.500 %
2010	5.000 %	2.250 %	2.250 %	2.250 %	5.000 %	2.500 %	1.125 %	1.125 %	1.125 %	2.500 %
2009	4.000 %	2.000 %	2.000 %	2.000 %	4.000 %	2.000 %	1.000 %	1.000 %	1.000 %	2.000 %
2008	4.000 %	2.000 %	2.000 %	2.000 %	4.000 %	2.000 %	1.000 %	1.000 %	1.000 %	2.000 %
2007	4.000 %	2.000 %	2.000 %	2.000 %	4.000 %	2.000 %	1.000 %	1.000 %	1.000 %	2.000 %
2006	4.000 %	2.000 %	2.000 %	2.000 %	4.000 %	2.000 %	1.000 %	1.000 %	1.000 %	2.000 %
2005	4.000 %	2.000 %	2.000 %	2.000 %	4.000 %	2.000 %	1.000 %	1.000 %	1.000 %	2.000 %

Source: Alabama Department of Revenue

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

²Tax increases effective June 1, 2010 and sunset at close of business September 30, 2011. Additional sales tax increase effective November 1, 2012.

³The 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
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	6.000 %	2.750 %	3.250 %	3.250 %	6.000 %
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	6.000 %	2.750 %	3.250 %	3.250 %	6.000 %
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	5.000 %	2.500 %	3.000 %	3.000 %	5.000 %
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	6.000 %	2.750 %	3.250 %	3.250 %	6.000 %
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	6.000 %	2.750 %	3.250 %	3.250 %	6.000 %
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	5.000 %	2.500 %	3.000 %	3.000 %	5.000 %
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	5.000 %	2.500 %	3.000 %	3.000 %	5.000 %
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	5.000 %	2.500 %	3.000 %	3.000 %	5.000 %
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	5.000 %	2.500 %	3.000 %	3.000 %	5.000 %
1.000 %	0.500 %	1.000 %	1.000 %	1.000 %	5.000 %	2.500 %	3.000 %	3.000 %	5.000 %

**CITY OF MOBILE, ALABAMA
PRINCIPAL SALES TAXPAYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	2014		2005	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Wal-Mart #866	1	2.90 %	3	1.81 %
Wal-Mart #853	2	2.50 %	4	1.64 %
Sams Wholesale	3	2.17 %	2	2.23 %
Wal-Mart #991	4	2.10 %	1	2.79 %
Target	5	1.19 %		
Lowe's #549	6	1.04 %		
Lowe's Home Center	7	1.01 %		
Lowe's #212	8	0.99 %		
Dillard's	9	0.96 %	6	1.16 %
Best Buy #340	10	0.88 %	7	1.08 %
Lowe's of Mobile			5	1.38 %
Wal Mart Supercenter			8	0.98 %
Home Depot #865			9	0.94 %
Springhill Automotive			10	0.86 %
Totals		<u>15.74 %</u>		<u>14.87 %</u>

Source: City of Mobile Revenue Department

CITY OF MOBILE, ALABAMA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30	Real Property		Personal Property		Less: Tax Exempt Real Property
	Residential Property	Commercial Property	Motor Vehicles	Other	
2014	\$ 560,883,060	\$ 1,296,432,480	\$ 264,068,220	\$ 403,555,900	\$ 64,934,380
2013	573,073,000	1,186,268,840	246,207,860	377,729,020	65,237,120
2012	595,089,140	1,162,088,560	246,543,060	337,826,540	65,707,640
2011	617,121,080	1,161,670,420	242,401,100	325,864,220	69,067,800
2010	633,841,820	1,165,905,120	206,483,760	335,177,320	68,216,780
2009	643,869,600	1,180,581,160	231,378,520	325,416,280	67,818,840
2008	628,768,700	1,131,989,640	243,601,600	308,008,300	66,816,900
2007	587,342,300	874,409,560	265,979,820	245,266,880	68,678,920
2006	509,203,420	866,730,580	243,609,900	246,235,260	48,288,160
2005	481,963,100	839,232,940	219,470,040	254,434,700	47,304,180

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.

¹Includes tax-exempt property.

Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value ¹ as a Percentage of Actual Value
\$ 2,460,005,280	7 mills	\$ 12,248,615,700	20.61 %
2,318,041,600	7 mills	11,558,176,033	20.62 %
2,275,839,660	7 mills	11,745,392,267	19.94 %
2,277,989,020	7 mills	11,852,034,147	19.80 %
2,273,191,240	7 mills	12,058,815,266	19.42 %
2,313,426,720	7 mills	12,420,469,867	19.17 %
2,245,551,340	7 mills	12,191,259,500	18.97 %
1,904,319,640	7 mills	12,012,219,333	16.42 %
1,817,491,000	7 mills	10,723,840,500	17.40 %
1,747,796,600	7 mills	11,703,335,996	15.34 %

**CITY OF MOBILE, ALABAMA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING¹ GOVERNMENTS
LAST TEN FISCAL YEARS**

Fiscal Year	<u>Overlapping Rates</u>			<u>Total Direct & Overlapping Rates</u>
	<u>City of Mobile</u>	<u>Mobile County</u>		
		<u>County of Mobile</u>	<u>School District</u>	
	<u>Total City</u> <u>Millage</u>	<u>Total County</u> <u>Millage</u>	<u>Total School</u> <u>Millage</u>	
2014	7	16	29.5	52.5
2013	7	16	29.5	52.5
2012	7	16	29.5	52.5
2011	7	16	29.5	52.5
2010	7	16	29.5	52.5
2009	7	16	29.5	52.5
2008	7	16	29.5	52.5
2007	7	16	29.5	52.5
2006	7	16	29.5	52.5
2005	7	16	29.5	52.5

Source: Mobile County Revenue Commissioner

¹Overlapping 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	2014				2005			
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	
Alabama Power Company	\$ 64,307,040	\$ 1	2.61 %		\$ 228,468,180	1	5.21 %	
Campus Crest at Mobile LLC	35,828,480	2	1.46 %					
UOP LLC	38,476,180	3	1.56 %					
Marelda Bel Air Mall LLC	29,610,300	4	1.20 %					
Kimberly-Clark Corporation	42,457,140	5	1.73 %		19,565,220	7	6.35 %	
Bell South Telecomm Inc DBA AT&T	18,584,700	6	0.76 %		44,599,800	2	5.86 %	
Mobile Gas Service Corporation	16,874,440	7	0.69 %		29,900,720	5	5.73 %	
KS Frontier Seillean	13,470,060	8	0.55 %					
Plains Pipeline LP	10,448,500	9	0.42 %					
Shell Chemical Company	10,132,300	10	0.41 %					
Gulfstream Natural Gas					49,662,000	3	4.85 %	
Florida Gas Transmission					38,692,020	4	4.85 %	
Evonik Degussa Corporation					29,158,180	6	4.85 %	
Colonial Realty Limited					18,008,840	8	6.35 %	
Mobile Energy, LLC					11,394,960	9	6.35 %	
IPSCO Steel					8,047,140	10	4.85 %	
Totals	<u>\$ 280,189,140</u>		<u>11.39 %</u>		<u>\$ 438,805,078</u>		<u>5.09 %</u>	

Source: Mobile County Revenue Commissioner

Note: Principal property taxpayers presented for 2014 are those property taxpayers in the City of Mobile. Principal property taxpayers presented for 2005 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 TEN FISCAL YEARS**

<u>Fiscal Year Ended September 30</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>
2014	\$ 13,686,098	\$ 11,036,067	80.64
2013	12,891,691	8,770,478	68.03
2012	12,999,487	8,826,780	67.90
2011	13,024,255	12,302,822	94.46
2010	13,177,824	12,504,204	94.89
2009	13,614,847	12,854,087	94.41
2008	13,136,355	12,810,663	97.52
2007	12,430,360	12,193,226	98.09
2006	10,899,543	10,700,744	98.18
2005	10,473,789	10,281,664	98.17

*Data not available

Source: Mobile County Revenue Commissioner

Collection in Subsequent Years		Total Collection to Date	
		Amount	Percentage of Levy
\$ 2,060,535	\$ 13,096,602	95.69	
2,745,152	11,515,630	89.33	
3,486,486	12,313,266	94.72	
-	12,302,822	94.46	
-	12,504,204	94.89	
-	12,854,087	94.41	
-	12,810,663	97.52	
-	12,193,226	98.09	
-	10,700,744	98.18	
-	10,281,664	98.17	

**CITY OF MOBILE, ALABAMA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

	Governmental Activities			
	General Obligation Bonds	Limited Obligation Bonds	Notes Payable	Capital Leases
2014	\$ 272,617,145	\$ 6,505,000	\$ 3,380,000	\$ 2,424,244
2013	282,547,567	7,050,000	3,785,000	3,346,323
2012	298,261,879	7,570,000	4,170,000	4,240,411
2011	298,290,945	8,070,000	4,730,000	5,287,794
2010	300,138,191	8,545,000	1,360,000	3,641,054
2009	275,867,172	9,000,000	1,580,000	2,462,037
2008	283,890,000	9,440,000	1,790,000	5,660,073
2007	178,646,500	9,860,000	1,980,000	7,625,028
2006	185,056,754	10,265,000	2,160,000	9,576,004
2005	167,983,067	10,655,000	2,325,000	9,889,815

*Data not available

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

¹See the Schedule of Demographic and Economic Statistics for personal income and population data.

Business Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
Capital Leases				
\$ -	\$ 284,926,389	*	*	
184,751	296,913,641	2.18	717	
362,090	314,604,380	2.32	766	
532,314	316,911,053	2.35	766	
695,707	314,379,952	2.38	761	
852,545	289,761,754	2.52	712	
1,003,091	301,783,164	2.45	743	
1,211,680	199,323,208	1.73	495	
1,393,250	208,451,008	1.86	516	
1,567,401	192,420,283	1.90	481	

CITY OF MOBILE, ALABAMA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2014	\$ 272,617,145	\$ 719,022	\$ 271,898,123	2.22 %	*
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	298,290,944	3,986,450	294,304,494	2.48 %	712
2010	300,138,191	3,494,130	296,644,061	2.46 %	718
2009	275,867,112	3,367,694	272,499,418	2.19 %	670
2008	283,890,000	3,338,316	280,551,684	2.30 %	690
2007	178,646,500	2,688,196	175,958,304	1.46 %	437
2006	185,056,754	2,400,188	182,656,566	1.70 %	452
2005	167,983,067	1,433,489	166,549,578	1.42 %	417

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

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

²Population data can be found in the Schedule of Demographic and Economic Statistics.

**CITY OF MOBILE, ALABAMA
DIRECT AND OVERLAPPING GOVERNMENT DEBT
AS OF SEPTEMBER 30, 2014**

<u>Government Unit</u>	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	\$ 507,941,358	46 %	<u>\$ 233,653,025</u>
Subtotal, overlapping debt			233,653,025
City of Mobile Direct Debt	284,926,389	100 %	<u>284,926,389</u>
Total direct and overlapping debt			<u><u>\$ 518,579,414</u></u>

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

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

¹The 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 TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2014	2013	2012	2011
Debt Limit	\$ 504,987,932	\$ 476,702,224	\$ 468,309,460	\$ 469,411,364
Less: Total net debt applicable to limit	235,615,896	243,221,226	249,936,851	260,122,205
Legal debt margin	<u>\$ 269,372,036</u>	<u>\$ 233,480,998</u>	<u>\$ 218,372,609</u>	<u>\$ 209,289,159</u>
Total net debt applicable to the limit as a percentage of debt limit	46.7 %	51.0 %	53.4 %	55.4 %
Legal Debt Margin Calculation for Fiscal Year 2014				
Assessed value of real property, September 30, 2014				\$ 1,857,315,540
Assessed value of personal property, September 30, 2014				<u>667,624,120</u>
Total assessed value				<u>\$ 2,524,939,660</u>
Debt Limit (20% of total assessed value)				\$ 504,987,932
Less: Total net debt applicable to limit				<u>235,615,896</u>
Legal debt margin				<u>\$ 269,372,036</u>

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

Excludes general obligation warrants applicable to drainage improvements.

Fiscal Year

	2010	2009	2008	2007	2006	2005
\$	468,281,604	\$ 476,249,112	\$ 462,473,648	\$ 394,599,712	\$ 373,155,832	\$ 358,670,228
	255,534,378	229,861,239	239,875,431	171,439,425	181,386,101	171,891,345
\$	<u>212,747,226</u>	<u>\$ 246,387,873</u>	<u>\$ 222,598,217</u>	<u>\$ 223,160,287</u>	<u>\$ 191,769,731</u>	<u>\$ 186,778,883</u>
	54.6 %	48.3 %	51.9 %	43.4 %	48.6 %	47.9 %

**CITY OF MOBILE, ALABAMA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

Limited Obligation Tax Increment Financing Plan

Year	Tax Increment	Debt Service	
		Principal	Interest
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
2008	1,778,031	420,000	506,163
2007	1,416,398	405,000	522,876
2006	1,371,461	390,000	538,090
2005	1,283,642	¹	545,305

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

¹No principal payments were scheduled in this period.

**CITY OF MOBILE, ALABAMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (amounts expressed in millions)</u>	<u>Per Capital Personal Income</u>
2014	*	*	*
2013	414,079	13,565	32,843
2012	413,936	13,565	32,771
2011	413,462	13,500	32,651
2010	412,992	13,200	31,962
2009	406,928	11,512	28,290
2008	406,309	12,330	30,346
2007	403,000	11,540	28,635
2006	404,111	11,235	28,080
2005	399,727	10,127	25,227

*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.

<u>Median Age</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate</u>
37.0	High School Graduate	59,216	7.5%
37.0	High School Graduate	59,582	7.4%
37.2	High School Graduate	59,821	8.7%
37.1	High School Graduate	60,946	10.4%
36.0	2 Years of College	67,230	10.8%
36.1	High School Graduate	63,914	9.9%
35.9	High School Graduate	63,657	4.7%
35.3	High School Graduate	65,614	3.7%
35.7	High School Graduate	65,345	3.3%
35.3	High School Graduate	64,818	4.8%

**CITY OF MOBILE, ALABAMA
PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

Taxpayer	2014			2005		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,400	1	4.11 %	8,150	1	4.54 %
USA School and Medical Facilities	5,180	2	2.88 %	5,000	2	2.79 %
Infirmara Health Systems	5,100	3	2.84 %	4,800	3	2.68 %
Austal USA	4,150	4	2.31 %			
City of Mobile	2,280	5	1.27 %	2,480	4	1.40 %
County of Mobile	1,680	6	0.93 %	1,550	6	0.90 %
AM/NS Calvert	1,650	7	0.92 %			
Providence	1,540	8	0.86 %	1,930	5	1.08 %
VT MAE Aerospace	1,280	9	0.71 %			
Springhill Medical Center	1,200	10	0.67 %	1,320	7	0.81 %
ST Aerospace Mobile				1,220	8	0.69 %
Winn Dixie				1,000	9	0.56 %
Degussa				920	10	0.51 %
Totals	<u>28,982</u>		<u>17.50 %</u>	<u>28,370</u>		<u>15.96 %</u>

Source: Mobile Chamber of Commerce

CITY OF MOBILE, ALABAMA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
AS OF SEPTEMBER 30

	<u>2014</u>	<u>2013</u>	<u>2012*</u>	<u>2011</u>	<u>2010</u>
Function					
General government	203	223	195	197	190
Economic development	13	12	12	13	14
Public safety	1,399	1,288	1,546	1,374	1,327
Public works	541	569	564	581	576
Cultural and recreation	485	414	383	306	303
Finance	96	91	91	96	93
Golf course	26	22	26	21	20
Firemedics	93	73	74	71	71
Tennis Center	17	10	13	8	10
Motor Pool	3	3	2	3	3
Total	<u>2,876</u>	<u>2,705</u>	<u>2,906</u>	<u>2,670</u>	<u>2,607</u>

Source: City Payroll Department

*The method of calculating full-time equivalent employees was changed for year end September 30, 2010 to more accurately reflect full-time equivalent employees. This worksheet reflects the number of employees employed during the year.

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
197	189	196	184	173
13	12	13	7	10
1,312	1,307	1,273	1,178	1,190
575	553	585	512	547
317	294	325	323	276
91	88	91	90	87
28	28	17	27	30
66	61	59	58	60
10	10	7	11	11
<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u><u>2,612</u></u>	<u><u>2,545</u></u>	<u><u>2,569</u></u>	<u><u>2,393</u></u>	<u><u>2,387</u></u>

**CITY OF MOBILE, ALABAMA
OPERATING INDICATORS BY FUNCTION
LAST NINE¹ FISCAL YEARS**

Function	2014	2013	2012	2011	2010
General Government					
Urban Development					
Service request orders	18,806	17,043	16,819	14,546	14,901
Municipal offense tickets	1,634	2,221	2,557	1,875	2,023
Inspections/investigations	65,763	63,407	63,213	82,961	76,510
Plan reviews	7,453	8,043	5,363	4,303	3,315
Plan reviews-right of way	2,587	2,574	2,401	2,628	2,293
Notice of violations	6,445	6,913	6,112	7,152	7,974
Permits	13,433	13,018	12,782	13,640	16,384
Certificate of Occupancy	330	267	367	643	458
PC/BOA applications	516	454	587	451	483
Tree commission applications	21	15	18	17	25
Complete nuisance abatement cases	77	44	49	151	63
Complete weed abatement cases	320	340	320	680	540
Removal of trees	146	395	458	467	415
Trimming removal	4,307	5,691	5,611	4,556	7,612
Stump removal	102	125	222	196	238
Human Resources²					
Medical claims	221	262	251	279	226
Indemnity claims	31	42	37	40	51
Mobile 311					
Calls	110,776	115,594	115,398	109,681	116,030
SROs created	56,559	60,512	60,916	59,725	64,147
Municipal Information Technology					
Telecommunications					
Buildings with computer equipment	185	184	181	180	180
Miles of fiber	825	825	825	825	920
Wireless sites	22	18	30	27	22
Computer user accounts	3,222	3,000	2,934	2,850	2,750
Email accounts	2,369	2,458	2,320	2,050	2,200
Voicemail accounts	1,461	1,541	1,547	1,738	1,735
Computers/printers supported	3,098	3,163	2,537	2,450	2,600
Servers supported	99	9,595	115	75	90
800Mhz subscribers	-	-	-	1,906	1,906
City phone extensions	2,756	2,730	2,724	2,426	2,267
Broadband data cards	63	88	89	110	103
Software applications supported	426	420	409	409	408
MIT Help Desk cases	10,126	10,016	10,270	9,450	3,917
Number of employees trained	-	-	-	75	599
Cell phones	372	385	365	333	331
Telecom Help Desk requests	1,473	1,809	2,028	2,132	1,995
Economic Development					
Mobile Historic Development Commission					
Applications reviewed	412	430	449	471	469
Certificates issued	410	344	374	448	440
Applications heard by review board	64	86	75	93	111
Applications denied	2	12	6	5	11
Public Safety					
Mobile Police Department					
Crime incidents:					
Murder (or Non-Neg Manslaughter)	26	29	27	25	20
Murder domestic	4	-	3	7	2

2009	2008	2007	2006
12,374	10,525	12,264	10,887
1,722	1,883	1,811	1,550
-	48,626	57,494	50,838
5,191	6,094	3,576	3,720
2,850	3,238	3,815	*
6,292	6,735	5,820	*
11,787	13,808	16,940	16,871
560	507	793	290
700	1,282	1,260	608
27	16	29	40
39	26	35	20
660	410	480	160
371	499	294	266
4,557	1,813	806	665
221	366	381	406
265	290	298	236
29	24	34	37
110,655	110,168	100,234	72,126
60,345	55,644	51,725	36,348
175	170	166	155
820	810	800	560
20	25	35	45
2,680	2,850	2,821	2,407
2,203	2,050	1,810	1,576
1,584	1,545	1,285	1,311
2,496	2,450	2,397	2,302
90	75	60	81
1,906	1,906	1,906	1,906
2,544	2,442	2,475	2,351
102	97	86	69
391	375	342	*
5,331	5,209	5,040	*
889	510	620	*
340	307	244	210
2,302	2,952	2,674	2,906
433	584	597	577
391	543	526	469
158	226	226	108
16	7	24	14
27	35	34	31
2	3	6	3

**CITY OF MOBILE, ALABAMA
OPERATING INDICATORS BY FUNCTION
LAST NINE¹ FISCAL YEARS**

Function	2014	2013	2012	2011	2010
Negligent manslaughter	2	-	1	-	-
Forcible rape	146	29	52	43	52
Carjacking	12	17	23	24	60
Robbery	431	452	526	622	686
Aggravated assault	1,136	1,272	879	999	1,035
Burglary	2,878	2,828	3,119	3,884	3,882
Larceny	8,824	9,384	9,213	9,030	9,889
Vehicle theft	727	742	611	783	1,267
Arson	56	42	61	53	58
Simple Assault	2,134	2,140	2,349	3,818	1,171
Sex offenses	120	123	174	138	234
Narcotics Laws	2,148	3,879	3,077	1,333	3,888
Weapons Offense	274	440	458	382	398
Forgery-counterfeiting	226	325	337	401	395
D.U.I.	448	405	388	459	570
All Other Offenses	26,606	29,750	31,953	31,748	35,262
Tickets:					
Following too close	79	66	105	66	101
Run red light	1,654	1,585	1,623	1,766	2,221
Run stop sign	1,156	1,248	1,592	1,336	2,143
Speeding	12,551	11,854	11,774	9,807	11,472
Speeding in school zone	557	512	415	320	325
Mobile Fire Rescue Department					
Total calls answered	33,486	31,906	31,529	32,858	35,713
Inspections	1,339	5,731	4,010	9,762	7,177
Plans reviewed	698	792	432	889	806
Permits issued	415	1,037	372	963	555
Mobile Municipal Court					
Total cases processed	106,076	65,659	70,406	71,996	72,230
Domestic violence cases	2,704	1,520	1,670	1,590	1,642
Environmental cases	4,092	2,720	4,061	3,709	3,977
Traffic cases	67,096	52,622	55,030	56,149	56,823
Criminal cases	12,714	8,797	9,645	10,548	9,788
Public works					
Flood Control					
Debris removed (cubic yards)	6,582	5,642	6,000	6,645	240
Work on ditches (miles)	13	17	18	13	28
Administration					
Disciplinary actions processed	171	191	225	379	385
Claims/reports processed	122	189	118	111	103
Concrete and sidewalk repair					
Concrete poured	1,743	3,198	1,575	2,452	2,919
Repairs	595	500	451	650	520
Replacements	3	5	10	8	39
Right-of-way maintenance					
Material hauled (cubic yards)	27,609	28,985	33,200	23,568	37,880
Material used (cubic yards)	14,265	17,700	13,165	5,590	9,220
Repairs	156	157	277	214	207
Asphalt street repair					
Asphalt used (tons)	1,112	1,071	1,233	1,088	1,466
Repairs	18,096	16,725	21,711	14,451	19,087
Street Sweeping					
Miles sweeper swept	19,252	31,003	26,336	15,902	17,400
Debris removed (cubic yards)	17,944	19,142	16,947	15,716	14,807

2009	2008	2007	2006
-	-	2	1
30	22	30	54
73	68	59	46
775	833	639	601
301	311	370	398
3,493	3,182	3,416	3,349
9,555	9,707	9,749	9,655
972	1,192	1,278	1,432
56	78	89	56
5,639	5,822	5,929	6,230
233	275	266	294
3,096	3,059	3,115	3,189
400	383	354	352
382	652	623	623
478	589	565	472
31,223	33,085	33,885	34,512
129	118	57	45
2,105	2,765	2,165	1,994
1,971	2,251	1,097	1,149
12,774	15,500	12,234	9,314
255	218	183	132
34,248	31,712	30,579	2,588
695	641	872	658
1,619	3,854	871	196
1,331	1,265	1,191	350
67,571	76,578	69,951	57,772
1,485	1,567	1,698	1,691
3,285	4,311	2,614	2,610
52,590	61,096	56,363	43,489
10,211	9,604	9,276	9,982
1,720	180	940	18,120
30	36	32	141
320	102	152	175
147	117	100	106
4,114	5,305	3,238	2,342
1,193	886	1,049	881
507	526	540	522
55,341	40,572	47,654	20,845
9,450	8,845	9,930	7,825
244	320	261	126
2,402	2,376	3,152	2,467
18,925	17,801	21,332	21,376
16,400	17,623	18,319	19,260
14,304	17,460	17,697	20,310

**CITY OF MOBILE, ALABAMA
OPERATING INDICATORS BY FUNCTION
LAST NINE¹ FISCAL YEARS**

Function	2014	2013	2012	2011	2010
Water used (gallons)	211,500	242,500	269,640	220,750	276,397
Dredge					
Material dredged/removed (cubic yards)	23,147	29,508	7,920	13,745	24,344
Storm drain and heavy equipment					
Drains cleaned	3,884	2,797	3,423	4,186	4,224
Material hauled (cubic yards)	2,730	7,824	3,481	4,176	15,744
Solid waste					
Waste removal (tons)	53,125	52,615	54,269	54,513	56,306
Other waste removal	318	305 (ton)	291 (ton)	110 (ton)	93 (ton)
Special events	345	330	315	240	199
Carcass removal	3,650	3,617	3,610	3,947	4,986
Trash division					
Trash picked up	164,200	171,260	173,820	189,960	191,300
Pay pile loads	680	542	349	570	600
Environmental Response Crew					
Collections (gallons)	1,499	1,215	2,954	734	1,240
Other collections (yards)	-	-	-	-	-
Cleaned (feet)	25,928	29,666	27,852	28,080	35,665
Culture and Recreation					
Museum of Mobile					
Total admissions	57,173	64,462	63,014	61,628	80,414
Mobile Public Library					
Items circulated	1,702,092	1,798,526	1,899,180	1,871,251	1,979,929
Customer visits	1,447,113	1,439,398	1,369,945	1,417,588	1,441,980

¹ Only years available

² 2006-2008 data restated per information from the Human Resource Department.

*Data not available

**Method for reporting has changed.

Source: Various City Departments

2009	2008	2007	2006
299,604	369,640	467,000	840,000
15,035	25,130	49,650	46,809
5,387	4,455	3,506	4,859
16,188	5,472	11,448	13,458
55,972	56,647	58,235	58,734
68.27 (ton)	57 (ton)	227 (ton)	61,800 (cy)
245	242	160	560
5,525	6,925	7,588	4,512
201,900	231,900	264,602	333,285
526	896	977	610
805	1,442	1,338	4,643
-	-	13	-
34,805	19,555	19,707	6,285
92,483	87,815	201,629	39,598
2,121,584	1,975,446	1,830,942	1,739,028
1,469,049	1,369,611	1,264,125	1,123,116

**CITY OF MOBILE, ALABAMA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST NINE¹ FISCAL YEARS**

Function	2014	2013	2012	2011	2010
Streets and Highways					
Paved	1,267.5	1,267.7	1,267.2	1,264.4	1,263.3
Unimproved	18.9	19.6	19.8	21.8	21.8
Traffic Signals	316	316	315	453	431
Street Lights	5,200	5,200	5,200	5,200	4,922
Public Safety					
Police					
Precincts and Mini-Precincts	7	8	8	9	8
Fire					
Number of Stations	21	21	21	20	20
Culture and Recreation					
Number of Parks	68	92	93	95	91
Parks Acreage	1,294	1,754	1,754	1,754	1,740
Swimming Pools	6	6	6	5	7
Wading Pools	9	6	5	*	*
Spray Grounds	3	3	3	*	*
Tennis Courts	93	93	97	97	97
Community Centers	14	14	15	15	17
Senior Centers	3	4	*	*	*
Motor Pool					
Number of Sanitation Collection Trucks	36	37	38	37	36

*Information not available

¹Only years available

**Method for reporting has changed.

Source: Various City Departments

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
1,262.5	1,261.5	1,179.7	1,164.1
21.8	20.9	15.8	12.8
452	452	398	283
4,922	4,922	4,922	4,893
9	10	10	8
20	20	19	17
91	89	68	67
1740	1740	1740**	1740**
7	7	6	6
*	*	*	*
*	*	*	*
97	97	97	87
17	17	16	16
*	*	*	*
48	34	31	*