

**CITY OF MOBILE, ALABAMA**

**COMPREHENSIVE  
ANNUAL  
FINANCIAL  
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2015

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, 2015**

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WILLIAM S. STIMPSON  
MAYOR

# Part I Introductory Section



April 25, 2016

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, 2015. 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 is underway and the separately issued Single Audit Report will be available for review at the Federal Audit Clearinghouse.

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

## **PROFILE OF THE CITY**

Three hundred-year-old historic Mobile is the county seat of Mobile County and is located in the southwestern section of Alabama, at the head of Mobile Bay, thirty-one miles from the Gulf of Mexico. The city covers an area of 179 square miles. In 2014, the United States Census Bureau estimated that there were 194,675 people residing within the city limits of Mobile and that there were 415,123 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 separately presented in the report. The Board of Water and Sewer Commissioners of the City of Mobile, Mobile Housing Board, Mobile Airport Authority, Mobile Board of Health, Mobile Emergency Management, Mobile Personnel Board, and Juvenile Court and Youth Center are excluded from this report. Additional information on all of these entities can be found in the notes to the financial statements (See Note 2).

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. During 2015, the City experienced an additional \$23.1 million increase in fund balance in its general fund.

At the close of Fiscal Year 2015, the unassigned fund balance of the general fund was a positive \$37.4 million. The total fund balance for the general fund, including restricted and nonspendable assets, was \$42.4 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 complete.

Airbus plans to build and deliver approximately four aircraft per month. The first plane built began test flights in March, 2016 and is scheduled to be delivered in April, 2016.

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 4,400 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 Infirmiry 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.

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, 2014, 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**

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

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

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.

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 \$1,257,050 at September 30, 2015 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 \$14.35 million at September 30, 2015 and are accounted for in the Government-wide financial statements. The liability for employee health insurance claims of approximately \$2.45 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 2016, City management has made modifications to its employee health plan and to its separate retiree health plans in an effort to lessen the impact to the City of rising costs. These modifications included the transfer of Medicare-eligible retirees to a Medicare Advantage Plan.

### **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, 2014 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

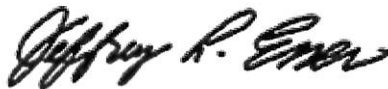
**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

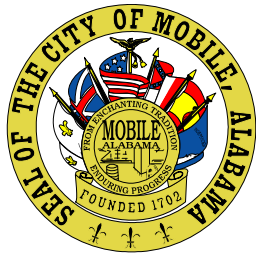
**City of Mobile  
Alabama**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**



Executive Director/CEO



# City of Mobile Organizational Chart

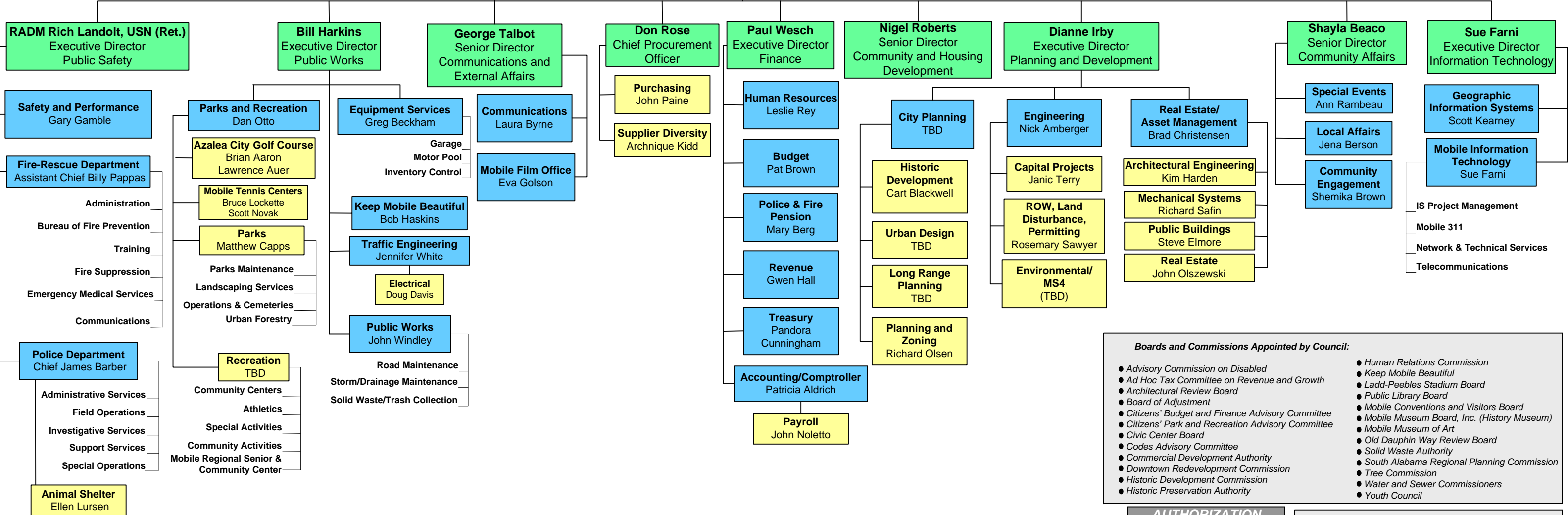
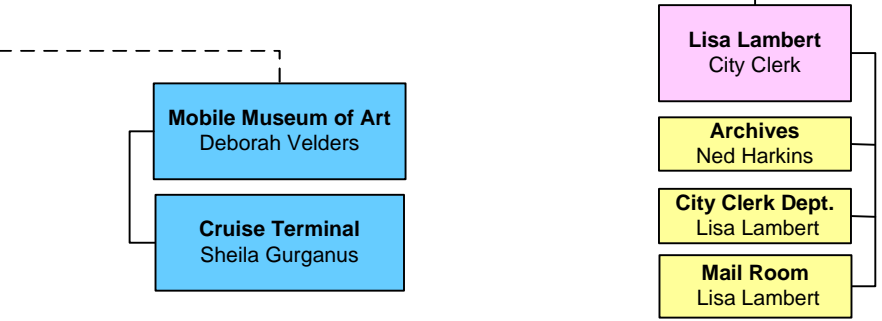
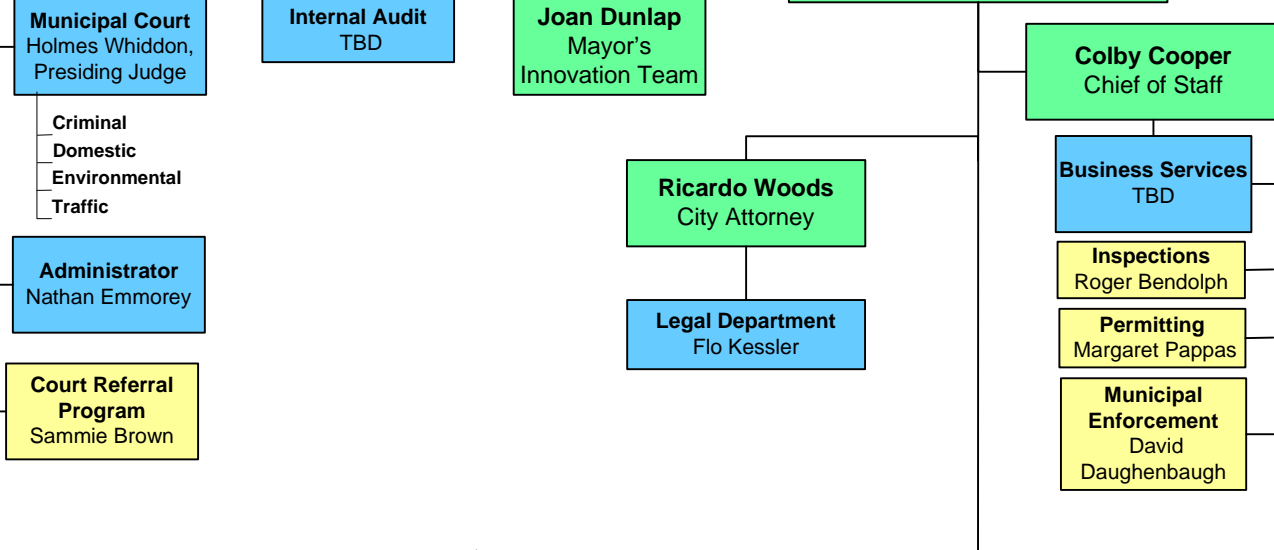
**CITY OF MOBILE CITIZENS**

**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

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



- Boards and Commissions Appointed by Council:**
- Advisory Commission on Disabled
  - Ad Hoc Tax Committee on Revenue and Growth
  - 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. (History Museum)
  - Mobile Museum of Art
  - Old Dauphin Way Review Board
  - Solid Waste Authority
  - South Alabama Regional Planning Commission
  - Tree Commission
  - Water and Sewer Commissioners
  - Youth Council

**AUTHORIZATION**  
Adopted July 8, 2014  
(Revised September 29, 2015)  
*William S. Stimpson*  
William S. Stimpson - Mayor

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

**Mayoral Cabinet**

**CITY OF MOBILE, ALABAMA**

**LIST OF PRINCIPAL OFFICIALS**

**AT SEPTEMBER 30, 2015**

<b>TITLE</b>	<b>NAME</b>
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, 2015, 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 2.13 percent, and 0.42 percent, respectively, of the assets, 5.97 percent and (0.86) percent, respectively, of the net position, and 1.45 percent and 2.66 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 reports 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, 2015, 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 92-95 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 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 April 25, 2016 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.

*Smith, Duke and Muchalew, LLP*

Mobile, Alabama  
April 25, 2016



**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, 2015. 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 \$230.8 million (net position). Of this amount the City had a deficit in unrestricted net position of \$284.7 million offset by \$21.3 million in restricted net position and \$494.3 million in net investment in capital assets.
- ◆ The City's total net position increased \$50.1 million, or 12.19%, as a result of this year's operations. Net position of governmental activities increased \$52.2 million, or 17.05%, and net position of business-type activities decreased \$2.10 million, or 2.01%.
- ◆ The City made several 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 \$112.8 million. This was an increase of \$22.4 million or 24.8% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General Fund was \$42.4 million, an increase of 120.3% 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 \$7.7 million or 4.2% 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 92.

## **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 \$230.8 million. This is a \$50.1 million increase over last year's net position. The following table provides a summary of the City's net position:

	<b>City of Mobile, Alabama</b>						Amount Change	% Change
	<b>Summary of Net Position</b>							
	Governmental Activities		Business-type Activities		Total Primary Government			
	2015	2014	2015	2014	2015	2014		
Current and other assets	\$ 141,289	\$ 196,582	\$ 16,677	\$ 14,927	\$ 157,966	\$ 211,509	\$ (53,543)	(25.31)%
Capital assets	<u>660,245</u>	<u>641,724</u>	<u>92,886</u>	<u>97,964</u>	<u>753,131</u>	<u>739,688</u>	<u>13,443</u>	1.82 %
Total assets	<u>\$ 801,534</u>	<u>\$ 838,306</u>	<u>\$ 109,563</u>	<u>\$ 112,891</u>	<u>\$ 911,097</u>	<u>\$ 951,197</u>	<u>\$ (40,100)</u>	(4.22)%
Deferred outflows	<u>\$ 23,976</u>	<u>\$ 4,855</u>	<u>\$ 1,588</u>	<u>\$ -</u>	<u>\$ 25,564</u>	<u>\$ 4,855</u>	<u>\$ 20,709</u>	427 %
Long-term liabilities	\$ 647,669	\$ 502,661	\$ 12,189	\$ 419	\$ 659,858	\$ 503,080	\$ 156,778	31.16 %
Other liabilities	<u>33,652</u>	<u>34,501</u>	<u>3,065</u>	<u>3,720</u>	<u>36,718</u>	<u>38,221</u>	<u>(1,503)</u>	(3.93)%
Total liabilities	<u>681,321</u>	<u>537,162</u>	<u>15,254</u>	<u>4,139</u>	<u>696,576</u>	<u>541,301</u>	<u>155,275</u>	28.69 %
Deferred inflows	<u>4,329</u>	<u>-</u>	<u>4,924</u>	<u>3,967</u>	<u>9,253</u>	<u>3,967</u>	<u>5,286</u>	133.25 %
Net position:								
Net investment in capital assets	401,397	372,033	92,886	97,964	494,283	469,997	24,286	5.17 %
Restricted	21,296	95,217	-	-	21,296	95,217	(73,921)	(77.63)%
Unrestricted	<u>(282,833)</u>	<u>(161,252)</u>	<u>(1,915)</u>	<u>6,821</u>	<u>(284,748)</u>	<u>(154,431)</u>	<u>(130,317)</u>	84.39 %
Total net position	<u>139,860</u>	<u>305,998</u>	<u>90,971</u>	<u>104,785</u>	<u>230,831</u>	<u>410,783</u>	<u>(179,952)</u>	(43.81)%

The largest portion of the City's net assets (214.1%) 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 (9.2%) 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 \$282.8 million for governmental activities. This deficit arose mainly because of the way the City is required to account for its other post-employment benefits (OPEB) and pension liabilities. The City has elected to fund its OPEB obligation on a pay as you go basis. 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 position for the year. Additionally, the deficit can be attributed to the implementation of GASB Statement No. 68 requiring the Net Pension Liability be recorded on the Statement of Net Position. This substantial liability reduces the amount of unrestricted net position for the year.

The unrestricted net assets for business-type activities has a deficit balance of \$1.9 million which is a \$2.1 million decrease from the prior year. This decrease is due primarily to operating deficits in enterprise funds and significant pension liabilities recorded in various business-type 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)

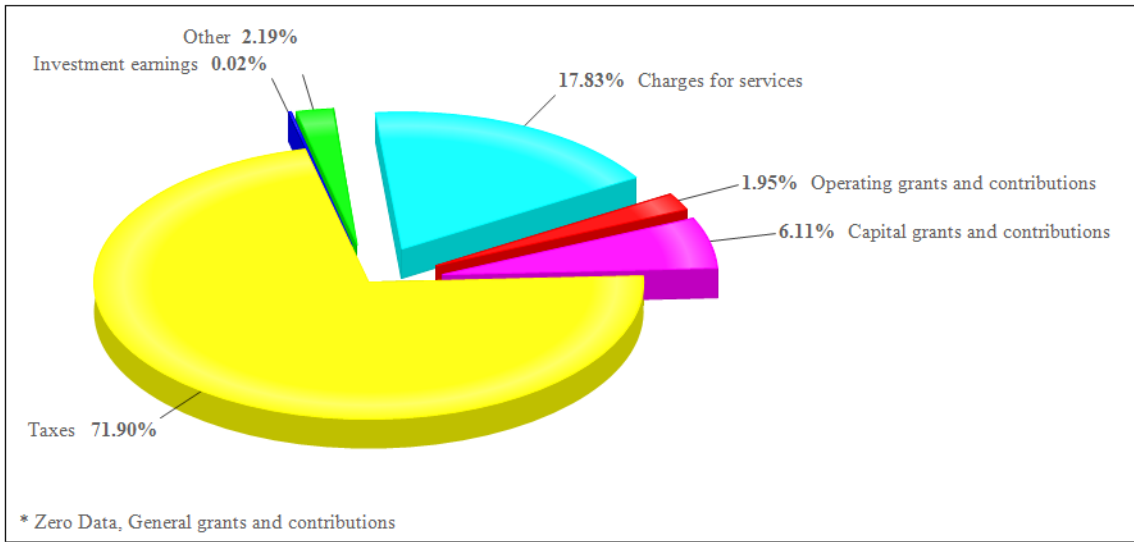
	Governmental Activities		Business-type Activities		Total Primary Government		Amount Change	% Change
	2015	2014	2015	2014	2015	2014		
Program Revenues:								
Charges for services	\$ 56,290	\$ 57,932	\$ 12,430	\$ 10,372	\$ 68,720	\$ 68,304	\$ 416	0.61 %
Operating grants and contributions	6,159	6,937	3,502	3,412	9,661	10,349	(688)	(6.65)%
Capital grants and contributions	19,279	2,525	488	848	19,768	3,373	16,395	486.07 %
General revenues:								
Taxes	226,943	217,091	11,541	10,777	238,484	227,868	10,616	4.66 %
Grants & contributions	-	348	-	-	-	348	(348)	(100.00)%
Investment earnings	64	72	2	6	66	78	(12)	(15.38)%
Other	6,901	7,501	-	-	6,901	7,501	(600)	(8.00)%
Total revenues	<u>315,636</u>	<u>292,406</u>	<u>27,963</u>	<u>25,415</u>	<u>343,600</u>	<u>317,821</u>	<u>25,779</u>	<u>8.11 %</u>
Program Expenses:								
General government	71,599	78,626	-	-	71,599	78,626	(7,027)	(8.94)%
Economic development	1,339	1,176	-	-	1,339	1,176	163	13.86 %
Public safety	102,626	115,054	-	-	102,626	115,054	(12,428)	(10.80)%
Public works	39,454	41,782	-	-	39,454	41,782	(2,328)	(5.57)%
Culture and recreation	25,423	24,193	-	-	25,423	24,193	1,230	5.08 %
Finance	5,905	5,887	-	-	5,905	5,887	18	0.31 %
Interest on long-term debt	13,223	14,123	-	-	13,223	14,123	(900)	(6.37)%
Alabama Cruise Terminal	-	-	1,028	1,144	1,028	1,144	(116)	(10.14)%
Civic Center	-	-	3,676	3,582	3,676	3,582	94	2.62 %
Convention Center	-	-	8,544	9,675	8,544	9,675	(1,131)	(11.69)%
Golf Course	-	-	1,574	1,534	1,574	1,534	40	2.61 %
Firemedics	-	-	5,393	7,477	5,393	7,477	(2,084)	(27.87)%
Parking Garage	-	-	240	285	240	285	(45)	(15.79)%
Tennis Center	-	-	782	707	782	707	75	10.61 %
Neighborhood Renewal Program	-	-	14	19	14	19	(5)	(26.32)%
Saenger Theater	-	-	843	890	843	890	(47)	(5)%
WAVE Transit	-	-	11,858	12,134	11,858	12,134	(276)	(2.27)%
Total expenses	<u>259,569</u>	<u>280,841</u>	<u>33,952</u>	<u>37,447</u>	<u>293,521</u>	<u>318,288</u>	<u>(24,767)</u>	<u>(7.78)%</u>
Change in net assets before capital contributions and transfers	56,067	11,565	(5,989)	(12,032)	50,079	(467)	50,546	(10,824)%
Transfers	(3,885)	(4,970)	3,885	4,970	-	-	-	- %
Change in net assets	<u>52,182</u>	<u>6,595</u>	<u>(2,104)</u>	<u>(7,062)</u>	<u>50,079</u>	<u>(467)</u>	<u>50,546</u>	<u>(10,824)%</u>
Net position, beginning	305,998	302,087	104,785	111,847	410,783	413,934	(3,151)	(0.76)%
Adjustments to beginning net position	<u>(218,320)</u>	<u>(2,684)</u>	<u>(11,710)</u>	<u>-</u>	<u>(230,030)</u>	<u>(2,684)</u>	<u>(227,346)</u>	<u>8,470 %</u>
Net position, ending	<u>\$ 139,860</u>	<u>\$ 305,998</u>	<u>\$ 90,971</u>	<u>\$ 104,785</u>	<u>\$ 230,831</u>	<u>\$ 410,783</u>	<u>\$ (179,952)</u>	<u>(43.81)%</u>

\*Prior period adjustments were made 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 2015.

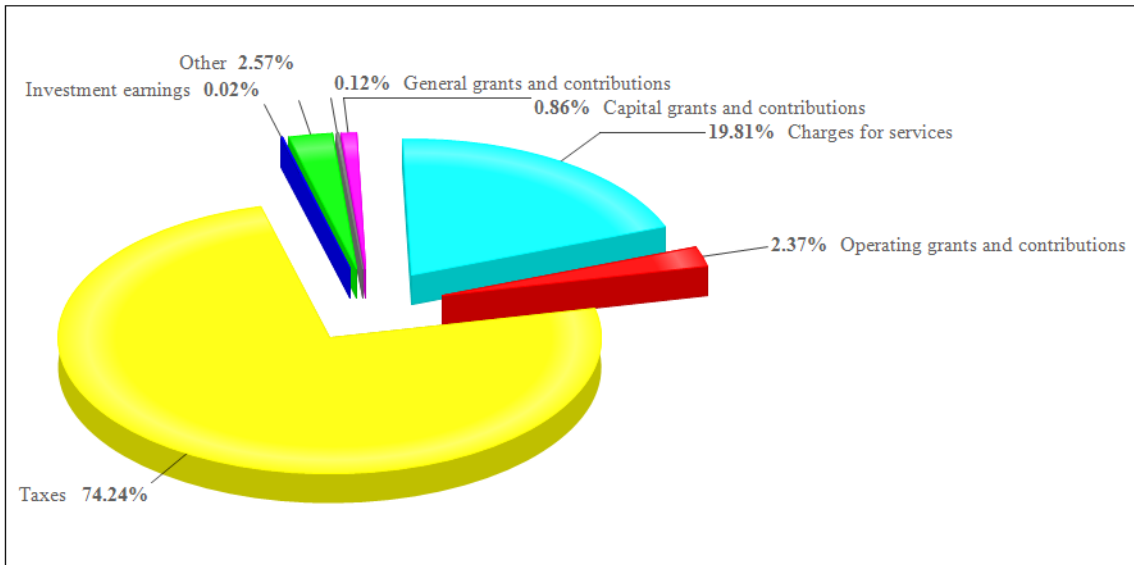
## GOVERNMENTAL REVENUES

2015



## GOVERNMENTAL REVENUES

2014

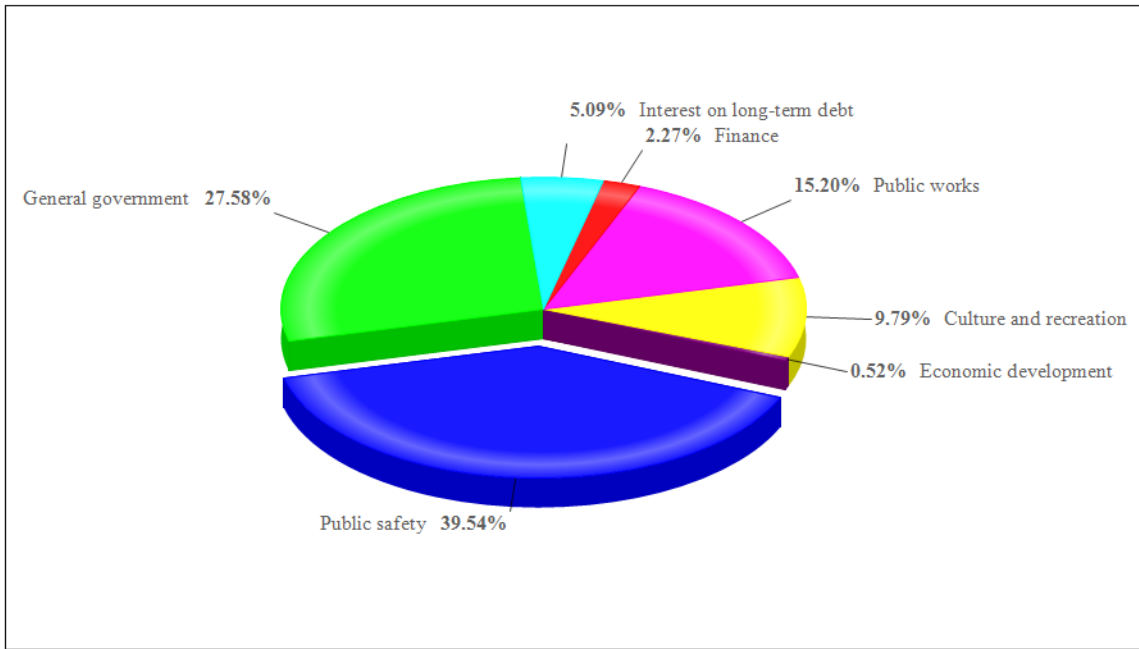


As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 71.90% and 74.24% of the City's total governmental revenues in fiscal years 2015 and 2014, respectively.



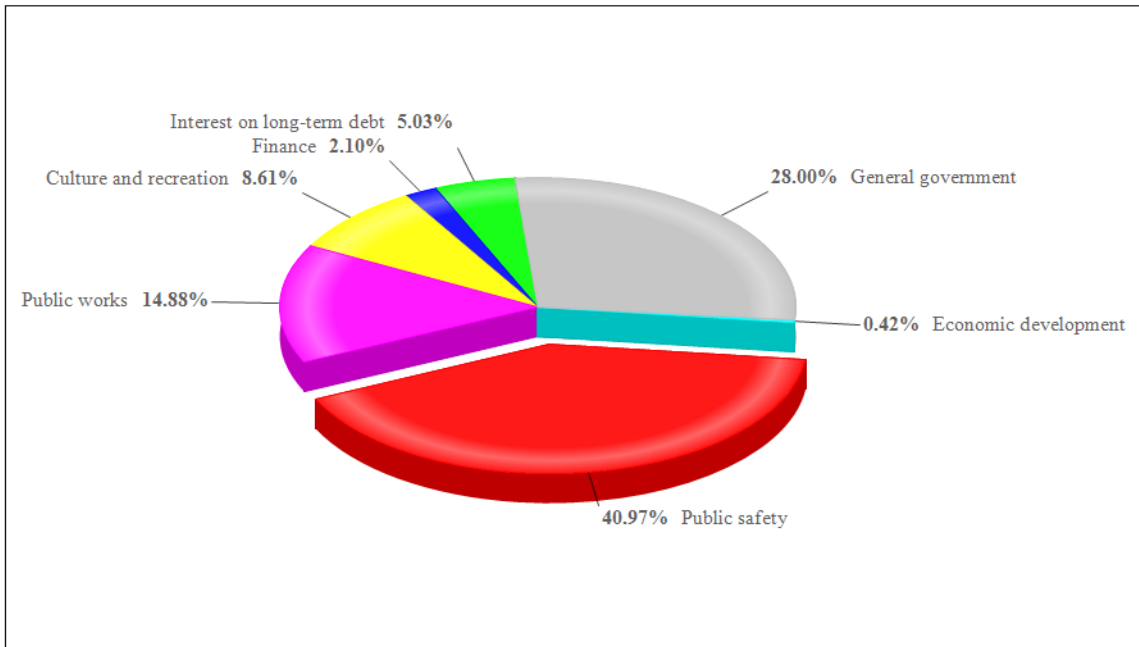
## GOVERNMENTAL FUNCTIONAL EXPENSES

2015



## GOVERNMENTAL FUNCTIONAL EXPENSES

2014



See the following page for discussion of these graphs.

## **Governmental activities**

Governmental activities increased the City's net assets by \$52.2 million. The key elements of this change are as follows:

- Excess expenses over revenue for governmental activities amounted to \$177.8 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$63,943 which was a decrease of \$8,082 from the prior year.
- Tax revenues amounted to \$226.9 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 \$6.9 million.
- Transfers out of governmental activities totaled \$3.9 million.

Governmental activity expenses decreased from the prior year. Of the \$259.6 million of governmental activity expenses, public safety was the largest operating cost, at 39.5% of total costs in 2015. For the government-wide full accrual statements, capital outlay expenses were eliminated and capital assets were reported.

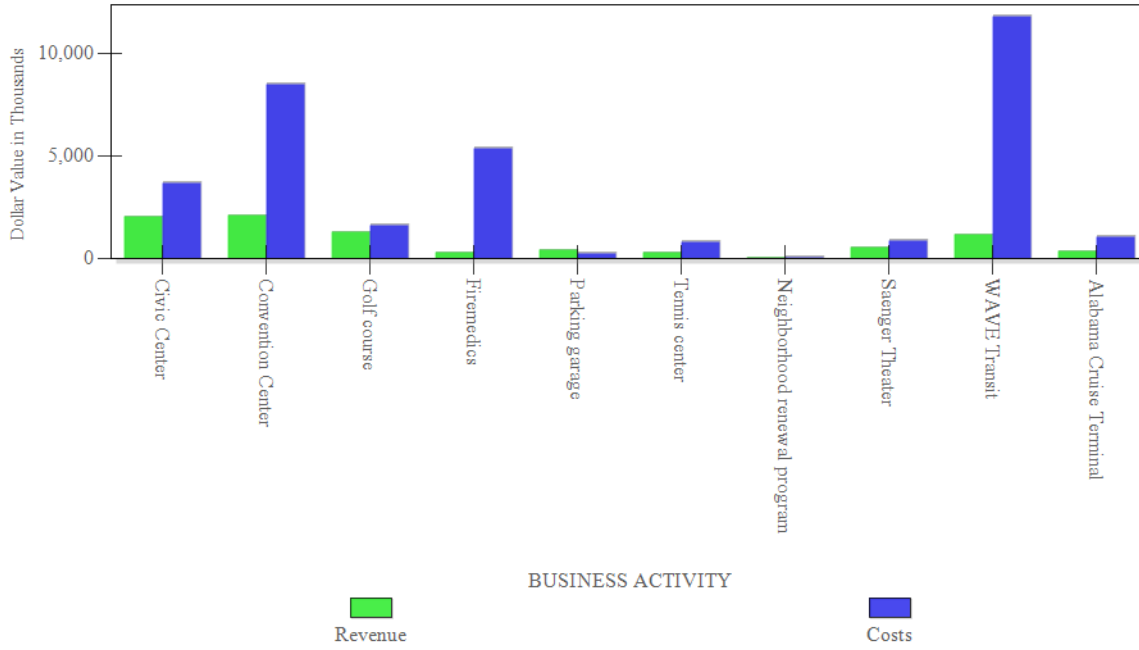
## **Business-type activities**

Business-type activities decreased the City's total net assets by \$2.1 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 cruise terminal, civic center, convention center, golf course, firemedics, tennis center, Saenger theater, and WAVE transit provided services with user charges that did not recover costs in the current year. The convention center receives a portion of the room and food tax by ordinance to help cover their expenses. The cruise terminal, civic center, golf course, firemedics, tennis center, Saenger theater, and WAVE transit activities required subsidization by the City.

Please turn to the following page for graphs which illustrate the business-type activities results of operations (operating revenues and expenses).

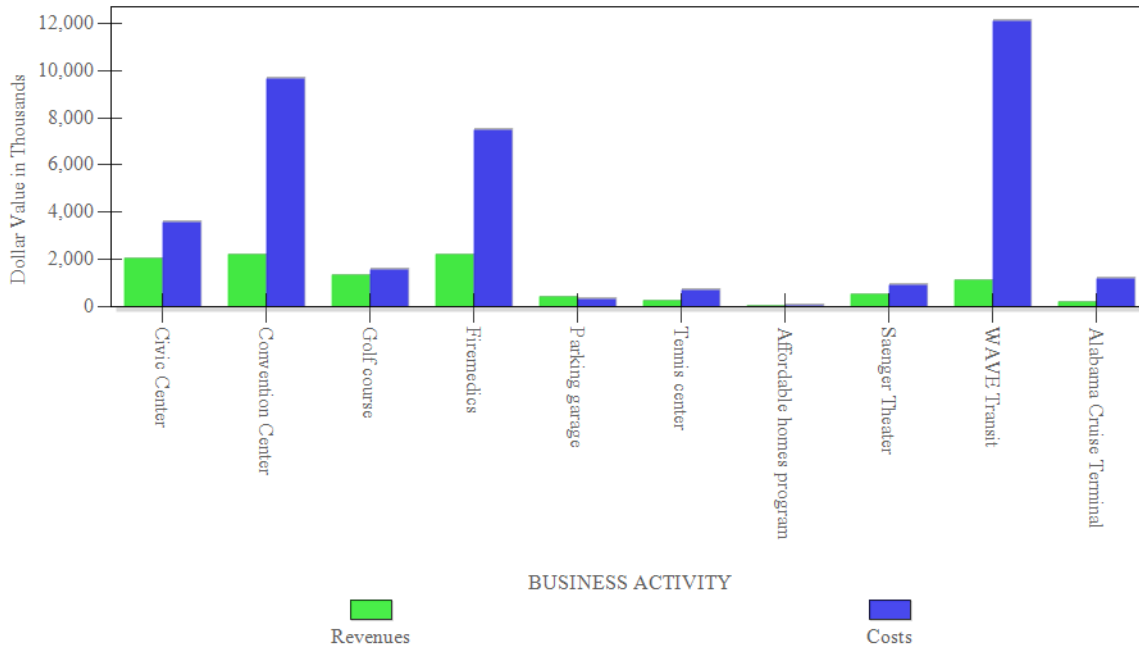
## BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2015



## BUSINESS-TYPE ACTIVITIES

Revenues vs. Costs 2014



## 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 \$112.8 million, of which \$37.4 million is unassigned. The nonspendable fund balance is \$2.6 million and stems from inventory and prepaid expenses. Restricted fund balance is \$15.4 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$10.4 million and comprises funds with constraints imposed by formal action of the City Council. Finally assigned fund balance is \$46.9 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 \$22.4 million increase from the prior year. This increase is primarily due to a \$23.1 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 \$23.1 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$33.0 million which includes a net decrease of \$1.2 million. The decrease is primarily due to current year capital 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 \$2.1 million during the current fiscal year. This decrease is due primarily to a \$2.1 million net loss in the Mobile Convention Center and net losses in the Civic Center, WAVE Transit, Cruise Terminal, and other non-major enterprise funds.

#### 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 \$0.1 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 \$41.3 million. The following are the main components of the excess:

- Tax revenue was over expected budgeted amounts by \$5.0 million.
- Departmental expenditures were under budget by \$10.0 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 \$3.1 million.

Total revenues were approximately \$4.6 million over budget while expenditures were \$13.0 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, 2015, the City's net investment in capital assets for governmental and business-type activities was \$401.4 million and \$92.9 million, respectively. The increase was \$24.3 million from 2014 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.

	<b>Capital Assets</b>						Total % Change
	<b>Net of Accumulated Depreciation</b>				Total		
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>2015</u> <u>2014</u>		
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	
Non-depreciable capital assets:							
Land	\$ 27,261	\$ 27,259	\$ 10,685	\$ 10,675	\$ 37,946	\$ 37,934	0.03 %
Infrastructure-in-progress	12,545	10,366	-	-	12,545	10,366	21.02 %
Construction-in-progress	5,959	58,431	305	1,896	6,264	60,327	(89.62)%
Intangible assets	4,476	4,116	-	-	4,476	4,116	8.75 %
Depreciable capital assets, net							
Buildings	113,616	41,282	69,308	71,538	182,924	112,820	62.14 %
Improvements	61,739	64,170	8,110	8,729	69,848	72,899	(4.19)%
Vehicular equip	22,105	21,824	3,455	4,017	25,560	25,841	(1.09)%
Other equip	13,175	13,979	1,023	1,109	14,198	15,088	(5.90)%
Infrastructure	399,369	400,297	-	-	399,369	400,297	(0.23)%
Total capital assets, net	<u>\$ 660,245</u>	<u>\$ 641,724</u>	<u>\$ 92,886</u>	<u>\$ 97,964</u>	<u>\$ 753,130</u>	<u>\$ 739,688</u>	1.82 %

## Long-Term Debt

As of September 30, 2015, the City had \$274.7 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 \$13.8 million and made payments of \$0.7 million for capital lease obligations. Interest payments on long-term debt totaled \$13.3 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 (dollars are in thousands)

	Governmental Activities		Business-type Activities		Total		Total % Change
	2015	2014	2015	2014	2015	2014	
Bonds/warrants, net	\$ 270,283	\$ 279,122	\$ -	\$ -	\$ 270,283	\$ 279,122	(3.17)%
Notes payable	2,950	3,380	-	-	2,950	3,380	(12.72)%
Obligations under capital leases	1,473	2,424	-	-	1,473	2,424	(39.23)%
Total long-term debt	<u>\$ 274,706</u>	<u>\$ 284,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,706</u>	<u>\$ 284,926</u>	(3.59)%

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 A+ (stable) from Standard and Poor's and Aa2 from Moody's. 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, 2015, the City's permissible debt limit exceeded actual debt by approximately \$290.4 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.

In September, 2015, Carnival Cruise Lines announced plans to return to the Mobile cruise terminal for operation of Caribbean cruises beginning in November, 2016. The 2,056 Carnival Fantasy is expected to offer four-day cruises to Cozumel and five-day excursions to Cozumel and Costa Maya or Progresso.

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 complete. Airbus plans to build and deliver approximately four aircraft per month. The first plane built began test flights in March, 2016 and is scheduled to be delivered in April, 2016.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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



Paul C. Wesch  
Executive Director of Finance

**BASIC  
FINANCIAL STATEMENTS**

**CITY OF MOBILE, ALABAMA**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2015**

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 109,612,060	\$ 12,579,644	\$ 122,191,704	\$ 3,447,824
Restricted cash - capital purchases	83,486	-	83,486	-
Receivables (net)	28,051,754	4,296,865	32,348,619	410,019
Internal balances	929,728	(929,728)	-	-
Inventories	2,602,208	382,928	2,985,136	-
Other assets	10,000	347,226	357,226	-
Nondepreciable capital assets	50,240,985	10,989,888	61,230,873	248,225
Depreciable capital assets, net	610,003,673	81,895,756	691,899,429	842,066
Total assets	<u>801,533,894</u>	<u>109,562,579</u>	<u>911,096,473</u>	<u>4,948,134</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amount on refunding	3,935,357	-	3,935,357	-
Deferred pension outflows	20,040,872	1,587,511	21,628,383	509,044
Total deferred outflows of resources	<u>23,976,229</u>	<u>1,587,511</u>	<u>25,563,740</u>	<u>509,044</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	19,052,198	1,801,168	20,853,366	958,049
Unearned revenue	631,121	578,461	1,209,582	-
Pension employer contribution payable	13,968,685	685,668	14,654,353	-
Long-term liabilities:				
Due within 1 year:				
Bonds and warrants payable	13,740,736	-	13,740,736	-
Notes payable	455,000	-	455,000	-
Capital lease obligations	980,764	-	980,764	-
Compensated absences	2,152,133	96,638	2,248,771	53,059
Insurance claims	6,142,300	-	6,142,300	-
Landfill postclosure liability	47,955	-	47,955	-
Due in more than 1 year:				
Bonds and warrants payable	256,542,310	-	256,542,310	-
Notes payable	2,495,000	-	2,495,000	-
Capital lease obligations	492,519	-	492,519	-
Compensated absences	10,741,780	349,944	11,091,724	509,848
Self-insured liability - legal	1,257,050	-	1,257,050	6,034,045
Insurance claims	10,654,737	-	10,654,737	-
Landfill postclosure liability	671,674	-	671,674	-
Net pension liability	149,857,219	11,742,696	161,599,915	5,160,710
Postemployment benefits	191,438,000	-	191,438,000	-
Total liabilities	<u>681,321,181</u>	<u>15,254,575</u>	<u>696,575,756</u>	<u>12,715,711</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	-	3,864,796	3,864,796	-
Deferred pension inflows	4,328,605	1,059,647	5,388,252	373,386
Total deferred inflows of resources	<u>4,328,605</u>	<u>4,924,443</u>	<u>9,253,048</u>	<u>373,386</u>
<b>NET POSITION</b>				
Net investment in capital assets	401,397,005	92,885,644	494,282,649	1,090,291
Restricted for:				
Capital projects	8,623,595	-	8,623,595	-
Debt Service	382,829	-	382,829	-
Economic development	10,392,185	-	10,392,185	-
Grant programs	1,897,365	-	1,897,365	-
Unrestricted (deficit)	<u>(282,832,642)</u>	<u>(1,914,572)</u>	<u>(284,747,214)</u>	<u>(8,722,210)</u>
Total net position	<u>139,860,337</u>	<u>90,971,072</u>	<u>230,831,409</u>	<u>(7,631,919)</u>

See Accompanying Notes to the Financial Statements.



**CITY OF MOBILE, ALABAMA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 71,599,115	\$ 50,060,635	\$ 4,293,420	\$ 781,595
Economic development	1,339,289	-	-	1,651,230
Public safety	102,625,577	5,141,753	1,770,312	-
Public works	39,454,462	562,397	-	346,338
Culture and recreation	25,423,325	525,844	94,959	16,500,000
Finance	5,905,306	-	-	-
Interest on long-term debt	13,222,630	-	-	-
Total governmental activities	<u>259,569,704</u>	<u>56,290,629</u>	<u>6,158,691</u>	<u>19,279,163</u>
Business-Type Activities:				
Alabama Cruise Terminal	1,028,171	346,635	-	-
Civic Center	3,675,513	2,028,805	-	-
Convention Center	8,543,558	2,122,764	-	-
Golf course	1,573,881	1,304,713	-	-
Firemedics	5,392,697	4,227,342	-	-
Parking garage	239,667	405,092	-	-
Tennis Center	781,819	270,386	-	-
Neighborhood renewal program	14,334	28,287	-	-
Saenger Theater	843,474	530,969	-	-
WAVE Transit	11,857,903	1,164,788	3,502,088	488,423
Total business-type activities	<u>33,951,017</u>	<u>12,429,781</u>	<u>3,502,088</u>	<u>488,423</u>
Total primary government	<u>293,520,721</u>	<u>68,720,410</u>	<u>9,660,779</u>	<u>19,767,586</u>
<b>Component units:</b>				
Mobile Public Library	9,834,332	671,311	285,055	2,183
Public Park and Recreation Board	1,013,705	1,114,393	-	-
Solid Waste Disposal Authority	(618,711)	71,051	-	-
Total component units	<u>\$ 10,229,326</u>	<u>\$ 1,856,755</u>	<u>\$ 285,055</u>	<u>\$ 2,183</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
\$ (16,463,465)	\$ -	\$ (16,463,465)	\$ -
311,941	-	311,941	-
(95,713,512)	-	(95,713,512)	-
(38,545,727)	-	(38,545,727)	-
(8,302,522)	-	(8,302,522)	-
(5,905,306)	-	(5,905,306)	-
(13,222,630)	-	(13,222,630)	-
<u>(177,841,221)</u>	<u>-</u>	<u>(177,841,221)</u>	<u>-</u>
-	\$ (681,536)	(681,536)	-
-	(1,646,708)	(1,646,708)	-
-	(6,420,794)	(6,420,794)	-
-	(269,168)	(269,168)	-
-	(1,165,355)	(1,165,355)	-
-	165,425	165,425	-
-	(511,433)	(511,433)	-
-	13,953	13,953	-
-	(312,505)	(312,505)	-
-	(6,702,604)	(6,702,604)	-
-	(17,530,725)	(17,530,725)	-
<u>(177,841,221)</u>	<u>(17,530,725)</u>	<u>(195,371,946)</u>	<u>-</u>
-	-	-	\$ (8,875,783)
-	-	-	100,688
-	-	-	689,762
-	-	-	<u>\$ (8,085,333)</u>
18,293,200	-	18,293,200	-
178,536,073	9,660,595	188,196,668	-
10,113,784	-	10,113,784	-
5,653,761	1,879,914	7,533,675	-
2,100,653	-	2,100,653	-
9,220,699	-	9,220,699	-
1,743,039	-	1,743,039	-
480,735	-	480,735	-
382,673	-	382,673	-
418,363	-	418,363	-
-	-	-	9,547,189
63,943	1,690	65,633	3,995
6,901,008	-	6,901,008	-
(3,885,039)	3,885,039	-	-
<u>230,022,892</u>	<u>15,427,238</u>	<u>245,450,130</u>	<u>9,551,184</u>
52,181,671	(2,103,487)	50,078,184	1,465,851
305,998,439	104,784,554	410,782,993	(4,054,814)
(218,319,773)	(11,709,995)	(230,029,768)	(5,042,956)
<u>\$ 139,860,337</u>	<u>\$ 90,971,072</u>	<u>\$ 230,831,409</u>	<u>\$ (7,631,919)</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, 2015**

	General Fund	Capital Improvements Fund
<b>ASSETS</b>		
Cash, equity in pooled cash and investments	\$ 35,496,371	\$ 35,066,729
Restricted cash - capital purchases	-	-
Receivables (net)	21,462,057	2,392,181
Due from other funds	1,292,125	-
Inventories	2,602,208	-
Other assets	10,000	-
Total assets	\$ 60,862,761	\$ 37,458,910
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 17,167,844	\$ 4,409,052
Unearned revenue	-	-
Due to other funds	362,397	-
Compensated absences - terminated employees	358,854	-
Insurance claims payable	615,083	-
Escrowed funds liability	140	-
Total liabilities	18,504,318	4,409,052
<b>FUND BALANCES</b>		
Nonspendable	2,612,208	-
Restricted	-	-
Committed	-	-
Assigned	2,325,111	33,049,858
Unassigned	37,421,124	-
Total fund balances	42,358,443	33,049,858
Total liabilities and fund balances	\$ 60,862,761	\$ 37,458,910

See Accompanying Notes to the Financial Statements.

Governmental Funds - Non Major	Total Governmental Funds
\$ 35,819,503	\$ 106,382,603
83,486	83,486
3,529,579	27,383,817
-	1,292,125
-	2,602,208
-	10,000
<u>\$ 39,432,568</u>	<u>\$ 137,754,239</u>
\$ 1,383,053	\$ 22,959,949
631,121	631,121
-	362,397
-	358,854
-	615,083
14,799	14,939
<u>2,028,973</u>	<u>24,942,343</u>
-	2,612,208
15,424,812	15,424,812
10,449,070	10,449,070
11,529,713	46,904,682
-	37,421,124
<u>37,403,595</u>	<u>112,811,896</u>
<u>\$ 39,432,568</u>	<u>\$ 137,754,239</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, 2015**

Total fund balances - governmental funds		\$ 112,811,896
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	\$ 917,276,841	
Less accumulated depreciation	<u>(265,013,930)</u>	652,262,911
Other assets and deferred inflows used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Deferred pension inflows		(4,328,605)
Long-term notes receivable		660,000
Deferred amount on refunding		3,935,357
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Accrued interest payable	(1,628,254)	
Pension employer contribution payable	(8,268,782)	
Bonds and warrants payable	(270,283,045)	
Notes payable	(2,950,000)	
Capital lease obligations	(984,017)	
Compensated absences	(12,535,059)	
Insurance claims payable	(13,730,154)	
Landfill postclosure liability	(719,629)	
Net pension liability	(149,857,219)	
OPEB liability	<u>(191,438,000)</u>	(652,394,159)
Deferred outflows that are recognized the government-wide financial statements and are not reported in the governmental funds.		
Deferred pension outflows		20,040,872
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>6,872,065</u>
Total net position - governmental activities		<u>\$ 139,860,337</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, 2015**

	<u>General Fund</u>	<u>Capital Improvements Fund</u>
<b>Revenues</b>		
Taxes	\$ 184,738,770	\$ 24,134,926
Licenses and permits	35,916,918	-
Intergovernmental	102,817	-
Charges for services	7,191,940	-
Fines and forfeitures	2,498,100	-
State and federal assistance	125,436	-
Interest	46,700	1,719
Other revenue	408,889	7,353,716
Total revenues	<u>231,029,570</u>	<u>31,490,361</u>
<b>Expenditures</b>		
Current:		
General government	16,284,708	-
Economic development	1,175,456	-
Public safety	81,826,745	-
Public works	33,032,508	-
Culture and recreation	14,495,545	-
Finance	5,149,172	-
Nondepartmental	37,453,751	-
Capital outlay	-	20,266,215
Debt service:		
Principal payments	-	715,978
Interest and fee payments	43,766	49,756
Total expenditures	<u>189,461,651</u>	<u>21,031,949</u>
Excess (deficiency) of revenues over expenditures	<u>41,567,919</u>	<u>10,458,412</u>
<b>Other financing sources (uses)</b>		
Transfers in	5,968,195	5,124,151
Transfers out	(24,420,698)	(16,763,717)
Proceeds from disposal of assets	13,025	-
Total other financing sources (uses)	<u>(18,439,478)</u>	<u>(11,639,566)</u>
Net change in fund balance	23,128,441	(1,181,154)
Fund balances - beginning of year	<u>19,230,002</u>	<u>34,231,012</u>
Fund balances - end of year	<u>\$ 42,358,443</u>	<u>\$ 33,049,858</u>

See Accompanying Notes to the Financial Statements.

Governmental Funds - Non Major	Total Governmental Funds
\$ 18,069,286	\$ 226,942,982
3,248,652	39,165,570
-	102,817
206,921	7,398,861
1,279,707	3,777,807
8,349,643	8,475,079
15,524	63,943
779,364	8,541,969
<u>31,949,097</u>	<u>294,469,028</u>
5,187,404	21,472,112
-	1,175,456
3,169,445	84,996,190
61,504	33,094,012
-	14,495,545
-	5,149,172
2,554,687	40,008,438
8,793,349	29,059,564
13,763,710	14,479,688
12,559,643	12,653,165
<u>46,089,742</u>	<u>256,583,342</u>
<u>(14,140,645)</u>	<u>37,885,686</u>
28,282,131	39,374,477
(13,678,995)	(54,863,410)
37,359	50,384
<u>14,640,495</u>	<u>(15,438,549)</u>
499,850	22,447,137
36,903,745	90,364,759
<u>\$ 37,403,595</u>	<u>\$ 112,811,896</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, 2015**

Net change in fund balances - total governmental funds		\$ 22,447,137
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	\$ 22,349,643	
Less accumulated depreciation	<u>(21,637,180)</u>	712,463
Contributions of capital assets are not reported as income in governmental funds		
Capital assets transferred from business-type activities		16,784,834
Change in deferred revenue		1,600,000
Change in deferred pension inflows		(143,928)
Change in deferred pension outflows		(4,328,605)
Change in long-term notes receivable		1,603,536
		(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	715,978	
Principal payments - bonds and notes payable	<u>13,833,711</u>	14,549,689
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	309,300	
Amortization of current year bond discount	(19,307)	
Change in long-term compensated absences	504,997	
Change in long-term insurance claims	(477,000)	
Change in long-term landfill postclosure liability	46,111	
Change in accrued interest	76,052	
Change in pension contribution payable	(1,401,621)	
Change in net pension liability	11,650,578	
Change in OPEB liability	(9,413,000)	
Gain (loss) on disposal of capital assets	<u>(1,479,330)</u>	(1,122,467)
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>149,012</u>
Change in net position of governmental activities		<u>\$ 52,181,671</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  
Firemedics

**CITY OF MOBILE, ALABAMA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**SEPTEMBER 30, 2015**

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
<b>ASSETS</b>			
Current assets:			
Cash, equity in pooled cash and investments	\$ 221,200	\$ 9,756,789	\$ 198,648
Receivables (net)	100,679	943,195	1,464,993
Due from other funds	-	-	362,397
Other assets	3,207	11,602	331,958
Inventories	20,258	51,378	181,068
Total current assets	<u>345,344</u>	<u>10,762,964</u>	<u>2,539,064</u>
Capital assets:			
Non-depreciable capital assets	224,350	5,304,966	2,107,142
Depreciable capital assets, net	6,070,094	35,968,220	14,889,762
Total capital assets	<u>6,294,444</u>	<u>41,273,186</u>	<u>16,996,904</u>
Total assets	<u>6,639,788</u>	<u>52,036,150</u>	<u>19,535,968</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	-	-	279,154
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>279,154</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	277,682	419,642	389,243
Unearned revenue	204,413	173,661	-
Employer pension contributions payable	-	-	148,587
Capital lease obligations - current portion	-	-	-
Compensated absences - current portion	-	-	96,638
Insurance claims payable	-	-	-
Due to other funds	-	-	1,292,125
Total current liabilities	<u>482,095</u>	<u>593,303</u>	<u>1,926,593</u>
Long-term liabilities:			
Capital lease obligations - net of current portion	-	-	-
Compensated absences - net of current portion	-	-	349,944
Net pension liability	-	-	3,159,995
Self-insured liability - legal	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>3,509,939</u>
Total liabilities	<u>482,095</u>	<u>593,303</u>	<u>5,436,532</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement receipts	-	-	-
Deferred pension inflows	-	-	1,045,880
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,045,880</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,294,444	41,273,187	16,996,904
Unrestricted (deficit)	(136,751)	10,169,660	(3,664,194)
Total net position	<u>\$ 6,157,693</u>	<u>\$ 51,442,847</u>	<u>\$ 13,332,710</u>

See Accompanying Notes to the Financial Statements.

					Governmental Activities
			Other Enterprise Funds		Internal Service Funds
Municipal Parking Garage	Alabama Cruise Terminal	Firemedics		Totals	
\$ 1,261,438	\$ -	\$ -	\$ 1,141,569	\$ 12,579,644	\$ 3,229,457
235,000	-	1,540,404	12,594	4,296,865	7,937
-	-	-	-	362,397	-
-	-	-	459	347,226	-
-	-	-	130,224	382,928	-
<u>1,496,438</u>	<u>-</u>	<u>1,540,404</u>	<u>1,284,846</u>	<u>17,969,060</u>	<u>3,237,394</u>
1,895,790	-	-	1,457,640	10,989,888	-
<u>3,696,802</u>	<u>16,554,958</u>	<u>34,157</u>	<u>4,681,763</u>	<u>81,895,756</u>	<u>7,981,747</u>
<u>5,592,592</u>	<u>16,554,958</u>	<u>34,157</u>	<u>6,139,403</u>	<u>92,885,644</u>	<u>7,981,747</u>
<u>7,089,030</u>	<u>16,554,958</u>	<u>1,574,561</u>	<u>7,424,249</u>	<u>110,854,704</u>	<u>11,219,141</u>
-	-	1,308,357	-	1,587,511	-
<u>-</u>	<u>-</u>	<u>1,308,357</u>	<u>-</u>	<u>1,587,511</u>	<u>-</u>
-	31,354	888,533	331,795	2,338,249	148,959
-	-	-	200,387	578,461	-
-	-	-	-	148,587	-
-	-	-	-	-	241,359
-	-	-	-	96,638	-
-	-	-	-	-	2,451,800
-	-	-	-	1,292,125	-
<u>-</u>	<u>31,354</u>	<u>888,533</u>	<u>532,182</u>	<u>4,454,060</u>	<u>2,842,118</u>
-	-	-	-	-	247,908
-	-	-	-	349,944	-
-	-	8,582,701	-	11,742,696	-
-	-	-	-	-	1,257,050
<u>-</u>	<u>-</u>	<u>8,582,701</u>	<u>-</u>	<u>12,092,640</u>	<u>1,504,958</u>
<u>-</u>	<u>31,354</u>	<u>9,471,234</u>	<u>532,182</u>	<u>16,546,700</u>	<u>4,347,076</u>
3,864,796	-	-	-	3,864,796	-
<u>-</u>	<u>-</u>	<u>13,767</u>	<u>-</u>	<u>1,059,647</u>	<u>-</u>
<u>3,864,796</u>	<u>-</u>	<u>13,767</u>	<u>-</u>	<u>4,924,443</u>	<u>-</u>
5,592,591	16,554,958	34,157	6,139,403	92,885,644	7,504,099
(2,368,357)	(31,354)	(6,636,240)	752,664	(1,914,572)	(632,034)
<u>\$ 3,224,234</u>	<u>\$ 16,523,604</u>	<u>\$ (6,602,083)</u>	<u>\$ 6,892,067</u>	<u>\$ 90,971,072</u>	<u>\$ 6,872,065</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, 2015**

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
<b>OPERATING REVENUES</b>			
Facility rent	\$ 485,853	\$ 493,624	\$ -
Sales revenue	-	-	-
Parking fees	309,041	121,358	-
User charges	792,054	632,950	992,394
Concessions	247,097	776,346	-
Retiree drug subsidy	-	-	-
Miscellaneous revenue	194,760	98,486	172,394
Cost reimbursement	-	-	-
Total operating revenues	<u>2,028,805</u>	<u>2,122,764</u>	<u>1,164,788</u>
<b>OPERATING EXPENSES</b>			
Personnel services	1,822,808	2,548,678	6,844,764
Commodities	64,686	373,840	1,951,700
Utilities	642,231	573,072	194,944
Cost of goods sold	-	-	-
Professional and technical	303,774	2,648,319	411,019
Maintenance and repairs	12,334	129,679	-
Printing and reproduction	909	1,214	-
Insurance payments	97,597	380,459	709,538
Increase (decrease) in provision for self-insured loss	-	-	-
Event expenses	33,520	77,069	-
Other charges	68,314	423,548	282,131
Depreciation	602,763	1,262,463	1,463,229
Capital outlay	-	103,620	-
Total operating expenses	<u>3,648,936</u>	<u>8,521,961</u>	<u>11,857,325</u>
Operating income (loss)	<u>(1,620,131)</u>	<u>(6,399,197)</u>	<u>(10,692,537)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes	-	11,540,509	-
Investment income	-	-	-
Interest and fee payments	-	-	-
Gain (loss) on disposal of capital assets	(26,577)	(21,597)	(578)
Federal grants	-	-	3,502,088
Damaged vehicles reimbursement	-	-	-
Net nonoperating revenues (expenses)	<u>(26,577)</u>	<u>11,518,912</u>	<u>3,501,510</u>
Net income (loss) before contributions and transfers	(1,646,708)	5,119,715	(7,191,027)
Capital grants and contributions	-	-	488,423
Transfers in	1,009,429	-	8,751,899
Transfers out	-	(7,272,070)	(2,757,073)
Change in net position	(637,279)	(2,152,355)	(707,778)
Net position - beginning of year	6,794,972	53,595,202	17,721,007
Adjustment to beginning net position	-	-	(3,680,519)
Net position - end of year	<u>\$ 6,157,693</u>	<u>\$ 51,442,847</u>	<u>\$ 13,332,710</u>

See Accompanying Notes to the Financial Statements.

					Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Firemedics	Other Enterprise Funds	Totals	Internal Service Funds
\$ 405,092	\$ 297,696	\$ -	\$ 166,159	\$ 1,848,424	\$ -
-	-	-	179,467	179,467	-
-	32,555	-	-	462,954	-
-	-	4,227,342	1,647,368	8,292,108	24,743,179
-	-	-	68,074	1,091,517	-
-	-	-	-	-	349,150
-	16,384	-	73,287	555,311	3,765
-	-	861	861	1,722	-
<u>405,092</u>	<u>346,635</u>	<u>4,228,203</u>	<u>2,135,216</u>	<u>12,431,503</u>	<u>25,096,094</u>
-	156,284	4,279,382	1,615,948	17,267,864	118,898
-	2,062	686,842	307,070	3,386,200	2,621,476
-	143,830	48,834	323,764	1,926,675	37,098
-	20,877	-	137,891	158,768	-
-	73,257	163,161	256,269	3,855,799	2,332,017
-	93,111	20,002	28,253	283,379	-
-	1,366	1,362	868	5,719	-
-	78,735	-	78,772	1,345,101	26,828,073
-	-	-	-	-	87,299
-	-	-	-	110,589	-
38,022	49,743	151,207	136,284	1,149,249	1,639,077
201,644	406,861	2,941	327,989	4,267,890	1,277,810
-	2,046	-	-	105,666	-
<u>239,666</u>	<u>1,028,172</u>	<u>5,353,731</u>	<u>3,213,108</u>	<u>33,862,899</u>	<u>34,941,748</u>
<u>165,426</u>	<u>(681,537)</u>	<u>(1,125,528)</u>	<u>(1,077,892)</u>	<u>(21,431,396)</u>	<u>(9,845,654)</u>
-	-	-	-	11,540,509	-
1,688	-	-	-	1,688	-
-	-	-	-	-	(16,264)
-	-	(39,826)	(1,257)	(89,835)	(88,300)
-	-	-	-	3,502,088	-
-	-	-	-	-	95,336
<u>1,688</u>	<u>-</u>	<u>(39,826)</u>	<u>(1,257)</u>	<u>14,954,450</u>	<u>(9,228)</u>
167,114	(681,537)	(1,165,354)	(1,079,149)	(6,476,946)	(9,854,882)
-	-	-	-	488,423	-
-	281,754	3,093,759	777,338	13,914,179	10,003,894
-	-	-	-	(10,029,143)	-
167,114	(399,783)	1,928,405	(301,811)	(2,103,487)	149,012
3,057,120	16,923,387	(501,012)	7,193,878	104,784,554	6,723,053
-	-	(8,029,476)	-	(11,709,995)	-
<u>\$ 3,224,234</u>	<u>\$ 16,523,604</u>	<u>\$ (6,602,083)</u>	<u>\$ 6,892,067</u>	<u>\$ 90,971,072</u>	<u>\$ 6,872,065</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Mobile Civic Center	Mobile Convention Center	WAVE Transit
<b>Cash flows from operating activities</b>			
Cash received from:			
User charges	\$ 792,054	\$ 632,950	\$ 1,133,989
Sales revenue	-	-	-
Internal billings	-	-	-
Customers and users	-	-	-
Employee contributions	-	-	-
Facility rent	463,321	743,825	-
Parking fees	309,041	121,358	-
Concessions	247,097	776,346	-
Miscellaneous	112,868	98,486	-
Cash payments for insurance claims	-	-	-
Cash payments for operating expenses	(1,099,966)	(4,950,966)	(3,507,828)
Cash payments for internal services	(12,094)	(17,183)	-
Cash payments to employees for services	(1,924,473)	(2,559,521)	(6,838,101)
Net cash provided (used) by operating activities	<u>(1,112,152)</u>	<u>(5,154,705)</u>	<u>(9,211,940)</u>
<b>Cash flows from non-capital financing activities</b>			
Taxes	-	11,604,402	-
Non-capital grants and contributions	-	-	2,475,933
Transfers in from other funds	1,009,429	-	8,685,083
Transfers out to other funds	-	(5,672,071)	(1,632,889)
Retiree drug subsidy	-	-	-
Net cash provided by non-capital financing activities	<u>1,009,429</u>	<u>5,932,331</u>	<u>9,528,127</u>
<b>Cash flows from capital and related financing activities</b>			
Interest payments	-	-	-
Acquisition of capital assets	-	(124,503)	(677,008)
Proceeds from sale of capital assets	-	-	5,963
Reimbursement for damaged vehicles	-	-	-
Payments on capital leases	-	-	-
Capital grants and contributions	-	-	390,394
Net cash used by capital and related financing activities	<u>-</u>	<u>(124,503)</u>	<u>(280,651)</u>
<b>Cash flows from investing activities</b>			
Investment income received	-	-	-
Net cash flows provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	(102,723)	653,123	35,536
Pooled cash and investments - beginning of the year	323,923	9,103,666	163,112
Pooled cash and investments - end of the year	<u>\$ 221,200</u>	<u>\$ 9,756,789</u>	<u>\$ 198,648</u>

See Accompanying Notes to the Financial Statements.

					Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Firemedics	Other Enterprise Funds	Totals	Internal Service Funds
\$ -	\$ 11,674	\$ 3,205,835	\$ 1,675,654	\$ 7,452,156	\$ -
-	-	-	148,930	148,930	-
-	-	-	-	-	18,825,351
-	-	-	-	-	1,225,801
-	-	-	-	-	4,699,141
303,051	284,596	-	168,421	1,963,214	-
-	32,555	-	-	462,954	-
-	-	-	68,074	1,091,517	-
-	16,384	861	85,021	313,620	1,771
-	-	-	-	-	(27,043,874)
(38,023)	(457,028)	(1,008,997)	(1,253,770)	(12,316,578)	(6,099,463)
-	-	(418,251)	(99,329)	(546,857)	-
-	(169,935)	(4,873,207)	(1,509,727)	(17,874,964)	(117,068)
<u>265,028</u>	<u>(281,754)</u>	<u>(3,093,759)</u>	<u>(716,726)</u>	<u>(19,306,008)</u>	<u>(8,508,341)</u>
-	-	-	-	11,604,402	-
-	-	-	-	2,475,933	-
-	281,754	3,093,759	777,338	13,847,363	10,003,894
-	-	-	-	(7,304,960)	-
-	-	-	-	-	349,150
<u>-</u>	<u>281,754</u>	<u>3,093,759</u>	<u>777,338</u>	<u>20,622,738</u>	<u>10,353,044</u>
-	-	-	-	-	(16,264)
-	-	-	(93,610)	(895,121)	(2,335,653)
-	-	-	9,849	15,812	418,101
-	-	-	-	-	95,336
-	-	-	-	-	(234,984)
-	-	-	-	390,394	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(83,761)</u>	<u>(488,915)</u>	<u>(2,073,464)</u>
1,688	-	-	-	1,688	-
<u>1,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,688</u>	<u>-</u>
266,716	-	-	(23,149)	829,503	(228,761)
994,722	-	-	1,164,718	11,750,141	3,458,218
<u>\$ 1,261,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,141,569</u>	<u>\$ 12,579,644</u>	<u>\$ 3,229,457</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, 2015**

	<u>Mobile Civic Center</u>	<u>Mobile Convention Center</u>	<u>WAVE Transit</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (1,620,131)	\$ (6,399,197)	\$ (10,692,537)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	602,763	1,262,463	1,463,229
Noncash expense included in operating income	-	-	246,202
Non-capital financing cash flow included in operating income	-	-	-
Change in assets and liabilities -			
Decrease (increase) in:			
Accounts receivable	(22,532)	156,697	73,215
Materials and supplies	6,132	4,565	(24,411)
Prepaid expenses	855	-	(628)
Increase (decrease) in:			
Accounts payable	(18,665)	(261,894)	(37,471)
Accrued liabilities	-	-	141,406
Payroll payable	21,318	(10,843)	-
Pension liability	-	-	(380,945)
Insurance claims payable	-	-	-
Self-insured liability - legal	-	-	-
Advance collections	(81,892)	93,504	-
Total adjustments	<u>507,979</u>	<u>1,244,492</u>	<u>1,480,597</u>
Net cash provided (used) by operating activities	<u>\$ (1,112,152)</u>	<u>\$ (5,154,705)</u>	<u>\$ (9,211,940)</u>

See Accompanying Notes to the Financial Statements.

					Governmental Activities
Municipal Parking Garage	Alabama Cruise Terminal	Firemedics	Other Enterprise Funds	Totals	Internal Service Funds
\$ 165,426	\$ (681,537)	\$ (1,125,528)	\$ (1,077,892)	\$ (21,431,396)	\$ (9,845,654)
201,643	406,861	2,941	327,989	4,267,889	1,277,810
-	-	(741,364)	-	(495,162)	-
-	-	-	-	-	(349,150)
-	11,674	(1,021,506)	12	(802,440)	7,113
-	-	-	15,230	1,516	-
-	11,203	-	82	11,512	-
-	(3,204)	(83,947)	(4,373)	(409,554)	(227,384)
-	-	-	-	141,406	1,830
-	(13,651)	(124,355)	13,869	(113,662)	-
-	-	-	-	(380,945)	-
-	-	-	-	-	87,300
-	-	-	-	-	539,794
(102,041)	(13,100)	-	8,357	(95,172)	-
99,602	399,783	(1,968,231)	361,166	2,125,388	1,337,313
\$ 265,028	\$ (281,754)	\$ (3,093,759)	\$ (716,726)	\$ (19,306,008)	\$ (8,508,341)

**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, 2015**

	<u>Mobile Public Library</u>	<u>Public Park and Recreation Board</u>	<u>Solid Waste Disposal Authority</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,108,677	\$ 339,147	\$ -	\$ 3,447,824
Receivables:				
Accounts, notes and other - net	74,974	335,045	-	410,019
Non-depreciable capital assets	-	-	248,225	248,225
Depreciable capital assets, net	<u>697,331</u>	<u>144,735</u>	<u>-</u>	<u>842,066</u>
Total assets	<u>\$ 3,880,982</u>	<u>\$ 818,927</u>	<u>\$ 248,225</u>	<u>\$ 4,948,134</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	<u>508,107</u>	<u>937</u>	<u>-</u>	<u>509,044</u>
Total deferred outflows of resources	<u>508,107</u>	<u>937</u>	<u>-</u>	<u>509,044</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 253,038	\$ 196,641	\$ 508,370	\$ 958,049
Due within one year:				
Compensated absences - current portion	53,059	-	-	53,059
Due after one year:				
Compensated absences - net of current portion	509,848	-	-	509,848
Self-insured liability - legal	-	-	6,034,045	6,034,045
Net pension liability	<u>5,132,298</u>	<u>28,412</u>	<u>-</u>	<u>5,160,710</u>
Total liabilities	<u>5,948,243</u>	<u>225,053</u>	<u>6,542,415</u>	<u>12,715,711</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflows	<u>365,002</u>	<u>8,384</u>	<u>-</u>	<u>373,386</u>
Total deferred inflows of resources	<u>365,002</u>	<u>8,384</u>	<u>-</u>	<u>373,386</u>
<b>NET POSITION</b>				
Net investment in capital assets	697,331	144,735	248,225	1,090,291
Unrestricted (deficit)	<u>(2,621,487)</u>	<u>441,692</u>	<u>(6,542,415)</u>	<u>(8,722,210)</u>
Total net position	<u>\$ (1,924,156)</u>	<u>\$ 586,427</u>	<u>\$ (6,294,190)</u>	<u>\$ (7,631,919)</u>

See Accompanying Notes to the Financial Statements.

**CITY OF MOBILE, ALABAMA  
STATEMENT OF ACTIVITIES  
COMPONENTS UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Mobile Public Library</b>				
Culture and recreation	\$ 9,834,332	\$ 671,311	\$ 285,055	\$ 2,183
Total Mobile Public Library	<u>9,834,332</u>	<u>671,311</u>	<u>285,055</u>	<u>2,183</u>
<b>Public Park and Recreation Board</b>				
Culture and recreation	1,013,705	1,114,393	-	-
Total Public Park and Recreation Board	<u>1,013,705</u>	<u>1,114,393</u>	<u>-</u>	<u>-</u>
<b>Solid Waste Disposal Authority</b>				
Public works	(618,711)	71,051	-	-
Total Solid Waste Disposal Authority	<u>(618,711)</u>	<u>71,051</u>	<u>-</u>	<u>-</u>
Total component units	<u>10,229,326</u>	<u>1,856,755</u>	<u>285,055</u>	<u>2,183</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 assets  
 Net assets, beginning  
 Adjustment to beginning net position  
 Net assets, ending

**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>\$ (8,875,783)</u>			<u>\$ (8,875,783)</u>
<u>(8,875,783)</u>			<u>(8,875,783)</u>
	<u>\$ 100,688</u>		<u>100,688</u>
	<u>100,688</u>		<u>100,688</u>
		<u>\$ 689,762</u>	<u>689,762</u>
-	-	<u>689,762</u>	<u>689,762</u>
<u>(8,875,783)</u>	<u>100,688</u>	<u>689,762</u>	<u>(8,085,333)</u>
6,788,077	-	1,059,471	7,847,548
1,238,342	-	-	1,238,342
171,000	-	-	171,000
290,299	-	-	290,299
3,995	-	-	3,995
<u>8,491,713</u>	<u>-</u>	<u>1,059,471</u>	<u>9,551,184</u>
(384,070)	100,688	1,749,233	1,465,851
3,469,532	519,077	(8,043,423)	(4,054,814)
<u>(5,009,618)</u>	<u>(33,338)</u>	<u>-</u>	<u>(5,042,956)</u>
<u>\$ (1,924,156)</u>	<u>\$ 586,427</u>	<u>\$ (6,294,190)</u>	<u>\$ (7,631,919)</u>

See Accompanying Notes to the Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS**

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015**

**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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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.
- 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.

**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, 2015**

**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, 2015**

**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, 2015**

**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.
- Firemedics - This major enterprise fund is used to account for the operations of the firemedics division which provides ambulance services to the general public.
- 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.
- 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, 2015**

**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.

**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, 2015**

**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, 2015**

**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, 2015**

**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, 2015**

**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, 2015**

**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. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

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

**Statement of Cash Flows** - For the purposes of the Statement of Cash Flows, 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, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Pensions**

Refer to Note 9 for additional information on Pensions.

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

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

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

**Adoption of new GASB pronouncements:**

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.

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.

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.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2015:**

GASB Statement No. 72, *Fair Value Measurement and Application*

Issued February 2015, this Statement defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. This Statement is effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*

Issued June 2015, this Statement completes the suite of pension standards. Statement 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statements 67 and 68). The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. This Statement is effective for fiscal years beginning after June 15, 2015 (except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016).

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*

Issued June 2015, this Statement addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2016.

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

Issued June 2015, this Statement requires, among other things, that governments to report a liability on the face of the financial statements for the OPEB that they provide and requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information about their OPEB liabilities. This Statement is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*

Issued June 2015, this Statement reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. The Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement is effective for fiscal years beginning after June 15, 2015.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

GASB Statement No. 77, *Tax Abatement Disclosures*

Issued August 2015, this Statement requires state and local governments, for the first time, to disclose information about tax abatement agreements. It requires governments to disclose information about their own tax abatements separately from information about tax abatements that are entered into by other governments and reduce the reporting government's tax revenues. This Statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*

Issued December 2015, this Statement amends the scope and applicability of GASB 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that: (1) is not a state or local governmental pension plan; (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers; and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement is effective for fiscal years beginning after December 15, 2015.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*

Issued December 2015, this Statement permits qualifying external investment pools to measure pool investments at amortized cost for financial reporting purposes and provides guidance that will allow many pools to continue to qualify for amortized cost accounting. Existing standards provide that external investment pools may measure their investments at amortized cost for financial reporting purposes if they follow substantially all of the provisions of the SEC's Rule 2a7. Likewise, participants in those pools are able to report their investments in the pool at amortized cost per share. GASB 79 replaces the reference in existing GASB literature to Rule 2a7 with criteria that are similar in many respects to those in Rule 2a7. GASB 79 is effective for reporting periods beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 80, *Blending Requirements for Certain Component Units*

Issued January 2016, this Statement clarifies the display requirements in GASB Statement No. 14, The Financial Reporting Entity, by requiring these component units to be blended into the primary state or local government's financial statements in a manner similar to a department or activity of the primary government. The guidance addresses diversity in practice regarding the presentation of not-for-profit corporations in which the primary government is the sole corporate member. This Statement is effective for fiscal years beginning after June 15, 2016.

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

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY**

**Organization**

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

**Reporting Entity**

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

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

Discretely Presented Component Units

• **Mobile Public Library** - The Library is an agency or instrumentality of the City of Mobile. All 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

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)**

• **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.

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.



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY (continued)**

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, 2015. 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, 2015. 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 \$1,305,357 to the Mobile Personnel Board during the fiscal year ended September 30, 2015. The Mobile Personnel Board also receives contributions from all municipalities included within Mobile County as well as from Mobile County. The City has no equity interest in the Mobile Personnel Board. Complete financial statements for the Mobile Personnel Board may be obtained from their administrative office at P.O. Box 66794, Mobile, Alabama 36660-1794.
- **Juvenile Court and Youth Center** - An act was adopted by the Alabama Legislature in 1919 which directs the City to pay one-half of all expenses within thirty days after receiving the bill. During the fiscal year ended September 30, 2014 the City contributed \$2,897,018 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.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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, 2015. At year-end, the carrying amount of the City's deposits was \$122,275,190 and the bank balance was \$122,251,993. Included in the bank balances are certificates of deposit totaling \$8,954,256. Of the total bank balance, \$3,964,409 was covered by Federal Depository Insurance and \$118,287,584 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, 2015, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Money market funds	\$ 48,196,596	0.0027
Sweep accounts	-	0.0027
Certificates of deposit	8,954,256	0.0822
	<u>\$ 57,150,852</u>	

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, 2015, 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.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

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, 2015 consist of the following:

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total Primary Government</b>
<b>Receivables</b>			
Taxes	\$ 18,149,489	\$ 906,467	\$ 19,055,956
Customers and other	1,146,836	7,198,771	8,345,607
Other governmental units	8,763,366	1,227,125	9,990,491
<b>Gross receivables</b>	28,059,691	9,332,363	37,392,054
Allowance for uncollectables	(7,937)	(5,035,498)	(5,043,435)
<b>Net receivables</b>	<b>\$ 28,051,754</b>	<b>\$ 4,296,865</b>	<b>\$ 32,348,619</b>

Substantially all receivables are due in fiscal year 2016.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 5 - INTERFUND TRANSFERS**

Transfers within the reporting entity are substantially for the purposes of subsidizing operating functions. Additional transfers may be made for the purpose of funding capital projects and asset acquisitions and maintaining debt service. 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, 2015, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds		
General Fund		
Capital Improvements Fund	\$ 215,735	\$ 79,769
Other Governmental Funds	3,356,100	922,856
Internal Service Funds	-	10,003,894
Mobile Civic Center	-	1,009,429
Cruise Terminal	-	281,754
WAVE Transit	2,396,360	8,251,899
Other Enterprise Funds	-	3,871,097
Total General Fund	<u>5,968,195</u>	<u>24,420,698</u>
Capital Improvements Fund		
General Fund	79,769	215,735
Other Governmental Funds	3,526,328	16,047,982
WAVE Transit	-	500,000
Mobile Convention Center	<u>1,518,054</u>	-
Total Capital Improvements Fund	<u>5,124,151</u>	<u>16,763,717</u>
Other Governmental Funds		
General Fund	922,856	3,356,100
Capital Improvements Fund	16,047,982	3,526,328
Other Governmental Funds	6,796,564	6,796,564
Mobile Convention Center	4,154,016	-
WAVE Transit	<u>360,713</u>	-
Total Other Governmental Funds	<u>28,282,131</u>	<u>13,678,992</u>
Internal Service Funds		
General Fund	<u>10,003,894</u>	-
Total Internal Service Funds	<u>10,003,894</u>	-
Major Enterprise Funds		
Mobile Civic Center		
General Fund	<u>1,009,429</u>	-
Total Mobile Civic Center	<u>1,009,429</u>	-
Mobile Convention Center		
Capital Improvements Fund	-	<u>1,518,054</u>
Other Governmental Funds	-	<u>4,154,016</u>
Total Mobile Convention Center	-	<u>5,672,070</u>
WAVE Transit		
General Fund	8,251,899	2,396,360
Capital Improvements Fund	500,000	-
Other Governmental Funds	-	<u>360,713</u>
Total WAVE Transit	<u>8,751,899</u>	<u>2,757,073</u>
Alabama Cruise Terminal		
General Fund	<u>281,754</u>	-
Total Alabama Cruise Terminal	<u>281,754</u>	-
Other Enterprise Funds		
General Fund	<u>3,871,097</u>	-
Total Other Enterprise Funds	<u>3,871,097</u>	-
	<u>\$ 63,292,550</u>	<u>\$ 63,292,550</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

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

Interfund receivables and payables at September 30, 2015, are as follows:

	<b>Due To Other Funds</b>	<b>Due From Other Funds</b>
Major Governmental Funds		
General Fund		
WAVE Transit	\$ 362,397	\$ 1,292,125
Total General Fund	362,397	1,292,125
Major Enterprise Funds		
WAVE Transit		
General Fund	1,292,125	362,397
Total WAVE Transit	1,292,125	362,397
	\$ 1,654,522	\$ 1,654,522

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

**NOTE 7 - CAPITAL ASSETS**

Governmental Activities

The following is a summary of changes in capital assets for the year ended September 30, 2015:

	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	
Balance, 10/1/14	\$ 27,258,634	\$ 58,431,064	\$ 10,365,987	\$ 4,116,379	\$ 71,446,433	\$ 112,951,519	\$ 65,985,226	\$ 50,842,062	\$ 522,591,491	\$ 923,988,795
Additions	17,878	7,605,413	10,777,961	359,967	74,665,143	1,912,735	5,864,579	1,819,308	11,497,944	114,520,928
Deductions	(15,925)	(60,077,877)	(8,598,496)	-	(189,100)	(7,458)	(7,352,971)	(11,042,570)	(1,166,245)	(88,450,642)
Balance, 9/30/15	27,260,587	5,958,600	12,545,452	4,476,346	145,922,476	114,856,796	64,496,834	41,618,800	532,923,190	950,059,081
Accumulated Depreciation										
Balance, 10/1/14	-	-	-	-	30,164,448	48,781,627	44,161,051	36,863,033	122,294,650	282,264,809
Additions	-	-	-	-	2,176,560	4,342,904	4,083,351	1,052,276	11,259,898	22,914,989
Deductions	-	-	-	-	(34,366)	(6,712)	(5,852,557)	(9,471,740)	-	(15,365,375)
Balance, 9/30/15	-	-	-	-	32,306,642	53,117,819	42,391,845	28,443,569	133,554,548	289,814,423
Capital Assets, Net	\$ 27,260,587	\$ 5,958,600	\$ 12,545,452	\$ 4,476,346	\$ 113,615,834	\$ 61,738,977	\$ 22,104,989	\$ 13,175,231	\$ 399,368,642	\$ 660,244,658

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 7 - CAPITAL ASSETS (continued)**

Construction in progress consists of the following:

	Balance October 1, 2014	Additions	Deductions	Balance September 30, 2015
GulfQuest Maritime Museum	\$ 56,307,192	\$ 1,857,951	\$ (58,165,143)	\$ -
Police-Renovate 850 St. Anthony Bldg	144,645	-	(144,645)	-
Police-200 Government St. Purchase & Renovate	-	298,387	-	298,387
Municipal Archives Bldg-New Roof	-	136,218	(136,218)	-
Technology Bldg-Replace HVAC System	-	42,286	(42,286)	-
Firestation #11-Roof Replacement	-	261,917	(261,917)	-
Recycle Center-Roof Repair	-	107,606	(107,606)	-
Parks - Herndon Park Improvements	56,653	1,858,041	-	1,914,694
Parks - James Seals Park Improvements	359,569	343,204	-	702,773
Mob Regional Senior Comm Center Flooring	-	-	-	-
Parks - Mardi Gras Park	-	711	-	711
Ft. Conde Welcome Center-Roof Repairs	581,827	10,516	-	592,343
Parks - Medal of Honor Park Tennis Courts	-	86,589	(86,589)	-
Parks - Copeland/Cox Tennis Center Improvements	352,259	90,288	(442,547)	-
Parks - Lyons Park Improvements	-	77	-	77
Parks - Public Safety-Skateboard Park	26,270	332,768	(359,038)	-
Parks - Public Safety-Skateboard Park Restrooms	-	5,214	-	5,214
Hank Aaron Stadium Improvements	-	420,947	-	420,947
Hurtel Street Armory - New Fire Alarm Syst.	27,969	-	(27,969)	-
GIS Aerial Mapping System	-	106,524	-	106,524
New ERP System - MUNIS	62,747	1,419,011	-	1,481,758
Ladd Peebles Stadium Renovation	303,919	-	(303,919)	-
CDBG 2012-Theodore Park Improvements	208,014	50,041	-	258,055
CDBG 2013-Woodcock School Improvements	-	119,504	-	119,504
CDBG 2014-Crawford-Murphy Tennis Courts	-	53,639	-	53,639
CDBG 2014-Crawford-Murphy Walking Trail	-	3,562	-	3,562
CDBG 2014-Figures Park Walking Trail	-	412	-	412
Total	<u>\$ 58,431,064</u>	<u>\$ 7,605,413</u>	<u>\$ (60,077,877)</u>	<u>\$ 5,958,600</u>

As of September 30, 2015, commitments to contractors on capital projects totaled approximately \$18.4 million. Budgeted costs to complete projects in progress totaled approximately \$21.8 million.

Depreciation expense was charged to governmental activities as follows:

General government	\$ 17,569,641
Economic development	1,956
Public safety	2,240,338
Public works	914,871
Culture and recreation	2,175,095
Finance	13,088
Total depreciation expense	<u>\$ 22,914,989</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 7 - CAPITAL ASSETS (continued)**

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2015:

	<u>Capital Assets, Not Depreciated</u>		<u>Capital Assets, Depreciated</u>				<u>Totals</u>
	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Vehicular Equipment</u>	<u>Other Equipment</u>	
Balance, 10/1/14	\$ 10,674,807	\$ 1,896,242	\$ 126,750,424	\$ 17,554,026	\$ 13,566,510	\$ 6,756,176	\$ 177,198,185
Additions	9,690	124,504	101,385	108,814	128,390	211,080	683,863
Deductions	-	(1,715,355)	-	-	(158,308)	(621,038)	(2,494,701)
Balance, 9/30/15	<u>10,684,497</u>	<u>305,391</u>	<u>126,851,809</u>	<u>17,662,840</u>	<u>13,536,592</u>	<u>6,346,218</u>	<u>175,387,347</u>
<i>Accumulated</i>							
<i>Depreciation</i>							
Balance, 10/1/14	-	-	55,213,003	8,825,107	9,549,107	5,646,909	79,234,126
Additions	-	-	2,330,860	728,257	994,857	213,914	4,267,888
Deductions	-	-	-	-	(462,549)	(537,762)	(1,000,311)
Balance, 9/30/15	-	-	<u>57,543,863</u>	<u>9,553,364</u>	<u>10,081,415</u>	<u>5,323,061</u>	<u>82,501,703</u>
Capital Assets, Net	<u>\$ 10,684,497</u>	<u>\$ 305,391</u>	<u>\$ 69,307,946</u>	<u>\$ 8,109,476</u>	<u>\$ 3,455,177</u>	<u>\$ 1,023,157</u>	<u>\$ 92,885,644</u>

Approximately \$5.6 million (cost of \$12.0 million and accumulated depreciation of \$6.4 million) of the Municipal Parking Garage property is leased to others as of September 30, 2015. (See Note 11)

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

Civic center	\$ 602,762
Convention center	1,262,463
Cruise Terminal	406,861
WAVE Transit	1,463,229
Parking garage	201,643
Golf course	137,102
Firemedics	2,941
Tennis center	2,358
Saenger Theater	188,529
Neighborhood renewal program	-
Total depreciation expense	<u>\$ 4,267,888</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 8 - LONG-TERM DEBT**

The general and limited obligation bonds/warrants and notes of the City include the following at September 30, 2015:

\$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	\$ 5,925,000
\$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	42,465,000
\$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	380,000
\$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	49,895,000
\$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	19,050,000
\$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
\$13,715,000; 2011 General Obligation Private Placement Warrants, due annually with interest payable semi-annually 2.84% per annum; maturing February 12, 2026	11,675,000
\$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	2,077,701
Total bonds/warrants payable	<u><u>\$ 267,572,701</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%	\$ 660,000
\$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%	260,000
\$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%	390,000
\$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%	1,640,000
Total notes payable	<u><u>\$ 2,950,000</u></u>



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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
2016		\$ 13,740,736	\$ 12,558,301	\$ 26,299,037
2017		15,511,855	11,958,565	27,470,420
2018		13,950,110	11,309,030	25,259,140
2019		14,590,000	10,622,059	25,212,059
2020		15,320,000	9,907,328	25,227,328
2021-2025		87,155,000	37,588,313	124,743,313
2026-2030		107,305,000	14,255,877	121,560,877
Subtotals		267,572,701	108,199,473	375,772,174
Plus: Bond Premium		2,945,293	(2,945,293)	-
Less: Deferred Bond Discount		(234,948)	234,948	-
Less: Deferred amount on refunding		(3,935,357)	3,935,357	-
Totals		<u>\$ 266,347,689</u>	<u>\$ 109,424,485</u>	<u>\$ 375,772,174</u>
Notes Payable				
2016		\$ 455,000	\$ 111,793	\$ 566,793
2017		485,000	101,283	586,283
2018		375,000	89,038	464,038
2019		250,000	77,561	327,561
2020		260,000	67,328	327,328
2021-2025		1,125,000	168,255	1,293,255
Totals		<u>\$ 2,950,000</u>	<u>\$ 615,258</u>	<u>\$ 3,565,258</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
2016	980,764	36,217	1,016,981
2017	492,519	9,977	502,496
Totals	<u>\$ 1,473,283</u>	<u>\$ 46,194</u>	<u>\$ 1,519,477</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, 2015**

**NOTE 8 - LONG-TERM DEBT (continued)**

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

	Governmental Activities
Vehicles	\$ 5,523,336
Equipment	110,380
Other	88,858
	5,722,574
Less: Accumulated amortization	2,579,284
	\$ 3,143,290

The following is a summary of the changes in liabilities reported in the Statement of Net Position for the year ended September 30, 2015:

	Balance October 1	Additions	Deductions	Balance September 30	Due Within One Year
<u>Governmental Activities</u>					
General and limited obligation					
bonds/warrants	\$ 280,976,411	\$ -	\$ 13,403,710	\$ 267,572,701	\$ 13,740,736
Plus: Bond premium	3,254,593	-	309,300	2,945,293	-
Less: Bond discount	(254,255)	-	(19,307)	(234,948)	-
Total general and limited					
obligation bonds/warrants	283,976,749	-	13,693,703	270,283,046	13,740,736
Notes payable	3,380,000	-	430,000	2,950,000	455,000
Obligations under capital leases	2,424,244	-	950,961	1,473,283	980,764
Compensated absences	13,337,234	1,708,812	2,152,133	12,893,913	2,152,133
Self-insured legal liability	717,256	1,652,140	1,112,346	1,257,050	-
Insurance claims	16,034,719	30,495,256	29,732,938	16,797,037	6,142,300
Landfill postclosure liability	765,740	-	46,111	719,629	47,955
OPEB liability	182,025,000	9,413,000	-	191,438,000	-
Net pension liability	-	149,857,219	-	149,857,219	-
Total governmental					
activities	502,660,942	193,126,427	48,118,192	647,669,177	23,518,888
<u>Business-type Activities</u>					
Compensated absences	419,295	535,062	507,775	446,582	96,638
Net pension liability	-	11,742,696	-	11,742,696	-
Total business-type					
activities	419,295	12,277,758	507,775	12,189,278	96,638
Total primary government	\$ 503,080,237	\$ 205,404,185	\$ 48,625,967	\$ 659,858,455	\$ 23,615,526

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, 2015, the permissible debt limit exceeded actual debt by approximately \$290.4 million.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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 (ERS)	\$ 5,155,542
Police and Firefighters Retirement Plan (PFFRP)	16,354,458
General Municipal Employee Pension Trust Fund (GMEPTF)	<u>9,514</u>
Total	<u><u>\$ 21,519,514</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.

Employees' Retirement System of Alabama

**General Plan Information**

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

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

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

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

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

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

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

Tier 1 and Tier 2 participants vest after 10 years of service. 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 (regardless of age) 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. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service.

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

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

*Membership.* The ERS serves approximately 846 local participating employers. These participating employers include 287 cities, 65 counties, and 494 other public entities. As of September 30, 2014, total ERS membership consisted of:

<u>Category</u>	<u>Members</u>
Retirees and beneficiaries currently receiving benefits	21,691
Terminated employees entitled to but not yet receiving benefits	1,252
Terminated employees not entitled to a benefit	5,048
Active members	<u>55,883</u>
Total	<u><u>83,874</u></u>

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

City of Mobile ERS membership as of September 30, 2014 consisted of:

<u>Category</u>	<u>Members</u>
Inactive members or their beneficiaries	
currently receiving benefits	698
Inactive members entitled to but	
not yet receiving benefits	91
Active members	<u>1,254</u>
Total	<u><u>2,043</u></u>

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

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2015, the City's active employee contribution rate was 5.00% percent of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 10.61% of covered employee payroll.

The City's contractually required contribution rate for Tier 1 employer contributions during fiscal 2015 were based on 11.51% of pensionable pay. Tier 2 employer contributions during fiscal 2015 were based on 9.21% of pensionable pay. These required contribution rates are based upon the actuarial valuation dated September 30, 2013, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total contributions to the Plan in fiscal year 2015 amounted to \$7,509,094 of which \$5,155,542 and \$2,353,552 were made by the City of Mobile and its employees respectively.

**Net Pension Liability**

The City's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2013 rolled forward to September 30, 2014 using standard roll-forward techniques shown in the following table:

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

Total pension liability	
as of September 30, 2013 (a)	\$ 188,754,002
Entry Age Normal Cost for	
October 1, 2013 - September 30, 2014 (b)	3,797,860
Actual Benefit Payments and Refunds for	
October 1, 2013 - September 30, 2014 (c)	(12,939,756)
Total Pension Liability	
as of September 30, 2014	
[(a) x (1.08)] + (b) - [(c) x (1.04)]	\$ 194,194,836

*Actuarial assumptions.* The total pension liability in the September 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75% - 7.25%
Investment rate of return*	8.00%

\*Net of pension plan investment expense

Mortality rates for ERS were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set forward three years for males and two years for females. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disability Mortality Table.

The actuarial assumptions used in the September 30, 2013 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

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

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

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

	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
Fixed income	25.00 %	5.00 %
U.S. large stocks	34.00 %	9.00 %
U.S. mid stocks	8.00 %	12.00 %
U.S. small stocks	3.00 %	15.00 %
International developed market stocks	15.00 %	11.00 %
International emerging market stocks	3.00 %	16.00 %
Real estate	10.00 %	7.50 %
Cash	2.00 %	1.50 %
Total	<u>100.00 %</u>	

\*Includes assumed rate of inflation of 2.50%

*Discount rate.* The discount rate used to measure the total pension liability was the long term rate of return, 8%. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that the employer contribution rates will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the Plan's fiduciary net position were projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a)-(b)</u>
Balances at 9/30/2013	\$ 188,754,002	\$ 133,339,968	\$ 55,414,034
Changes for the year:			
Service cost	3,797,860	-	3,797,860
Interest	14,582,730	-	14,582,730
Differences between expected and actual experience	-	-	-
Contributions-employer	-	4,682,549	(4,682,549)
Contributions-employee	-	2,266,801	(2,266,801)
Net investment income	-	15,642,317	(15,642,317)
Benefit payments, including refunds of employee contributions	(12,939,756)	(12,939,756)	-
Administrative expense	-	-	-
Changes in benefit terms	-	-	-
Changes in assumptions or other inputs	-	-	-
Transfers among employers	-	46,811	(46,811)
Net changes	<u>5,440,834</u>	<u>9,698,721</u>	<u>(4,257,887)</u>
Balances at 9/30/2014	<u>\$ 194,194,836</u>	<u>\$ 143,038,689</u>	<u>\$ 51,156,147</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the City's net pension liability calculated using the discount rate of 8%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7%) or 1-percentage point higher (9%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
	<u>\$</u>	<u>\$</u>	<u>\$</u>
City's Net Pension Liability	70,640,831	51,156,147	34,519,615

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2014. The Plan's fiduciary net position has been determined on the same basis used by the Plan. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2014. The auditor's report dated June 3, 2015 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at [www.rsa-al.gov](http://www.rsa-al.gov).

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

For the year ended September 30, 2015 the City recognized pension expense (income) of \$4,594,951.

Components of pension expense are as follows:

Service Cost	\$	3,797,860
Interest on the total pension liability		14,582,730
Current-period benefit changes		-
Expensed portion of the current-period difference between expected and actual experience		-
Expensed portion of current-period changes of assumptions		-
Member contributions		(2,266,801)
Projected earnings on plan investments		(10,429,454)
Expensed portion of current-period differences between actual and projected earnings on plan investments		(1,042,573)
Transfers among employers		(46,811)
Recognition of beginning deferred outflows as pension expense		-
Recognition of beginning deferred inflows as pension expense		-
Pension Expense (Income)	<u>\$</u>	<u>4,594,951</u>



**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to ERS pension of the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	4,170,290
Employer contributions subsequent to the measurement date*	<u>4,994,771</u>	<u>-</u>
Total	<u>\$ 4,994,771</u>	<u>\$ 4,170,290</u>

\*Employer contributions made from 10/01/2014-09/30/2015, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amounts will be recognized in 2016 as a reduction of the net pension liability.

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

Year ended September 30:	
2016	\$ (3,952,198)
2017	1,042,573
2018	1,042,573
2019	1,042,571
2020	-
Thereafter	-

Police and Firefighters Retirement Plan

**General Plan Information**

*Plan description.* The Police and Firefighters Retirement Plan (PFFRP) is a single-employer defined benefit pension plan. The Plan was established by an Act of the Alabama State Legislature (the Act) on September 2, 1964. Every member of the police and fire departments of the City, except for civilian employees hired on or after April 15, 1985, certain civilian employees hired before April 15, 1985, and certain policemen and firemen who elected not to participate during a temporary period of discretionary participation, participates in the PFFRP.

The responsibilities for general administration of the Plan are entrusted to a Board of Trustees made up of three elected police officers, three elected firefighters, the Executive Director of Financial Services for the City of Mobile and two members appointed by the governing body of the City of Mobile. The Plan's assets are held in trust by The Bank of New York Mellon. Plan benefit provisions were established and may be amended by the Plan's Board of Trustees subject to approval by the City of Mobile City Council. Cost of living adjustments may be provided by the Plan's Board of Trustees after consultation with its actuary and other advisors. Contribution requirements were established and may be amended subject to approval by the Board of Trustees and the City of Mobile City Council. Certain administrative functions are performed by the City. Those employees are not compensated by the Plan nor are they members of the Plan.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

The City may terminate the Plan with consent of the majority of the participants for any reason at any time. In the case of termination, the rights of the participants to their benefits as of the date of termination, to the extent then funded or protected by law, if greater, shall be non-forfeitable.

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

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

Retirement. The Plan provides that a participant, who was hired prior to March 28, 1990, with at least 20 years of service (the last 10 years of which are consecutive) and who has attained 50 years of age, may retire and receive a monthly payment equal to 2.5% of his or her final average salary (average of the highest salary for 36 months of the previous ten years of service) multiplied by the number of years in service and divided by twelve. The benefit, however, cannot exceed 75% of the participant's final average salary. The Plan provides that a participant, who was hired on or after March 28, 1990, with 20 years of service (the last 10 years of which are consecutive) and who has attained 55 years of age, may retire and receive a monthly payment equal to 2.5% of his or her final average salary (average of the highest salary for 60 months of the previous ten years of service) multiplied by the first 20 years of service, and 2.25% of his or her final average salary for years of service in excess of 20 years. The benefit, however, is not to exceed 72.5% of the participant's final average salary.

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

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

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

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

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

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

For the year ended September 30, 2015, the City's active employee contribution rate was 6.54% percent of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 36.04% percent of covered employee payroll. Total contributions to the Plan during fiscal year 2015 amounted to \$19,323,837 of which \$16,354,458 and \$2,969,379 were made by the City of Mobile and its employees respectively. Future contributions from the employer and employees are assumed to be made as legally required.

*Membership.* Participation in the Plan as of October 1, 2014, according to the latest actuarial valuations, was comprised of the following:

<u>Category</u>	<u>Members</u>
Active members:	
Regular active members	974
DROP program members	36
Inactive employees and beneficiaries	
currently receiving benefits:	
Retired - service retirement	537
Retired - disability retirement	38
Retired - beneficiaries	143
Inactive employees entitled to but	
not yet receiving a benefit:	
Deferred vested members	<u>13</u>
Total	<u>1,741</u>

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

**Net Pension Liability**

The City's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2013 rolled forward to September 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement.

*Actuarial assumptions.*

Discount rate	7.32%
Investment rate of return, net of pension plan investment expense, including inflation	7.00%
Inflation	2.75%
Salary increases	3.00%
Cost-of-living increases	2.50% (only for those who retired during the period October 1, 1977 through April 14, 1985)

The actuarial assumptions used in the October 1, 2013 valuation were based on results of an actuarial experience study for the period October 1, 2004 through September 30, 2013.

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

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

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

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

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

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

	Target Allocation	Long-Term Expected Rate of Return
Broad equity markets	5.00 %	6.01 %
Domestic large cap equity	28.00 %	6.91 %
Domestic mid cap equity	9.50 %	8.91 %
Domestic small cap equity	9.50 %	5.01 %
International equity	10.00 %	3.31 %
Domestic fixed equity	25.00 %	0.81 %
Alternative investments	13.00 %	7.51 %
Total	<u>100.00 %</u>	

**Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2013	\$ 257,102,718	\$ 141,783,412	\$ 115,319,306
Changes for the year:			
Service cost	1,542,522	-	1,542,522
Interest	18,287,147	10,354,694	7,932,453
Unexpected investment income	-	215,103	(215,103)
Demographic experience	-	-	-
Contributions-employer	-	14,950,855	(14,950,855)
Contributions-employee	-	2,945,173	(2,945,173)
Benefit payments, including refunds of employee contributions	(17,958,800)	(18,448,874)	490,074
Administrative expense	-	(110,549)	110,549
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Net changes	<u>1,870,869</u>	<u>9,906,401</u>	<u>(8,035,532)</u>
Balances at 9/30/2014	<u>\$ 258,973,587</u>	<u>\$ 151,689,814</u>	<u>\$ 107,283,773</u>

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

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

	<u>1% Decrease (6.32%)</u>	<u>Current Discount Rate (7.32%)</u>	<u>1% Increase (8.32%)</u>
City's Net Pension Liability	\$ 137,280,890	\$ 107,283,773	\$ 82,792,796

*Pension plan fiduciary net position.* Detailed information about the Plan's fiduciary net position is available in the separately issued annual financial report. The Plan's fiduciary net position has been determined on the same basis used by the Plan and is equal to the market value of assets calculated under the accrual basis of accounting.

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

For the year ended September 30, 2015 the City recognized pension expense (income) of \$7,087,404.

Components of pension expense are as follows:

Service Cost	\$	1,542,522
Expected interest growth		7,932,453
Investment gain/loss		(43,021)
Demographic gain/loss		-
Employee contributions		(2,945,173)
Benefit payments and refunds		490,074
Administrative expenses		110,549
Changes in benefit terms		-
Changes in assumptions or other inputs		-
Pension Expense (Income)		<u>\$ 7,087,404</u>

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to PFFRP of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2013	\$ -	\$ -
Investment gain/loss	-	172,082
Demographic gain/loss	-	-
Changes in assumptions or other inputs	-	-
Employer contributions subsequent to the measurement date*	16,354,458	-
Balance as of September 30, 2014	<u>\$ 16,354,458</u>	<u>\$ 172,082</u>

\*Employer contributions made from 10/01/2014-09/30/2015, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amounts will be recognized in 2016 as a reduction of the net pension liability.

Amounts reported as deferred outflows of resources and deferred inflows of resources to PFFRP pension will be recognized in pension expense as follows:

Year ended September 30:	
2016	\$ (16,311,437)
2017	43,021
2018	43,021
2019	43,019
2020	-
Thereafter	-

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, 2015, 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, 2015, the City has determined that an actuarial update is not required due to the discontinuance of participation in the Plan, stable actuarial assumptions, the annual diminishment of the estimated pension liability resulting from benefit payments, the relative insignificance and immateriality of the Plan to the financial position and results of operation of the City. Benefits paid by the City under the GMEPTF during the year ended September 30, 2015 were \$9,514.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

Transit Workers Pension Plan

**General Plan Information**

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

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

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

*Benefits provided.* The Plan provides retirement benefits as well as death and disability benefits. Members vest after 5 years of service. Employees attaining the earlier of age 60 or completing 25 or more creditable years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Participants receive credited service for all periods of full-time covered employment as well as for the period during which the participant was a member of the ERS, including periods of purchased creditable service under the ERS, as well as for the period beginning with the date the participant was no longer an active member of ERS and ending on June 30, 2002. Members receive payments based on 2.0125% of average monthly compensation (best 3 of the last 10 years) multiplied by credited service, offset by the monthly accrued benefit payable from the ERS and attributable to service recognized as credited service under the Plan. The Plan permits early retirement at the age of 60 upon completion of 5 years of creditable service.

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



**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9 - RETIREMENT PLANS AND OTHER EMPLOYEE BENEFITS (continued)**

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

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

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

For the year ended September 30, 2015, the City's active employee contribution rate was 5.61% percent of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 10.39% percent of covered employee payroll. Total contributions to the pension plan during plan fiscal year 2015 amounted to \$622,560 of which \$404,160 and \$218,400 were made by the City of Mobile and the Wave Transit employees respectively. Future contributions from the employer and employees are assumed to be made as legally required.

*Membership.* Participation in the Plan as of July 1, 2015, according to the latest actuarial valuations, was comprised of the following:

<u>Category</u>	<u>Members</u>
Inactive employees and beneficiaries	
currently receiving benefits	28
Inactive employees entitled to but not	
yet receiving benefits	7
Active employees	124
Total	<u>159</u>

**Net Pension Liability**

The City's net pension liability was measured as of July 1, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015.

*Actuarial assumptions.*

Discount rate	4.75%
Inflation	2.00%
Salary increases	4.00%
Cost-of-living increases	None assumed

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

The discount rate used to measure the total pension liability was 4.75 percent. The project of cash flows used to determine the discount rate assumed that Plan contributions will be made as legally required. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments to determine the total pension liability.

Mortality rates were based on the sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of the Internal Revenue Code (IRC) section 430. Future generational improvements in mortality have not been reflected. Retirement is assumed to occur at normal retirement age. Assumed employment termination is based on the Scale 255 table. Assumed disability is based on the Wyatt 1985 Disability Study (Class 2).

Since the prior measurement date, the mortality basis was changed from a 2014 projection of the RP-2000 Mortality Table to a 2015 projection.

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

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

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

**Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 7/01/2014	\$ 13,140,203	\$ 10,039,980	\$ 3,100,223
Changes for the year:			
Service cost	916,967	-	916,967
Interest	658,586	-	658,586
Net investment income	-	228,476	(228,476)
Differences between expected and actual experience	(610,015)	-	(610,015)
Contributions-employer	-	404,160	(404,160)
Contributions-employee	-	218,400	(218,400)
Benefit payments, including refunds of employee contributions	(388,894)	(316,249)	(72,645)
Administrative expense	-	(17,915)	17,915
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Net changes	<u>576,644</u>	<u>516,872</u>	<u>59,772</u>
Balances at 7/01/2015	<u>\$ 13,716,847</u>	<u>\$ 10,556,852</u>	<u>\$ 3,159,995</u>

*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the City's total pension liability calculated using the discount rate of 8%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.75%) or 1-percentage point higher (5.75%) than the current rate:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
City's Net Pension Liability	\$ 5,148,835	\$ 3,159,995	\$ 1,532,019

*Pension Plan fiduciary net position.* The Plan issues a stand-alone financial report each year, which contains information about the Plan's fiduciary net position. The Plan's fiduciary net position has been determined on the same basis used by the Plan and is equal to the market value of assets calculated under the accrual basis of accounting. This report is available to the public at the Plan's administrative office: Human Resources Department, The Wave Transit System, 1224 West I-65 Service Road South, Mobile, AL 36609, (251) 344-6600.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

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

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

For the year ended September 30, 2015 the City recognized pension expense (income) of \$650,362.

Components of pension expense are as follows:

Service Cost	\$	916,967
Expected interest growth		174,917
Investment gain/loss		(72,424)
Demographic gain/loss		(95,968)
Employee contributions		(218,400)
Benefit payments and refunds		(72,645)
Administrative expenses		17,915
Changes in benefit terms		-
Changes in assumptions or other inputs		-
Pension Expense (Income)		<u>\$ 650,362</u>

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to WTPP of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2014	\$ -	\$ 655,296
Amortization payments	(51,039)	(219,431)
Investment gain/loss	255,193	-
Demographic gain/loss	-	610,015
Changes in assumptions or other inputs	-	-
Employer contributions subsequent to the measurement date*	75,000	-
Balance as of September 30, 2015	<u>\$ 279,154</u>	<u>\$ 1,045,880</u>

\*Employer contributions made from 7/01/2015-09/30/2015, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amounts will be recognized in 2016 as a reduction of the net pension liability.

Amounts reported as deferred outflows of resources and deferred inflows of resources to WTPP pension will be recognized in pension expense as follows:

2016	\$	93,392
2017		168,392
2018		168,391
2019		44,931
2020		95,968
Thereafter		195,652

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 2015, those costs totaled approximately \$6,892,546 and the liability for incurred and not paid claims totaled \$2,294,100.

*Eligible Individuals:*

Eligible individuals include all regular, full-time employees of the City who were hired prior to 2015 and their spouses and dependent children who are covered on the date of the employee's retirement, disability, or death, as applicable. General employees must be age 60 with at least 10 years of service with the City out of the last 12 years of employment or any age with at least 25 years of service, of which at least the last 10 years were in active employment with the City and at least 20 years were under the Mobile County Merit System. Alternatively, general employees with at least 10 years of service who become eligible for a disability pension under the Retirement System of Alabama (RSA) will also be eligible for coverage. Police and fire employees must be age 50 (if hired prior to March 28, 1990) or age 55 (otherwise) with at least 20 years of service or must become eligible for a disability pension from the Police and Firefighters Retirement Plan. Alternatively, police and fire employees who terminate their employment prior to retirement, but who have earned at least 20 years of service, will also be eligible for coverage, provided 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 2015, retirees have been assumed to make monthly contributions equal to \$69 for single coverage and \$178 for family coverage. COBRA contributions for the same period have been assumed to be \$354 per month for single coverage and \$939 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, 2015**

**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, 2015
Annual OPEB Cost	\$ 19,811,000
Employer Contributions	(10,196,000)
Interest on Employer Contributions	(202,000)
Increase in the Net OPEB Obligation	9,413,000
Net OPEB Obligation, beginning of year	182,025,000
Net OPEB Obligation, end of year	\$ 191,438,000

*Development of the Annual OPEB Cost:*

ARC	\$ 28,272,000
Interest on the Net OPEB Obligation	7,281,000
Adjustment to the ARC	(15,742,000)
Total Annual OPEB Cost	\$ 19,811,000

Trend information for the OPEB Plan:

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed	Annual OPEB Cost	% Contributed
September 30, 2013	\$ 40,337,000	21%	\$ 34,293,000	25%
September 30, 2014	\$ 41,899,000	20%	\$ 34,655,000	24%
September 30, 2015	\$ 28,272,000	37%	\$ 19,811,000	52%

*Funding Status and Funding Progress*

As of September 30, 2015, the actuarial accrued liability for benefits was \$216,074,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$83,153,000 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 259.9 percent.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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, 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%
October 1, 2015	\$ -	\$ 216,074,000	\$ 216,074,000	0%	\$ 83,153,000	259.9%

*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, 2015
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)

Changes from Prior Valuation. Several changes have been made since the prior valuation. Certain changes are highlighted below:

- (1) The expected healthcare claims for Medicare-eligible individuals was replaced with the insurance premiums expected to be charged by the carrier for the Medicare supplement policy.
- (2) Retiree contributions prior to age 65 have been increased by the healthcare cost trend rates.
- (3) Retiree contributions after age 65 have been increased in an amount that is sufficient to keep the City's portion of the Medicare supplement premium at the current level.
- (4) Employees hired after 2015 have been excluded from the valuation.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

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

Healthcare cost trend rate(s):	<b>Medical</b>	<b>Dental</b>
Select rates	8% for 2015/16 graded to 5.5% for 2020/21	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, 2015:

Activity	Restricted By	Amount
Capital Projects	Enabling Legislation	\$ 1,421,993
Capital Projects	Legal Restriction	7,201,602
Debt Service	Legal Restriction	382,829
Economic Development	Enabling Legislation	10,392,185
Grant Programs	Grant Agreements	1,897,365
		\$ 21,295,974

**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, 2015**

**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, 2015 was \$3,864,796 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 \$405,092 for fiscal year 2015 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, 2015.

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 \$1,257,050 and \$4,940,050. Consequently, the City has accrued at September 30, 2015, the lesser of the range equal to \$1,257,050. Loss contingencies categorized as "reasonably possible" range between \$300,000 and \$630,000.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)**

Governmental Funds Encumbrances

Major Governmental Funds:

General Fund	\$ 1,238,624
Capital Improvements Fund	5,752,619
Governmental Funds - Non-Major	<u>189,686</u>
Total Governmental Funds Encumbrances	<u>\$ 7,180,929</u>

Encumbrances for the year ended September 30, 2015 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 \$1,257,050 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, 2015 is \$14,345,237.

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, 2015 is \$2,451,800.

**CITY OF MOBILE, ALABAMA  
NOTES TO THE FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015**

**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				
2013-2014	\$ 1,124,845	\$ 789,584	\$ 1,197,173	\$ 717,256
2014-2015	\$ 717,256	\$ 1,652,140	\$ 1,112,346	\$ 1,257,050
Employee Health				
2013-2014	\$ 1,757,400	\$ 27,974,660	\$ 27,367,560	\$ 2,364,500
2014-2015	\$ 2,364,500	\$ 26,915,373	\$ 26,828,073	\$ 2,451,800
Workers' Compensation				
2013-2014	\$ 11,343,822	\$ 5,844,975	\$ 3,518,578	\$ 13,670,219
2014-2015	\$ 13,670,219	\$ 3,579,883	\$ 2,904,865	\$ 14,345,237

**NOTE 14 - FUNDS DEFICITS OF NON-MAJOR FUNDS**

Deficits in net position/fund balance of non-major funds at September 30, 2015, are as follows:

Internal Service Fund	
Employee Health Fund	\$ 2,454,800
Insurance Fund	\$ 382,653

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**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, 2015, 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 \$719,629 reported in the Statement of Net Position as a landfill postclosure liability at September 30, 2015 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 for the period of June 15, 2014 through October 13, 2017 with the terms and conditions requiring an annual renewal of the agreement.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 17 - FUND BALANCE**

The components of fund balance for the City's governmental funds as of September 30, 2015 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
<b>Nonspendable:</b>						
Inventory	\$ 2,602,208	\$ -	\$ -	\$ -	\$ -	\$ 2,602,208
Prepaid Items	10,000	-	-	-	-	10,000
<b>Restricted for:</b>						
Grants	-	-	1,897,365	-	-	1,897,365
Debt Service	-	-	-	382,829	-	382,829
Capital Projects	-	-	-	-	11,237,290	11,237,290
Road and Bridge Construction	-	-	110,735	-	-	110,735
Road and Bridge Repair	-	-	1,460,134	-	-	1,460,134
Law Enforcement	-	-	336,459	-	-	336,459
<b>Committed for:</b>						
Tax Increment Program	-	-	10,365,142	-	-	10,365,142
Flood Management	-	-	-	-	83,928	83,928
<b>Assigned for:</b>						
Economic Development	-	-	27,043	-	-	27,043
Designated and Donated Funds	1,018,844	-	-	-	-	1,018,844
General Fund Encumbrances	1,238,624	-	-	-	-	1,238,624
Athletic Fund	67,643	-	-	-	-	67,643
Municipal Court	-	-	1,348,629	-	-	1,348,629
Capital Improvements Fund	-	33,049,858	-	-	-	33,049,858
Strategic Plan Fund	-	-	-	-	10,154,041	10,154,041
<b>Unassigned</b>	<u>37,421,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,421,124</u>
Total Fund Balance	<u>\$ 42,358,443</u>	<u>\$ 33,049,858</u>	<u>\$15,545,507</u>	<u>\$ 382,829</u>	<u>\$21,475,259</u>	<u>\$ 112,811,896</u>

**NOTE 18 - PRIOR PERIOD ADJUSTMENTS**

Statement of Net Position - Capital Assets

During the current year, the City discovered that three construction in progress assets were not properly capitalized in the financial statements for the year ended September 30, 2014. The amounts for these three projects was capitalized by the City and increased beginning net position of governmental activities by a total of \$351,262 as follows:

GIS/Aerial Mapping System \$92,402

Police Building - 200 Government Street purchase & renovate \$198,078

Firestation #11 roof replacement \$60,782

Statement of Net Position - Employees' Retirement System of Alabama

During the current year, the City implemented GASB 68 and 71. With the implementation of these standards, certain changes in accounting principles have been applied retrospectively. Thus, net position has been restated for changes made to comply with these standards as follows:

Increase beginning net position of governmental activities by \$4,682,549 to record the beginning deferred outflow of resources for fiscal year 2014 contributions made after the beginning measurement date (10/01/2013-09/30/2014) based on GASB 71.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 18 - PRIOR PERIOD ADJUSTMENTS (continued)**

Decrease beginning net position of governmental activities by \$55,414,034 to adjust the prior period to record the proportionate share of the net pension liability

Total net decrease to beginning net position of Governmental Activities was \$50,731,485.

Statement of Net Position - Police and Firefighters Retirement Plan

During the current year, the City implemented GASB 68 and 71. With the implementation of these standards, certain changes in accounting principles have been applied retrospectively. Thus, net position has been restated for changes made to comply with these standards as follows:

Increase beginning net position of governmental activities by \$13,754,787 to record the beginning deferred outflow of resources for fiscal year 2014 contributions made after the beginning measurement date (10/01/2013-09/30/2014) based on GASB 71.

Increase beginning net position of business-type activities of the Firemedics Fund by \$1,196,068 to record the beginning deferred outflow of resources for fiscal year 2014 contributions made after the beginning measurement date (10/01/2013-09/30/2014) based on GASB 71.

Decrease beginning net position of governmental activities by \$106,093,762 to adjust the prior period to record the proportionate share of the net pension liability

Decrease beginning net position of business-type activities of the Firemedics Fund by \$9,225,544 to adjust the prior period to record the proportionate share of the net pension liability

Decrease beginning net position of governmental activities by \$75,600,575 to eliminate the beginning GASB 27 negative net pension obligation (asset) as of September 30, 2014.

Total net decrease to beginning net position of Governmental Activities was \$167,939,550.

Total net decrease to beginning net position of the Firemedics Fund was \$8,029,476.

Statement of Net Position - Transit Workers Pension Plan

During the current year, the City implemented GASB 68 and 71. With the implementation of these standards, certain changes in accounting principles have been applied retrospectively. Thus, net position has been restated for changes made to comply with these standards as follows:

Increase beginning net position of business-type activities of the WAVE Transit Fund by \$75,000 to record the beginning deferred outflow of resources for fiscal year 2014 contributions made after the beginning measurement date (07/01/2014-09/30/2014) based on GASB 71.

Decrease beginning net position of business-type activities of the WAVE Transit Fund by \$3,100,223 to adjust the prior period to record the proportionate share of the net pension liability

Decrease beginning net position of business-type activities of the WAVE Transit Fund by \$655,296 to record the beginning outflow of resources as of July 1, 2014.

Total net decrease to beginning net position for the WAVE Transit Fund was \$3,680,519.

**CITY OF MOBILE, ALABAMA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2015**

**NOTE 19 – SUBSEQUENT EVENTS**

On February 11, 2016 the City issued \$39,402,060, General Obligation Private Placement Warrants Series 2016 with interest of 2.59% per annum. The Series 2016 Warrants were issued for the purpose of refunding the City's General Obligation Refunding and Improvement Warrants, Series 2006.

Simultaneously with the sale and issuance of the Series 2016 Warrants, the City entered into a trust agreement requiring the City to deposit with a bank trustee (Escrow Trustee) certain monies out of the principal proceeds to be derived by the City from the sale of the Series 2016 Warrant plus other money of the City. The amount of \$40,164,422 was transferred to the Escrow Trustee to provide for the redemption and prepayment of the Series 2006 Warrants.

Substantially all of such monies are required to be invested by the Escrow Trustee in United States Treasury obligations. On March 2, 2016, the 2006 Series Warrants were called at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The debt issuance decreased total debt service payments over the next 15 years by \$7,562,112.

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



## **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

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted Amounts		Actual (Budgetary	Variance with Final Budget Positive/
	Original	Final	Basis)	(Negative)
<b>Revenues</b>				
Taxes	\$ 179,727,387	\$ 179,727,387	\$ 184,738,770	\$ 5,011,383
Licenses and permits	36,064,306	36,064,306	35,916,918	(147,388)
Intergovernmental	-	-	102,817	102,817
Charges for services	7,546,928	7,546,928	7,191,940	(354,988)
Fines and forfeitures	2,939,000	2,939,000	2,498,100	(440,900)
State and federal assistance	70,000	70,000	125,436	55,436
Interest	60,000	60,000	46,700	(13,300)
Miscellaneous (other)	50,000	50,000	408,889	358,889
Total revenues	<u>226,457,621</u>	<u>226,457,621</u>	<u>231,029,570</u>	<u>4,571,949</u>
<b>Expenditures</b>				
<b>Departmental</b>				
<b>General government</b>				
Archives	322,002	333,462	264,827	68,635
City clerk	595,453	596,114	516,502	79,612
City council	499,181	509,730	427,432	82,298
City hall overhead	4,969,370	4,969,756	5,432,012	(462,256)
Geographical information system	745,744	746,509	631,271	115,238
Legal	1,297,559	1,304,909	1,082,486	222,423
Mayor's office	714,264	722,559	726,842	(4,283)
Mayor's office of strategic initiatives	-	-	177	(177)
Municipal information technology	3,526,309	3,599,887	3,440,739	159,148
Planning and development	437,608	438,708	296,996	141,712
Telecommunications	-	-	(40,193)	40,193
Urban development	3,967,505	3,977,716	3,259,919	717,797
City council discretionary funds	280,000	200,231	199,492	739
Total general government	<u>17,354,995</u>	<u>17,399,581</u>	<u>16,238,502</u>	<u>1,161,079</u>
<b>Economic development</b>				
Community affairs	315,149	315,149	304,386	10,763
Historic development	446,971	447,392	262,866	184,526
Mobile film office	176,459	176,459	171,441	5,018
Special events	476,360	489,424	470,803	18,621
Total economic development	<u>1,414,939</u>	<u>1,428,424</u>	<u>1,209,496</u>	<u>218,928</u>
<b>Public safety</b>				
Animal shelter	911,589	936,051	814,048	122,003
Fire	29,517,850	29,618,895	29,036,546	582,349
Mobile metro jail	8,736,007	8,736,007	8,114,749	621,258
Municipal court	2,197,643	2,198,126	1,980,321	217,805
Police	43,428,457	43,574,551	41,604,285	1,970,266
Public safety administration	207,384	207,384	144,287	63,097
Safety and performance	213,493	217,605	183,249	34,356
Total public safety	<u>85,212,423</u>	<u>85,488,619</u>	<u>81,877,485</u>	<u>3,611,134</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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive/ (Negative)
Departmental (Continued)				
Public works				
Administration	\$ 955,690	\$ 993,691	\$ 864,579	\$ 129,112
Architectural engineering	1,423,652	1,423,746	1,296,816	126,930
Asphalt street repair	716,349	729,682	658,471	71,211
Concrete and sidewalk repair	1,462,110	1,490,176	1,286,561	203,615
Dredge	751,734	752,615	703,428	49,187
Electrical	2,240,777	2,252,824	2,044,081	208,743
Engineering	2,377,617	2,382,970	1,875,585	507,385
Environmental services	-	-	(2,460)	2,460
Flood control	1,558,848	1,562,187	1,479,438	82,749
Keep mobile beautiful	351,573	351,648	243,149	108,499
Landfill	37,100	37,406	21,621	15,785
Mechanical systems	1,744,928	1,762,009	1,602,179	159,830
Municipal enforcement	-	-	(398)	398
Municipal garage	9,768,568	9,861,810	7,906,649	1,955,161
Public buildings	2,296,004	2,301,446	2,051,735	249,711
Public service administration	213,098	213,133	205,096	8,037
Real estate asset management	181,597	181,597	107,739	73,858
Real estate office	241,089	241,409	237,038	4,371
Right-of-way maintenance	664,231	666,209	552,689	113,520
Street sweeping	454,001	454,039	485,041	(31,002)
Storm drain & heavy equipment	1,160,918	1,161,097	976,488	184,609
Solid waste	3,945,786	3,945,807	3,778,252	167,555
Traffic engineering	1,470,941	1,480,305	1,331,201	149,104
Trash	3,738,892	3,739,372	3,511,324	228,048
Total public works	<u>37,755,503</u>	<u>37,985,178</u>	<u>33,216,302</u>	<u>4,768,876</u>
Culture and recreation				
Community activities	822,349	794,858	687,651	107,207
History museum	1,248,267	1,257,645	1,210,039	47,606
Mobile museum of art	2,096,485	2,111,581	1,817,639	293,942
Mobile regional senior community center	454,514	457,997	432,329	25,668
Parks and cemeteries	1,969,407	1,992,389	2,049,815	(57,426)
Parks and recreation director	150,061	150,061	147,533	2,528
Parks maintenance	4,380,566	4,810,913	4,244,277	566,636
Recreation	2,651,088	2,570,713	2,119,823	450,890
Recreation - athletics	846,632	848,595	860,401	(11,806)
Special activities	962,033	954,042	917,924	36,118
Total culture and recreation	<u>15,581,402</u>	<u>15,948,794</u>	<u>14,487,431</u>	<u>1,461,363</u>
Finance				
Accounting	800,414	802,595	759,227	43,368
Budget	246,286	246,297	173,019	73,278
Finance administration	461,224	461,268	462,503	(1,235)
Human resources	355,266	355,297	307,953	47,344
Inventory control	468,108	468,873	361,344	107,529
Payroll	248,494	248,568	238,774	9,794
Police and fire pension	219,926	219,926	214,427	5,499
Purchasing	415,963	421,357	436,322	(14,965)
Revenue	2,142,041	2,149,662	1,894,459	255,203
Treasury	357,718	358,783	316,816	41,967
Total finance	<u>5,715,440</u>	<u>5,732,626</u>	<u>5,164,844</u>	<u>567,782</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, 2015**

	Budgeted Amounts		Actual (Budgetary)	Variance with Final Budget Positive/
	Original	Final	Basis)	(Negative)
Attrition savings	\$ (1,442,066)	\$ (1,442,066)	\$ -	\$ (1,442,066)
Reserve for retirement	2,000,000	2,000,000	2,357,100	(357,100)
Total departmental expenditures	<u>163,592,636</u>	<u>164,541,156</u>	<u>154,551,160</u>	<u>9,989,996</u>
Nondepartmental				
Mandated activities				
Board of health	600,000	600,000	600,000	-
Juvenile court and youth center	3,400,000	3,400,000	2,897,018	502,982
Personnel board	1,368,438	1,368,438	1,305,357	63,081
Total mandated activities	<u>5,368,438</u>	<u>5,368,438</u>	<u>4,802,375</u>	<u>566,063</u>
Joint activities				
Board of equalization	7,152	7,152	5,353	1,799
Emergency management	436,116	436,116	436,107	9
Mobile legislative delegation	4,490	4,519	3,680	839
Total joint activities	<u>447,758</u>	<u>447,787</u>	<u>445,140</u>	<u>2,647</u>
Agencies				
Solid waste disposal authority	1,600,000	1,600,000	1,059,470	540,530
Public library	6,788,077	6,788,077	6,788,077	-
Total agencies	<u>8,388,077</u>	<u>8,388,077</u>	<u>7,847,547</u>	<u>540,530</u>
Employee cost				
Employee education	120,000	120,000	32,634	87,366
Employees' pension	120,412	120,412	119,734	678
Police and firefighter's retirement	8,904,772	8,904,772	8,343,419	561,353
Retired employees insurance	5,043,012	5,043,012	5,020,516	22,496
Unemployment compensation	75,000	75,000	53,594	21,406
Workmen's compensation	4,048,600	4,048,811	3,450,025	598,786
Total employee cost	<u>18,311,796</u>	<u>18,312,007</u>	<u>17,019,922</u>	<u>1,292,085</u>
Other				
Athletic fund	154,000	154,000	35,113	118,887
Contractual	3,017,140	3,017,140	2,963,240	53,900
Dues	375,453	375,453	292,453	83,000
Fire insurance	2,000,000	2,000,000	1,405,093	594,907
General miscellaneous	130,000	131,186	285,590	(154,404)
Interest payments	-	-	43,766	(43,766)
Total other	<u>5,676,593</u>	<u>5,677,779</u>	<u>5,025,255</u>	<u>652,524</u>
Total nondepartmental expenditures	<u>38,192,662</u>	<u>38,194,088</u>	<u>35,140,239</u>	<u>3,053,849</u>
Total expenditures	<u>201,785,298</u>	<u>202,735,244</u>	<u>189,691,399</u>	<u>13,043,845</u>
Excess (deficiency) of revenues over expenditures	<u>24,672,323</u>	<u>23,722,377</u>	<u>41,338,171</u>	<u>17,615,794</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, 2015**

	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary	Final Budget
			Basis)	Positive/ (Negative)
<b>Other financing sources (uses):</b>				
Transfers in	\$ 3,375,500	\$ 3,395,735	\$ 5,968,195	\$ 2,572,460
Transfers out	(23,540,678)	(23,620,447)	(24,420,698)	(800,251)
Sales of general capital assets	-	-	13,025	13,025
Total other financing sources (uses)	(20,165,178)	(20,224,712)	(18,439,478)	1,785,234
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,507,145	3,497,665	22,898,693	\$ 19,401,028
Fund balances				
Beginning of year			18,221,126	
End of year			\$ 41,119,819	
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			\$ 22,898,693	
Encumbrances outstanding at September 30, 2015			1,238,624	
Encumbrances outstanding at September 30, 2014			(1,008,876)	
Net change in fund balance per the statement of revenues, expenditures, and changes in fund balance			\$ 23,128,441	

**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, 2015**

**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, 2015:

GAAP expenditures	\$ 189,461,651
Encumbrances at:	
September 30, 2015	1,238,624
September 30, 2014	<u>(1,008,876)</u>
Budgetary expenditures	<u><u>\$ 189,691,399</u></u>

For the fiscal year ended September 30, 2015, general fund budgetary appropriations exceeded expenditures by \$13,043,845.

**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, 2015	\$ 41,119,819
Add encumbrances:	
Function	
General government	87,064
Economic development	37,814
Public safety	326,442
Public works	649,869
Culture and recreation	103,043
Finance	32,858
Other	<u>1,534</u>
Total encumbrances	<u>1,238,624</u>
Fund balance - GAAP basis at September 30, 2015	<u><u>\$ 42,358,443</u></u>

## **RSI – PENSION PLANS**

### Required Supplementary Information

#### Employees' Retirement System of Alabama

Schedule of Changes in the Net Pension Liability and Related Ratios

Schedule of Employer Contributions

#### Police and Firefighters Retirement Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

Schedule of Employer Contributions

#### Transit Workers Pension Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

Schedule of Employer Contributions

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

	<b>2014</b>
<b>Total pension liability</b>	
Service cost	\$ 3,797,860
Interest	14,582,730
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit Payments, including refunds of employee contributions	<u>(12,939,756)</u>
<b>Net change in total pension liability</b>	5,440,834
<b>Total pension liability - beginning</b>	<u>188,754,002</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 194,194,836</u></u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 4,682,549
Contributions - member	2,266,801
Net investment income	15,642,317
Benefit payments, including refunds of employee contributions	(12,939,756)
Transfers among employers	<u>46,811</u>
<b>Net change in plan fiduciary net position</b>	9,698,721
<b>Plan net position - beginning</b>	<u>133,339,968</u>
<b>Plan net position - ending (b)</b>	<u><u>\$ 143,038,689</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 51,156,147
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.66%
<b>Covered-employee payroll*</b>	\$ 45,476,596
<b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	112.49%

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



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

	2015
Actuarially determined contribution**	\$ 4,994,771
Contributions in relation to the actuarially determined contribution*	4,994,771
Contribution deficiency (excess)	\$ -
Covered-employee payroll***	47,096,079
Contributions as a percentage of covered-employee payroll	10.61%

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

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

\*\*\* The covered-payroll during the fiscal year is the total payroll paid to covered employees (not just pensionable payroll).

**NOTES TO SCHEDULE**

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

Contributions for fiscal year 2015 were based on the September 30, 2012 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	30 years
Asset valuation method	Five year smoothed market
Inflation	3.00%
Salary increases	3.75 - 7.25%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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

	<b>2014</b>
<b>Total pension liability</b>	
Service cost	\$ 1,542,522
Interest	18,287,147
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit Payments, including refunds of employee contributions	<u>(17,958,800)</u>
<b>Net change in total pension liability</b>	1,870,869
<b>Total pension liability - beginning</b>	<u>257,102,718</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 258,973,587</u></u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 14,950,855
Contributions - member	2,945,173
Net investment income	10,307,058
Benefit payments, including refunds of employee contributions	(18,186,135)
Administrative expenses	<u>(110,549)</u>
<b>Net change in plan fiduciary net position</b>	9,906,402
<b>Plan net position - beginning</b>	<u>141,783,412</u>
<b>Plan net position - ending (b)</b>	<u><u>\$ 151,689,814</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 107,283,773
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	58.57%
<b>Covered-employee payroll*</b>	\$ 45,243,611
<b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	237.12%

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

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

	2015
Actuarially determined contribution**	\$ 16,354,458
Contributions in relation to the actuarially determined contribution*	<u>16,354,458</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Covered-employee payroll***	45,376,269
Contributions as a percentage of covered-employee payroll	36.04%

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

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

\*\*\* The covered-payroll during the fiscal year is the total payroll paid to covered employees (not just pensionable payroll).

**NOTES TO SCHEDULE**

Contributions for fiscal year 2015 were based on the October 1, 2014 actuarial valuation.

Actuarially determined contribution rates are calculated as of September 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

There were no changes in benefit provisions or actuarial assumptions as of the actuarial valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Asset valuation method	Open 5-year smoothed market
Inflation	2.75%
Salary increases	3.00% per annum
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.
Mortality rates	RP-2000 Mortality Table

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

	<b>2015</b>
<b>Total pension liability</b>	
Service cost	\$ 916,967
Interest	658,586
Changes of benefit terms	-
Differences between expected and actual experience	(610,015)
Changes of assumptions	-
Benefit Payments, including refunds of employee contributions	(388,894)
<b>Net change in total pension liability</b>	<u>576,644</u>
<b>Total pension liability - beginning</b>	<u>13,140,203</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 13,716,847</u></u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 404,160
Contributions - member	218,400
Net investment income	228,476
Benefit payments, including refunds of employee contributions	(318,619)
Administrative expenses	(17,915)
<b>Net change in plan fiduciary net position</b>	<u>514,502</u>
<b>Plan net position - beginning</b>	<u>10,042,350</u>
<b>Plan net position - ending (b)</b>	<u><u>\$ 10,556,852</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 3,159,995
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	76.96%
<b>Covered-employee payroll*</b>	\$ 3,891,061
<b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	81.21%

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

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

	2015	2014	2013	2012
Actuarially determined contribution**	\$ 404,160	\$ 785,105	\$ 580,620	\$ 1,274,751
Contributions in relation to the actuarially determined contribution*	<u>404,160</u>	<u>785,105</u>	<u>580,620</u>	<u>1,274,751</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll***	3,891,061	3,679,642	3,650,777	3,681,811
Contributions as a percentage of covered-employee payroll	10.39%	21.34%	15.90%	34.62%

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

\*\*\* The covered-payroll during the fiscal year is the total payroll paid to covered employees (not just pensionable payroll).

**NOTES TO SCHEDULE**

Contributions for fiscal year 2015 were based on the July 1, 2014 actuarial valuation.

Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are reported.

There were no changes in benefit provisions or actuarial assumptions as of the actuarial valuation date.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Asset valuation method	Open 5-year smoothed market
Inflation	2.00%
Salary increases	4.00% per annum
Investment rate of return	4.75%, net of pension plan investment expense, including inflation.
Mortality rates	RP-2000 Mortality Table

2011	2010	2009	2008	2007	2006
\$ 861,901	\$ 695,577	\$ 745,342	\$ 300,000	\$ 300,000	\$ 261,810
861,901	695,577	745,342	300,000	300,000	261,810
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,671,711	3,452,194	3,468,543	3,280,678	2,733,052	2,766,040
23.47%	20.15%	21.49%	9.14%	10.98%	9.47%

## **COMBINING FINANCIAL STATEMENTS**

**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
(BY FUND TYPE)  
SEPTEMBER 30, 2015**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 14,789,211	\$ 382,778	\$ 20,647,514	\$ 35,819,503
Restricted cash - capital purchases	-	51	83,435	83,486
Receivables (net)	2,586,468	-	943,111	3,529,579
Total assets	<u>\$ 17,375,679</u>	<u>\$ 382,829</u>	<u>\$ 21,674,060</u>	<u>\$ 39,432,568</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,184,252	\$ -	\$ 198,801	\$ 1,383,053
Unearned revenue	631,121	-	-	631,121
Escrowed funds liability	14,799	-	-	14,799
Total liabilities	<u>1,830,172</u>	<u>-</u>	<u>198,801</u>	<u>2,028,973</u>
<b>FUND BALANCES</b>				
Restricted	3,804,693	382,829	11,237,290	15,424,812
Committed	10,365,142	-	83,928	10,449,070
Assigned	1,375,672	-	10,154,041	11,529,713
Total fund balances	<u>15,545,507</u>	<u>382,829</u>	<u>21,475,259</u>	<u>37,403,595</u>
Total liabilities and fund balances	<u>\$ 17,375,679</u>	<u>\$ 382,829</u>	<u>\$ 21,674,060</u>	<u>\$ 39,432,568</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, 2015**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non-major Governmental Funds
<b>Revenues</b>				
Taxes	\$ 7,559,013	\$ -	\$ 10,510,273	\$ 18,069,286
Licenses and permits	-	-	3,248,652	3,248,652
State and federal assistance	6,698,413	-	1,651,230	8,349,643
Interest	263	211	15,050	15,524
Charges for services	12,225	-	194,696	206,921
Fines and forfeitures	1,279,707	-	-	1,279,707
Other revenue	179,364	-	600,000	779,364
Total revenues	<u>15,728,985</u>	<u>211</u>	<u>16,219,901</u>	<u>31,949,097</u>
<b>Expenditures</b>				
Current:				
General government	5,187,404	-	-	5,187,404
Public safety	3,169,445	-	-	3,169,445
Public works	61,504	-	-	61,504
Nondepartmental	2,554,687	-	-	2,554,687
Capital outlay	1,482,085	-	7,311,264	8,793,349
Debt service:				
Principal payments	359,999	13,403,711	-	13,763,710
Interest and fee payments	110,435	12,370,987	78,221	12,559,643
Total expenditures	<u>12,925,559</u>	<u>25,774,698</u>	<u>7,389,485</u>	<u>46,089,742</u>
Excess (deficiency) of revenues over expenditures	<u>2,803,426</u>	<u>(25,774,487)</u>	<u>8,830,416</u>	<u>(14,140,645)</u>
<b>Other financing sources (uses)</b>				
Proceeds from disposal of assets	37,359	-	-	37,359
Transfers in	1,772,478	26,509,653	-	28,282,131
Transfers out	(2,267,091)	(1,071,359)	(10,340,545)	(13,678,995)
Total other financing sources (uses)	<u>(457,254)</u>	<u>25,438,294</u>	<u>(10,340,545)</u>	<u>14,640,495</u>
Net change in fund balance	2,346,172	(336,193)	(1,510,129)	499,850
Fund balances - beginning of year	13,199,335	719,022	22,985,388	36,903,745
Fund balances - end of year	<u>\$ 15,545,507</u>	<u>\$ 382,829</u>	<u>\$ 21,475,259</u>	<u>\$ 37,403,595</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, 2015**

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 1,457,252	\$ 49,669	\$ 148,667	\$ 1,655,588
Receivables (net)	123,858	61,066	213,731	398,655
Total assets	<u>\$ 1,581,110</u>	<u>\$ 110,735</u>	<u>\$ 362,398</u>	<u>\$ 2,054,243</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 241,883	\$ -	\$ 220,626	\$ 462,509
Accrued payroll	-	-	-	-
Retainage payable	27,969	-	-	27,969
Unearned revenue	-	-	-	-
Escrowed funds liability	-	-	-	-
Total liabilities	<u>269,852</u>	<u>-</u>	<u>220,626</u>	<u>490,478</u>
Fund Balances:				
Restricted	1,311,258	110,735	141,772	1,563,765
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	<u>1,311,258</u>	<u>110,735</u>	<u>141,772</u>	<u>1,563,765</u>
Total liabilities and fund balances	<u>\$ 1,581,110</u>	<u>\$ 110,735</u>	<u>\$ 362,398</u>	<u>\$ 2,054,243</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>
\$ -	\$ 27,043	\$ 10,365,142	\$ 301,117	\$ 264,059	\$ 441,212
7,104	-	-	749,687	671,700	730,997
<u>\$ 7,104</u>	<u>\$ 27,043</u>	<u>\$ 10,365,142</u>	<u>\$ 1,050,804</u>	<u>\$ 935,759</u>	<u>\$ 1,172,209</u>
\$ -	\$ -	\$ -	\$ 152,654	\$ 227,699	\$ 33,851
-	-	-	23,765	-	-
-	-	-	17,499	160,019	-
-	-	-	593,241	-	37,880
-	-	-	-	14,799	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>787,159</u>	<u>402,517</u>	<u>71,731</u>
7,104	-	-	263,645	533,242	1,100,478
-	-	10,365,142	-	-	-
-	27,043	-	-	-	-
<u>7,104</u>	<u>27,043</u>	<u>10,365,142</u>	<u>263,645</u>	<u>533,242</u>	<u>1,100,478</u>
<u>\$ 7,104</u>	<u>\$ 27,043</u>	<u>\$ 10,365,142</u>	<u>\$ 1,050,804</u>	<u>\$ 935,759</u>	<u>\$ 1,172,209</u>

**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2015**

	<u>Drug Enforcement Fund</u>	<u>Court Referral Officers Program</u>	<u>Municipal Court Judicial Admin Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 337,786	\$ 239,993	\$ 1,157,271	\$ 14,789,211
Receivables (net)	-	28,325	-	2,586,468
Total assets	<u>\$ 337,786</u>	<u>\$ 268,318</u>	<u>\$ 1,157,271</u>	<u>\$ 17,375,679</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,327	\$ 76,960	\$ -	\$ 955,000
Accrued payroll	-	-	-	23,765
Retainage payable	-	-	-	205,487
Unearned revenue	-	-	-	631,121
Escrowed funds liability	-	-	-	14,799
Total liabilities	<u>1,327</u>	<u>76,960</u>	<u>-</u>	<u>1,830,172</u>
Fund Balances:				
Restricted	336,459	-	-	3,804,693
Committed	-	-	-	10,365,142
Assigned	-	191,358	1,157,271	1,375,672
Total fund balances	<u>336,459</u>	<u>191,358</u>	<u>1,157,271</u>	<u>15,545,507</u>
Total liabilities and fund balances	<u>\$ 337,786</u>	<u>\$ 268,318</u>	<u>\$ 1,157,271</u>	<u>\$ 17,375,679</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, 2015**

	Gasoline Tax Funds			
	4 Cent Gasoline Tax	5 Cent Gasoline Tax	7 Cent Gasoline Tax	Total
<b>Revenues</b>				
Taxes	\$ 1,327,629	\$ 653,883	\$ 2,288,588	\$ 4,270,100
State and federal assistance	-	-	-	-
Fines and forfeitures	-	-	-	-
User charges	-	-	-	-
Interest	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>1,327,629</u>	<u>653,883</u>	<u>2,288,588</u>	<u>4,270,100</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Nondepartmental				
Gas	-	-	48,991	48,991
Electricity	-	-	2,496,648	2,496,648
Professional and technical	-	-	-	-
Total nondepartmental	<u>-</u>	<u>-</u>	<u>2,545,639</u>	<u>2,545,639</u>
Capital outlay				
Construction	1,002,040	-	-	1,002,040
Testing	35,798	-	-	35,798
Engineering	31,765	-	-	31,765
Other	-	-	-	-
Total capital outlay	<u>1,069,603</u>	<u>-</u>	<u>-</u>	<u>1,069,603</u>
Debt service				
Principal payments	-	-	-	-
Interest and fee payments	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,069,603</u>	<u>-</u>	<u>2,545,639</u>	<u>3,615,242</u>
Excess (deficiency) of revenues over expenditures	258,026	653,883	(257,051)	654,858
<b>Other financing sources (uses)</b>				
Transfers in	-	-	547,856	547,856
Transfers out	-	(600,000)	(137,812)	(737,812)
Proceeds from disposal of assets	-	-	-	-
Net change in fund balance	258,026	53,883	152,993	464,902
Fund balances - beginning of year	<u>1,053,232</u>	<u>56,852</u>	<u>(11,221)</u>	<u>1,098,863</u>
Fund balances - end of year	<u>\$ 1,311,258</u>	<u>\$ 110,735</u>	<u>\$ 141,772</u>	<u>\$ 1,563,765</u>

Fuel Inspection Fees	Economic Development	Tax Increment	General Activities Grants	Housing and Urban Development Grants	Public Safety Grants
\$ 82,478	\$ -	\$ 3,206,435	\$ -	\$ -	\$ -
-	-	-	877,212	4,050,889	1,430,871
-	-	-	-	-	67,014
-	-	-	-	-	12,225
-	18	-	-	-	158
-	1,403	-	177,941	-	20
<u>82,478</u>	<u>1,421</u>	<u>3,206,435</u>	<u>1,055,153</u>	<u>4,050,889</u>	<u>1,510,288</u>
-	-	-	1,423,294	3,764,110	-
-	-	-	-	-	1,667,560
-	-	-	61,504	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,048	-	-	-
-	-	<u>9,048</u>	-	-	-
-	-	157,829	-	-	-
-	-	-	-	-	-
-	-	248,498	-	-	-
-	6,155	-	-	-	-
-	<u>6,155</u>	<u>406,327</u>	-	-	-
-	-	-	-	359,999	-
-	-	1,500	-	108,935	-
-	-	<u>1,500</u>	-	<u>468,934</u>	-
-	6,155	416,875	1,484,798	4,233,044	1,667,560
82,478	(4,734)	2,789,560	(429,645)	(182,155)	(157,272)
-	-	-	537,692	420,831	266,099
(81,070)	-	(922,075)	(105,229)	(420,834)	(71)
-	-	-	-	-	37,359
1,408	(4,734)	1,867,485	2,818	(182,158)	146,115
5,696	31,777	8,497,657	260,827	715,400	954,363
<u>\$ 7,104</u>	<u>\$ 27,043</u>	<u>\$ 10,365,142</u>	<u>\$ 263,645</u>	<u>\$ 533,242</u>	<u>\$ 1,100,478</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, 2015**

	Drug Enforcement Fund	Court Referral Officers Program	Municipal Court Judicial Admin Fund	Total
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 7,559,013
State and federal assistance	-	339,441	-	6,698,413
Fines and forfeitures	351,326	550,425	310,942	1,279,707
User charges	-	-	-	12,225
Interest	87	-	-	263
Other revenue	-	-	-	179,364
Total revenues	<u>351,413</u>	<u>889,866</u>	<u>310,942</u>	<u>15,728,985</u>
<b>Expenditures</b>				
Current				
General government	-	-	-	5,187,404
Public safety	399,420	1,102,465	-	3,169,445
Public works	-	-	-	61,504
Nondepartmental				
Gas	-	-	-	48,991
Electricity	-	-	-	2,496,648
Professional and technical	-	-	-	9,048
Total nondepartmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,554,687</u>
Capital outlay				
Construction	-	-	-	1,159,869
Testing	-	-	-	35,798
Engineering	-	-	-	280,263
Other	-	-	-	6,155
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,482,085</u>
Debt service				
Principal payments	-	-	-	359,999
Interest and fee payments	-	-	-	110,435
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>470,434</u>
Total expenditures	<u>399,420</u>	<u>1,102,465</u>	<u>-</u>	<u>12,925,559</u>
Excess (deficiency) of revenues over expenditures	(48,007)	(212,599)	310,942	2,803,426
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	1,772,478
Transfers out	-	-	-	(2,267,091)
Proceeds from disposal of assets	-	-	-	37,359
Net change in fund balance	(48,007)	(212,599)	310,942	2,346,172
Fund balances - beginning of year	384,466	403,957	846,329	13,199,335
Fund balances - end of year	<u>\$ 336,459</u>	<u>\$ 191,358</u>	<u>\$ 1,157,271</u>	<u>\$ 15,545,507</u>



**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2015**

<u>Program/Project Name</u>	Project Cost Prior Years	Current Activity	Total Project to September 30 2015
4 Cent Gasoline Tax Fund			
Resurfacing projects	\$ 34,250	\$ 1,103,547	\$ 1,137,797
Total 4 cent gasoline tax fund	<u>34,250</u>	<u>1,103,547</u>	<u>1,137,797</u>
Tax Increment Fund			
GulfQuest maritime museum	2,628,631	157,829	2,786,460
Water St - Complete St design & constr	-	245,000	245,000
Infra-ADA modifications	-	3,498	3,498
Tax increment financing	-	10,548	10,548
Total tax increment fund	<u>2,628,631</u>	<u>416,875</u>	<u>3,045,506</u>
Total special revenue funds projects	<u>\$ 2,662,881</u>	<u>\$ 1,520,422</u>	<u>\$ 4,183,303</u>

## Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ 1,101,999	\$ -	\$ 35,798
-	1,101,999	-	35,798
-	-	-	2,786,460
-	245,000	-	-
-	3,498	-	-
-	-	10,548	-
-	248,498	10,548	2,786,460
\$ -	\$ 1,350,497	\$ 10,548	\$ 2,822,258

## **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, 2015**

	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
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$ -	\$ 122,749	\$ -	\$ 4,048	\$ 3,050	\$ -
Restricted cash - capital purchases	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 122,749</u>	<u>\$ -</u>	<u>\$ 4,048</u>	<u>\$ 3,050</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Total liabilities	-	-	-	-	-	-
Fund balances						
Restricted	-	122,749	-	4,048	3,050	-
Total fund balances	-	122,749	-	4,048	3,050	-
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 122,749</u>	<u>\$ -</u>	<u>\$ 4,048</u>	<u>\$ 3,050</u>	<u>\$ -</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
\$ -	\$ 2,900	\$ 811	\$ 82,678	\$ 166,375	\$ 167	\$ -	\$ 382,778
-	-	-	-	-	-	51	51
<u>\$ -</u>	<u>\$ 2,900</u>	<u>\$ 811</u>	<u>\$ 82,678</u>	<u>\$ 166,375</u>	<u>\$ 167</u>	<u>\$ 51</u>	<u>\$ 382,829</u>
-	-	-	-	-	-	-	-
-	2,900	811	82,678	166,375	167	51	382,829
-	2,900	811	82,678	166,375	167	51	382,829
<u>\$ -</u>	<u>\$ 2,900</u>	<u>\$ 811</u>	<u>\$ 82,678</u>	<u>\$ 166,375</u>	<u>\$ 167</u>	<u>\$ 51</u>	<u>\$ 382,829</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, 2015**

	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
<b>Revenues</b>						
Interest	\$ -	\$ 123	\$ -	\$ -	\$ 2	\$ -
Total revenues	<u>-</u>	<u>123</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>-</u>
<b>Expenditures</b>						
Principal payments	-	-	580,000	2,835,000	365,000	-
Interest	-	-	341,825	2,156,100	29,475	2,492,900
Interest reimbursement	-	-	-	-	-	-
Bank fees	-	-	250	1,873	20	985
Total expenditures	<u>-</u>	<u>-</u>	<u>922,075</u>	<u>4,992,973</u>	<u>394,495</u>	<u>2,493,885</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>123</u>	<u>(922,075)</u>	<u>(4,992,973)</u>	<u>(394,493)</u>	<u>(2,493,885)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	922,075	4,991,100	394,475	2,492,900
Transfers out	<u>(359)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(359)</u>	<u>-</u>	<u>922,075</u>	<u>4,991,100</u>	<u>394,475</u>	<u>2,492,900</u>
Net change in fund balances	(359)	123	-	(1,873)	(18)	(985)
Fund balances - beginning of year	<u>359</u>	<u>122,626</u>	<u>-</u>	<u>5,921</u>	<u>3,068</u>	<u>985</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 122,749</u>	<u>\$ -</u>	<u>\$ 4,048</u>	<u>\$ 3,050</u>	<u>\$ -</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
\$ -	\$ -	\$ -	\$ -	\$ 17	\$ -	\$ 69	\$ 211
-	-	-	-	17	-	69	211
6,350,000	-	-	-	218,714	2,040,000	1,014,997	13,403,711
3,517,866	2,742,600	1,020,150	391,266	4,677	365,787	44,086	13,106,732
-	-	(330,628)	(244,954)	(170,565)	-	-	(746,147)
618	3,477	1,613	1,613	-	12	(59)	10,402
9,868,484	2,746,077	691,135	147,925	52,826	2,405,799	1,059,024	25,774,698
(9,868,484)	(2,746,077)	(691,135)	(147,925)	(52,809)	(2,405,799)	(1,058,955)	(25,774,487)
9,867,866	2,742,600	1,020,150	391,271	222,346	2,405,787	1,059,083	26,509,653
-	-	(681,000)	(377,000)	(13,000)	-	-	(1,071,359)
9,867,866	2,742,600	339,150	14,271	209,346	2,405,787	1,059,083	25,438,294
(618)	(3,477)	(351,985)	(133,654)	156,537	(12)	128	(336,193)
618	6,377	352,796	216,332	9,838	179	(77)	719,022
\$ -	\$ 2,900	\$ 811	\$ 82,678	\$ 166,375	\$ 167	\$ 51	\$ 382,829

## 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, 2015**

	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
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$ 9,295,471	\$ 80	\$ 106,634	\$ 7,025,968	\$ 942,680	\$ 583,455
Restricted cash - capital purchases	-	-	-	-	-	-
Receivables (net)	943,111	-	-	-	-	-
Total assets	<u>\$ 10,238,582</u>	<u>\$ 80</u>	<u>\$ 106,634</u>	<u>\$ 7,025,968</u>	<u>\$ 942,680</u>	<u>\$ 583,455</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 84,541	\$ -	\$ -	\$ 41,370	\$ -	\$ -
Retainage payable	-	-	-	450	-	-
Total liabilities	<u>84,541</u>	<u>-</u>	<u>-</u>	<u>41,820</u>	<u>-</u>	<u>-</u>
Fund balances						
Restricted	-	80	106,634	6,984,148	942,680	583,455
Committed	-	-	-	-	-	-
Assigned	<u>10,154,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>10,154,041</u>	<u>80</u>	<u>106,634</u>	<u>6,984,148</u>	<u>942,680</u>	<u>583,455</u>
Total liabilities and fund balances	<u>\$ 10,238,582</u>	<u>\$ 80</u>	<u>\$ 106,634</u>	<u>\$ 7,025,968</u>	<u>\$ 942,680</u>	<u>\$ 583,455</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>
\$ -	\$ 134,935	\$ 133,526	\$ 83,928	\$ 516,415	\$ 1,210,336	\$ 326,633	\$ 114,546
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 134,935</u>	<u>\$ 133,526</u>	<u>\$ 83,928</u>	<u>\$ 516,415</u>	<u>\$ 1,210,336</u>	<u>\$ 326,633</u>	<u>\$ 114,546</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,354	\$ -	\$ -
-	-	-	-	-	56,282	-	(6,196)
-	-	-	-	-	78,636	-	(6,196)
-	134,935	133,526	-	516,415	1,131,700	326,633	120,742
-	-	-	83,928	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>134,935</u>	<u>133,526</u>	<u>83,928</u>	<u>516,415</u>	<u>1,131,700</u>	<u>326,633</u>	<u>120,742</u>
<u>\$ -</u>	<u>\$ 134,935</u>	<u>\$ 133,526</u>	<u>\$ 83,928</u>	<u>\$ 516,415</u>	<u>\$ 1,210,336</u>	<u>\$ 326,633</u>	<u>\$ 114,546</u>

**CITY OF MOBILE, ALABAMA  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
SEPTEMBER 30, 2015**

	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
<b>ASSETS</b>					
Cash, equity in pooled cash and investments	\$ -	\$ 142,897	\$ 20,492	\$ 9,518	\$ 20,647,514
Restricted cash - capital purchases	-	-	-	83,435	83,435
Receivables (net)	-	-	-	-	943,111
Total assets	<u>\$ -</u>	<u>\$ 142,897</u>	<u>\$ 20,492</u>	<u>\$ 92,953</u>	<u>\$ 21,674,060</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 148,265
Retainage payable	-	-	-	-	50,536
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,801</u>
Fund balances					
Restricted	-	142,897	20,492	92,953	11,237,290
Committed	-	-	-	-	83,928
Assigned	-	-	-	-	10,154,041
Total fund balances	<u>-</u>	<u>142,897</u>	<u>20,492</u>	<u>92,953</u>	<u>21,475,259</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 142,897</u>	<u>\$ 20,492</u>	<u>\$ 92,953</u>	<u>\$ 21,674,060</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
<b>Revenues</b>						
Sales tax	\$ 4,005,528	\$ -	\$ -	\$ -	\$ -	\$ -
Lease/rental - tax	2,287,315	-	-	-	-	-
Motor fuel - tax	2,332,905	-	-	-	-	-
Room - tax	1,884,525	-	-	-	-	-
Business license	3,248,652	-	-	-	-	-
State and federal assistance	-	-	-	1,651,230	-	-
Interest	8,837	-	71	3,694	1,264	251
Other revenue	600,000	-	-	-	-	-
Charges for services	194,696	-	-	-	-	-
Total revenues	<u>14,562,458</u>	<u>-</u>	<u>71</u>	<u>1,654,924</u>	<u>1,264</u>	<u>251</u>
<b>Expenditures</b>						
Current						
Debt service						
Interest and fee payments	-	135	-	72,593	-	-
Capital outlay						
Capitalized equipment	630,945	-	-	9,624	-	-
Right-of-way and realty	-	-	-	3,198	778	901
Testing	-	-	-	514	340	1,642
Engineering	-	-	-	15,567	35,282	24,654
Architectural	-	-	-	17,539	-	-
Commodities	50,250	-	-	356,303	-	-
Construction	5,783	-	-	781,972	303,003	250,734
Professional services	1,406,898	-	37,365	129,895	-	59,421
Other	1,395,317	-	-	(575)	-	(70)
Total capital outlay	<u>3,489,193</u>	<u>-</u>	<u>37,365</u>	<u>1,314,037</u>	<u>339,403</u>	<u>337,282</u>
Total expenditures	<u>3,489,193</u>	<u>135</u>	<u>37,365</u>	<u>1,386,630</u>	<u>339,403</u>	<u>337,282</u>
Excess (deficiency) of revenues over expenditures	<u>11,073,265</u>	<u>(135)</u>	<u>(37,294)</u>	<u>268,294</u>	<u>(338,139)</u>	<u>(337,031)</u>
<b>Other financing sources (uses)</b>						
Transfers out	(9,945,815)	-	-	(394,475)	-	-
Total other financing sources (uses)	<u>(9,945,815)</u>	<u>-</u>	<u>-</u>	<u>(394,475)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,127,450	(135)	(37,294)	(126,181)	(338,139)	(337,031)
Fund balances - beginning 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>
Fund balances - end of year	<u>\$ 10,154,041</u>	<u>\$ 80</u>	<u>\$ 106,634</u>	<u>\$ 6,984,148</u>	<u>\$ 942,680</u>	<u>\$ 583,455</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1	-	-	42	87	341	247	114
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1</u>	<u>-</u>	<u>-</u>	<u>42</u>	<u>87</u>	<u>341</u>	<u>247</u>	<u>114</u>
-	-	-	-	1,774	171	3,548	-
-	-	-	-	-	36,129	-	-
-	4,115	-	-	1,089	728	261	-
-	-	-	-	463	-	-	-
-	74,339	-	-	76,804	89,113	-	-
-	-	-	-	-	-	8,614	7,350
-	-	-	-	-	672,215	3,016	-
-	183,150	-	-	222,166	127,543	1,850	34,129
-	62,620	-	-	110,076	67,050	336	-
-	-	-	-	-	1,788	-	-
-	<u>324,224</u>	<u>-</u>	<u>-</u>	<u>410,598</u>	<u>994,566</u>	<u>14,077</u>	<u>41,479</u>
-	<u>324,224</u>	<u>-</u>	<u>-</u>	<u>412,372</u>	<u>994,737</u>	<u>17,625</u>	<u>41,479</u>
<u>1</u>	<u>(324,224)</u>	<u>-</u>	<u>42</u>	<u>(412,285)</u>	<u>(994,396)</u>	<u>(17,378)</u>	<u>(41,365)</u>
<u>(250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(250)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(249)</u>	<u>(324,224)</u>	<u>-</u>	<u>42</u>	<u>(412,285)</u>	<u>(994,396)</u>	<u>(17,378)</u>	<u>(41,365)</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>
<u>\$ -</u>	<u>\$ 134,935</u>	<u>\$ 133,526</u>	<u>\$ 83,928</u>	<u>\$ 516,415</u>	<u>\$ 1,131,700</u>	<u>\$ 326,633</u>	<u>\$ 120,742</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
<b>Revenues</b>					
Sales tax	\$ -	\$ -	\$ -	\$ -	\$ 4,005,528
Lease/rental - tax	-	-	-	-	2,287,315
Motor fuel - tax	-	-	-	-	2,332,905
Room - tax	-	-	-	-	1,884,525
Business license	-	-	-	-	3,248,652
State and federal assistance	-	-	-	-	1,651,230
Interest	5	72	8	16	15,050
Other revenue	-	-	-	-	600,000
Charges for services	-	-	-	-	194,696
Total revenues	<u>5</u>	<u>72</u>	<u>8</u>	<u>16</u>	<u>16,219,901</u>
<b>Expenditures</b>					
Current					
Debt service					
Interest and fee payments	-	-	-	-	78,221
Capital outlay					
Capitalized equipment	-	-	-	-	676,698
Right-of-way and realty	-	-	-	-	11,070
Testing	-	-	-	-	2,959
Engineering	-	-	-	-	315,759
Architectural	-	-	-	-	33,503
Commodities	-	-	-	-	1,081,784
Construction	9,040	-	-	-	1,919,370
Professional services	-	-	-	-	1,873,661
Other	-	-	-	-	1,396,460
Total capital outlay	<u>9,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,311,264</u>
Total expenditures	<u>9,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,389,485</u>
Excess (deficiency) of revenues over expenditures	<u>(9,035)</u>	<u>72</u>	<u>8</u>	<u>16</u>	<u>8,830,416</u>
<b>Other financing sources (uses)</b>					
Transfers out	(5)	-	-	-	(10,340,545)
Total other financing sources (uses)	<u>(5)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,340,545)</u>
Net change in fund balance	(9,040)	72	8	16	(1,510,129)
Fund balances - beginning of year	<u>9,040</u>	<u>142,825</u>	<u>20,484</u>	<u>92,937</u>	<u>22,985,388</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 142,897</u>	<u>\$ 20,492</u>	<u>\$ 92,953</u>	<u>\$ 21,475,259</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2015**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30, 2015
General Government			
Multipurpose			
Miscellaneous bank service charges	\$ -	\$ 5,406	\$ 5,406
Issue cost - bank service charges 2008	-	171	171
Architectural engineering projects	-	31,740	31,740
Building and grounds allowance	-	250,855	250,855
Hurtel St Armory - new fire alarm system	27,969	-	27,969
City share - economic development	-	4,663,429	4,663,429
City hall north-asbestos removal	-	24,800	24,800
Archives building roof replacement	75	136,142	136,217
Demolitions - condemned buildings	-	151,563	151,563
Equipment - public works	-	335,689	335,689
Mayor's discretionary	-	6,275	6,275
Citywide comp strategic & mktg plan	-	30,000	30,000
Misc capital improvements	-	200	200
Administrative services	-	122,824	122,824
Finance general govt contingency	-	76,421	76,421
Equipment - animal shelter	-	75,000	75,000
Equipment - city clerk	-	13,529	13,529
Financial software maintenance	-	194,707	194,707
GIS/aerial mapping system	92,402	14,122	106,524
Lease - 2011 capital equipment	-	233,084	233,084
Mechanical maintenance - maintenance projects	-	248,145	248,145
Recycle center repair roof	-	107,606	107,606
Mobile Airport - rent Aviation Training School	-	10,112	10,112
Public buildings - maintenance projects	-	206,167	206,167
New computer system	62,747	1,453,146	1,515,893
Technology upgrades-equipment	-	668,689	668,689
Telephone switch upgrade	92,609	-	92,609
Strategic planning - consultant and misc.	-	349,744	349,744
Reserve for contingencies	-	72,593	72,593
Strategic planning - comm/react/CitiSmart	-	41,436	41,436
Total multipurpose	<u>275,802</u>	<u>9,523,595</u>	<u>9,799,397</u>

		Disposition					
		In-Progress		Completed			
		Expensed	Capitalized	Expensed	Capitalized		
\$	-	\$	-	\$	5,406	\$	-
	-		-		171		-
	-		-		31,740		-
	-		-		175,055		75,800
	-		-		-		27,969
	-		-		4,663,429		-
	-		-		24,800		-
	-		-		-		136,218
	-		-		151,563		-
	-		-		-		335,689
	-		-		6,275		-
	-		-		30,000		-
	-		-		200		-
	-		-		122,824		-
	-		-		76,421		-
	-		-		75,000		-
	-		-		13,529		-
	-		-		194,707		-
	-		106,524		-		-
	-		-		4,837		228,247
	-		-		232,073		16,072
	-		-		-		107,606
	-		-		10,112		-
	-		-		197,472		8,695
	-		-		28,868		1,487,025
	-		-		445,916		222,773
	-		-		-		92,609
	-		-		349,744		-
	-		-		72,593		-
	-		-		21,021		20,415
	-		106,524		6,933,756		2,759,118



**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2015**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2015
General Government			
Environmental			
Engineering, row and testing	\$ -	\$ 41,620	\$ 41,620
Water quality study MS4 program	-	227,730	227,730
Stormwater-misc bridges	-	712,616	712,616
BI annual bridge inspection	-	493	493
2007 Drainage areas 1 & 2	27,920	-	27,920
Ann St (Tenn to McDonald)	33,291	157,585	190,876
Misc. drainage pipes	218,272	138	218,410
ADEM consent decree	-	45,000	45,000
NPDES equipment litter boat	-	2,885	2,885
Antoine St road & drainage	238	111,703	111,941
Bristol Court drainage	-	221,921	221,921
Conception Street drainage	96,651	-	96,651
Citywide storm drainage repairs	-	120,682	120,682
Citywide pipe repairs	-	483,405	483,405
Citywide ditch repairs	-	694,835	694,835
Citywide inlet repairs	-	323,803	323,803
Emergency rep - McGregor	120,326	3,623	123,949
Emergency rep - Eslava creek	-	283,487	283,487
Gaslight drainage	239	70,065	70,304
Ice house drainage	-	219,622	219,622
Litter trap & site improvements	-	755,308	755,308
Litter cleanup-3mi, 1mi, Dog River	-	13,122	13,122
Mobile St. improvements	22,145	191,734	213,879
Moores Creek - Burma to Moores	545,016	1,209	546,225
Vanderbilt drainage	240	116,444	116,684
Total environmental	<u>1,064,338</u>	<u>4,799,030</u>	<u>5,863,368</u>

Disposition				
In-Progress		Completed		
Expensed	Capitalized	Expensed	Capitalized	
\$ -	\$ -	\$ 41,620	\$ -	
-	-	227,730	-	
-	-	-	-	712,616
-	-	493	-	-
-	27,920	-	-	-
-	190,876	-	-	-
-	-	-	-	218,410
-	-	45,000	-	-
-	-	2,885	-	-
-	-	-	-	111,941
-	-	-	-	221,921
-	-	-	-	96,651
-	-	-	-	120,682
-	-	-	-	483,405
-	-	-	-	694,835
-	-	-	-	323,803
-	-	-	-	123,949
-	-	-	-	283,487
-	-	-	-	70,304
-	-	-	-	219,622
-	-	-	-	755,308
-	-	13,122	-	-
-	210,279	-	-	3,600
-	-	-	-	546,225
-	-	-	-	116,685
-	429,075	330,850	5,103,444	

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2015**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2015
<b>General Government</b>			
<b>Transportation</b>			
Electrical equipment	\$ -	\$ 75,579	\$ 75,579
INFRA-ADA modifications	435,053	27,298	462,351
Traffic engineering - street improvements	-	32,741	32,741
Traffic eng-crowd control barricades	-	25,467	25,467
Resurfacing - 4 cent gas tax project	793,826	2,894,362	3,688,188
Street beautification project	-	13,498	13,498
Blacklawn lighting & improvements	31,180	63,250	94,430
City guardrails	243	226,661	226,904
Citywide sidewalk repairs	-	162,963	162,963
Airbus Way & Aerospace Dr Roadway	4,576,037	225,963	4,802,000
City's share - Zeigler Boulevard	1,082,302	23,718	1,106,020
ED-Pinebrook-McGregor	1,310	85,618	86,928
Baker St improv-Yeend St.	1,493,243	18,135	1,511,378
Hillsdale Heights sidewalks	26,909	-	26,909
MHO-Dauphin at Sage	60,086	100,144	160,230
MPO McGregor Ave-widening	139,362	99,809	239,171
Miscellaneous street improvements	-	161,036	161,036
Roadway striping and repairs	-	542,209	542,209
Traffic circles/calming devices	-	58,548	58,548
Total transportation	8,639,551	4,836,999	13,476,550
<b>Security</b>			
800 MHZ radio site rental	-	3,005	3,005
Equipment - police	-	2,844,555	2,844,555
Equipment - public safety	-	38,434	38,434
Fire - misc fire station bldg imprv	-	106,538	106,538
Firestation #11 roof replacement	60,782	201,135	261,917
Equipment-fire hose	-	302,688	302,688
Police bldg-200 Government St	198,078	100,309	298,387
St Plan-Police motor vehicles	-	367,518	367,518

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ 75,579	\$ -
-	462,351	-	-
-	-	32,741	-
-	-	25,467	-
-	3,272,257	-	415,931
-	-	13,498	-
-	-	-	94,430
-	-	-	226,904
-	-	-	162,963
-	4,802,000	-	-
-	1,106,020	-	-
-	86,928	-	-
-	-	-	1,511,378
-	26,909	-	-
-	-	-	160,230
-	239,171	-	-
-	-	-	161,036
-	-	-	542,209
-	-	58,548	-
-	9,995,636	205,833	3,275,081
-	-	3,005	-
-	-	858,054	1,986,501
-	-	38,434	-
-	-	106,538	-
-	-	-	261,917
-	-	150,944	151,744
-	298,387	-	-
-	-	2,190	365,328

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION (CONT'D)**  
**CAPITAL PROJECTS FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2015**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2015
General Government			
Security (Cont'd)			
Police building - 850 St. Anthony	\$ 144,645	\$ -	\$ 144,645
Total security	<u>403,505</u>	<u>3,964,182</u>	<u>4,367,687</u>
Recreation			
Equipment - parks and recreation	-	433,942	433,942
College football bowl	-	1,150,000	1,150,000
Ladd Stadium renovation	303,918	-	303,918
Parks - Copeland-Cox tennis center	352,259	90,288	442,547
Parks - Hank Aaron Stadium	-	420,947	420,947
Parks-Herndon Park improv	56,653	1,858,041	1,914,694
Parks - Hillsdale community center	-	2,549	2,549
Parks - James Seals	359,569	343,204	702,773
Parks - Lavretta park improvements	-	2,250	2,250
Parks - Lyon park improvements	-	77	77
Parks - Maitre park improvements	-	8,762	8,762
Parks - Medal of Honor park	-	86,589	86,589
Mary Abby Berg Senior Ctr	-	100,000	100,000

Dispositon			
In Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ -	\$ 144,645
-	298,387	1,159,165	2,910,135
-	-	80,513	353,429
-	-	1,150,000	-
-	-	-	303,918
-	-	-	442,547
-	420,947	-	-
-	1,914,694	-	-
-	-	2,549	-
-	702,773	-	-
-	-	2,250	-
-	77	-	-
-	-	8,762	-
-	-	-	86,589
-	-	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, 2015**

Program/Project Name	Project Cost Prior Years	Current Activity	Total Project to September 30 2015
General Government			
Recreation (Cont'd)			
Parks - Public Safety - Skateboard	\$ 26,270	\$ 332,768	\$ 359,038
Parks - Public Safety - Memorial park	-	32,391	32,391
Waterfront development	57,772,315	621,436	58,393,751
Waterfront development - general fund	(26,460,527)	(427,443)	(26,887,970)
Waterfront - enterprise fund	(1,600,000)	-	(1,600,000)
Waterfront development - TIF portion	(2,628,631)	(157,829)	(2,786,460)
Total recreation	<u>28,181,826</u>	<u>4,897,972</u>	<u>33,079,798</u>
Cultural			
Fort Conde Welcome Center - roof repairs	581,827	10,516	592,343
Total cultural	<u>581,827</u>	<u>10,516</u>	<u>592,343</u>
Total general government	<u>39,146,849</u>	<u>28,032,294</u>	<u>67,179,143</u>
Proprietary			
Mobile Civic Center:			
Maintenance	-	14,927	14,927
Total proprietary	<u>-</u>	<u>14,927</u>	<u>14,927</u>
Total capital projects	<u>\$ 39,146,849</u>	<u>\$ 28,047,221</u>	<u>\$ 67,194,070</u>

Disposition

In-Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ -	\$ 359,038
-	5,214	27,177	-
-	-	-	58,393,752
-	-	-	(26,887,970)
-	-	-	(1,600,000)
-	-	-	(2,786,460)
<u>-</u>	<u>3,043,705</u>	<u>1,371,251</u>	<u>28,664,843</u>
<u>-</u>	<u>592,343</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>592,343</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>14,465,670</u>	<u>10,000,855</u>	<u>42,712,621</u>
<u>-</u>	<u>-</u>	<u>14,927</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>14,927</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 14,465,670</u>	<u>\$ 10,015,782</u>	<u>\$ 42,712,621</u>



## **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, 2015**

	<u>Motor Pool Fund</u>	<u>Insurance Fund</u>	<u>Employee Health Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets				
Cash, equity in pooled cash and investments	\$ 2,314,221	\$ 915,236	\$ -	\$ 3,229,457
Receivables (net)	7,937	-	-	7,937
Total current assets	<u>2,322,158</u>	<u>915,236</u>	<u>-</u>	<u>3,237,394</u>
Capital assets				
Vehicles	28,796,635	-	-	28,796,635
Furniture, fixtures and equipment	3,985,604	-	-	3,985,604
	<u>32,782,239</u>	<u>-</u>	<u>-</u>	<u>32,782,239</u>
Less: accumulated depreciation	<u>(24,800,492)</u>	<u>-</u>	<u>-</u>	<u>(24,800,492)</u>
Total capital assets (net)	<u>7,981,747</u>	<u>-</u>	<u>-</u>	<u>7,981,747</u>
Total assets	<u>10,303,905</u>	<u>915,236</u>	<u>-</u>	<u>11,219,141</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	101,362	40,839	3,000	145,201
Accrued payroll	3,758	-	-	3,758
Capital lease obligations - current portion	241,359	-	-	241,359
Insurance claims payable	-	-	2,451,800	2,451,800
Total current liabilities	<u>346,479</u>	<u>40,839</u>	<u>2,454,800</u>	<u>2,842,118</u>
Long-term liabilities				
Capital lease obligations - net of current portion	247,908	-	-	247,908
Self-insured liability - legal	-	1,257,050	-	1,257,050
Total long-term liabilities	<u>247,908</u>	<u>1,257,050</u>	<u>-</u>	<u>1,504,958</u>
Total liabilities	<u>594,387</u>	<u>1,297,889</u>	<u>2,454,800</u>	<u>4,347,076</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	7,504,099	-	-	7,504,099
Unrestricted (deficit)	2,205,419	(382,653)	(2,454,800)	(632,034)
Total net position	<u>\$ 9,709,518</u>	<u>\$ (382,653)</u>	<u>\$ (2,454,800)</u>	<u>\$ 6,872,065</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, 2015**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
<b>Operating revenues</b>				
Charges for services	\$ 4,479,782	\$ -	\$ 20,263,397	\$ 24,743,179
Retiree drug subsidy	-	-	349,150	349,150
Miscellaneous revenue	-	1,994	1,771	3,765
Total operating revenues	<u>4,479,782</u>	<u>1,994</u>	<u>20,614,318</u>	<u>25,096,094</u>
<b>Operating expenses</b>				
Insurance payments	-	-	26,828,073	26,828,073
Commodities	2,591,833	29,643	-	2,621,476
Personnel services	118,898	-	-	118,898
Professional and technical	7,500	2,248,042	76,475	2,332,017
Utilities	37,098	-	-	37,098
Other charges	6,838	1,302,215	330,024	1,639,077
Increase (decrease) in provision for self-insured loss	-	-	87,299	87,299
Depreciation	1,277,810	-	-	1,277,810
Total operating expenses	<u>4,039,977</u>	<u>3,579,900</u>	<u>27,321,871</u>	<u>34,941,748</u>
Operating income (loss)	<u>439,805</u>	<u>(3,577,906)</u>	<u>(6,707,553)</u>	<u>(9,845,654)</u>
<b>Nonoperating revenues (expenses)</b>				
Gain (loss) on disposal of capital assets	(88,300)	-	-	(88,300)
Damaged vehicles reimbursement	95,336	-	-	95,336
Interest expense	(16,264)	-	-	(16,264)
Total nonoperating revenues	<u>(9,228)</u>	<u>-</u>	<u>-</u>	<u>(9,228)</u>
Income (loss) before operating transfers	430,577	(3,577,906)	(6,707,553)	(9,854,882)
Transfers in	-	3,167,840	6,836,054	10,003,894
Transfers out	-	-	-	-
Change in net position	430,577	(410,066)	128,501	149,012
Net position - beginning of year	9,278,941	27,413	(2,583,301)	6,723,053
Net position - end of year	<u>\$ 9,709,518</u>	<u>\$ (382,653)</u>	<u>\$ (2,454,800)</u>	<u>\$ 6,872,065</u>

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Motor Pool Fund	Insurance Fund	Employee Health Fund	Total
<b>Cash flows from operating activities</b>				
Cash received from:				
Internal billings	\$ 4,486,895	\$ -	\$ 14,338,456	\$ 18,825,351
Customers and users	-	-	1,225,801	1,225,801
Employee contributions	-	-	4,699,141	4,699,141
Miscellaneous	-	-	1,771	1,771
Cash payments for insurance claims	-	-	(27,043,874)	(27,043,874)
Cash payments for operating expenses	(2,630,658)	(3,062,306)	(406,499)	(6,099,463)
Cash payments to employees for services	(117,068)	-	-	(117,068)
Net cash provided (used) by operating activities	<u>1,739,169</u>	<u>(3,062,306)</u>	<u>(7,185,204)</u>	<u>(8,508,341)</u>
<b>Cash flows from non-capital financing activities</b>				
Transfers in from other funds	-	3,167,840	6,836,054	10,003,894
Retiree drug subsidy	-	-	349,150	349,150
Net cash provided by non-capital financing activities	<u>-</u>	<u>3,167,840</u>	<u>7,185,204</u>	<u>10,353,044</u>
<b>Cash flows from capital and related financing activities</b>				
Acquisition of capital assets	(2,335,653)	-	-	(2,335,653)
Proceeds from sale of capital assets	418,101	-	-	418,101
Payments on capital leases	(234,984)	-	-	(234,984)
Interest payments	(16,264)	-	-	(16,264)
Reimbursement for damaged vehicles	95,336	-	-	95,336
Net cash used by capital and related financing activities	<u>(2,073,464)</u>	<u>-</u>	<u>-</u>	<u>(2,073,464)</u>
<b>Cash flows from investing activities</b>				
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	(334,295)	105,534	-	(228,761)
Pooled cash and investments - beginning of the year	2,648,516	809,702	-	3,458,218
Pooled cash and investments - end of the year	<u>\$ 2,314,221</u>	<u>\$ 915,236</u>	<u>\$ -</u>	<u>\$ 3,229,457</u>

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS (CONT'D)  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Motor Pool Fund</u>	<u>Insurance Fund</u>	<u>Employee Health Fund</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	<u>\$ 439,805</u>	<u>\$ (3,577,906)</u>	<u>\$ (6,707,553)</u>	<u>\$ (9,845,654)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,277,810	-	-	1,277,810
Non-capital financing cash flow included in operating income	-	-	(349,150)	(349,150)
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	7,113	-	-	7,113
Increase (decrease) in:				
Accounts payable	12,611	(24,194)	(215,801)	(227,384)
Accrued liabilities	1,830	-	-	1,830
Self-insured liability - legal	-	539,794	-	539,794
Insurance claims payable	-	-	87,300	87,300
Total adjustments	<u>1,299,364</u>	<u>515,600</u>	<u>(477,651)</u>	<u>1,337,313</u>
Net cash provided (used) by operating activities	<u>\$ 1,739,169</u>	<u>\$ (3,062,306)</u>	<u>\$ (7,185,204)</u>	<u>\$ (8,508,341)</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.

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, 2015**

	Azalea City Golf Course	Tennis Center	Saenger Theater
<b>ASSETS</b>			
Current assets			
Cash, equity in pooled cash and investments	\$ 1,100	\$ 600	\$ 424,276
Receivables (net)	-	-	12,594
Other assets	-	-	459
Inventories	71,418	-	11,006
Total current assets	<u>72,518</u>	<u>600</u>	<u>448,335</u>
Capital assets			
Non-depreciable capital assets	1,457,640	-	-
Depreciable capital assets, net	1,771,148	60,920	2,849,695
Total capital assets	<u>3,228,788</u>	<u>60,920</u>	<u>2,849,695</u>
Total assets	<u>3,301,306</u>	<u>61,520</u>	<u>3,298,030</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	95,045	34,661	201,614
Unearned revenue	-	-	200,387
Total current liabilities	<u>95,045</u>	<u>34,661</u>	<u>402,001</u>
Long-term liabilities:			
Total liabilities	<u>95,045</u>	<u>34,661</u>	<u>402,001</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,228,788	60,920	2,849,695
Unrestricted (deficit)	(22,527)	(34,061)	46,334
Total net position	<u>\$ 3,206,261</u>	<u>\$ 26,859</u>	<u>\$ 2,896,029</u>

Neighborhood Renewal Program	Totals
\$ 715,593	\$ 1,141,569
-	12,594
-	459
<u>47,800</u>	<u>130,224</u>
<u>763,393</u>	<u>1,284,846</u>
-	1,457,640
<u>-</u>	<u>4,681,763</u>
<u>-</u>	<u>6,139,403</u>
<u>763,393</u>	<u>7,424,249</u>
<u>-</u>	<u>-</u>
475	331,795
<u>-</u>	<u>200,387</u>
<u>475</u>	<u>532,182</u>
<u>475</u>	<u>532,182</u>
<u>-</u>	<u>-</u>
-	6,139,403
<u>762,918</u>	<u>752,664</u>
<u>\$ 762,918</u>	<u>\$ 6,892,067</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, 2015**

	<u>Azalea City Golf Course</u>	<u>Tennis Center</u>	<u>Saenger Theater</u>
<b>Operating revenues</b>			
Facility rent	\$ -	\$ -	\$ 166,159
Sales revenue	148,930	2,250	-
User charges	1,151,758	246,368	249,242
Concessions	-	20,515	47,559
Miscellaneous revenue	4,025	1,253	68,009
Cost reimbursement	861	-	-
Total operating revenues	<u>1,305,574</u>	<u>270,386</u>	<u>530,969</u>
<b>Operating expenses</b>			
Utilities	88,472	74,791	160,501
Cost of goods sold	129,798	-	-
Personnel services	818,801	466,737	330,410
Professional and technical	1,616	162,591	87,167
Maintenance and repairs	14,658	-	13,595
Commodities	224,119	61,018	21,869
Insurance payments	63,289	-	15,483
Printing and reproduction	284	584	-
Other charges	98,894	10,189	25,919
Depreciation	137,102	2,358	188,529
Total operating expense	<u>1,577,033</u>	<u>778,268</u>	<u>843,473</u>
Operating income (loss)	<u>(271,459)</u>	<u>(507,882)</u>	<u>(312,504)</u>
<b>Nonoperating revenues (expenses)</b>			
Gain (loss) on disposal of capital assets	<u>2,292</u>	<u>(3,549)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>2,292</u>	<u>(3,549)</u>	<u>-</u>
Net income (loss) before transfers	(269,167)	(511,431)	(312,504)
Transfers in	<u>176,622</u>	<u>508,777</u>	<u>91,939</u>
Change in net position	(92,545)	(2,654)	(220,565)
Net position - beginning of year	<u>3,298,806</u>	<u>29,513</u>	<u>3,116,594</u>
Net position - end of year	<u>\$ 3,206,261</u>	<u>\$ 26,859</u>	<u>\$ 2,896,029</u>

Neighborhood Renewal Program	Totals
\$ -	\$ 166,159
28,287	179,467
-	1,647,368
-	68,074
-	73,287
-	861
<u>28,287</u>	<u>2,135,216</u>
-	323,764
8,093	137,891
-	1,615,948
4,895	256,269
-	28,253
64	307,070
-	78,772
-	868
1,282	136,284
-	327,989
<u>14,334</u>	<u>3,213,108</u>
<u>13,953</u>	<u>(1,077,892)</u>
-	(1,257)
-	(1,257)
13,953	(1,079,149)
-	777,338
13,953	(301,811)
748,965	7,193,878
<u>\$ 762,918</u>	<u>\$ 6,892,067</u>

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Azalea City Golf Course</u>	<u>Tennis Center</u>	<u>Saenger Theater</u>
<b>Cash flows from operating activities</b>			
Cash received from:			
User charges	\$ 1,151,757	\$ 246,368	\$ 249,242
Sales revenue	148,930	-	-
Facility rent	-	2,250	166,171
Concessions	-	20,515	47,559
Miscellaneous	4,025	4,630	76,366
Cash payments for operating expenses	(588,913)	(312,590)	(307,650)
Cash payment for internal services	(66,437)	(32,856)	(36)
Cash payments to employees for services	<u>(742,223)</u>	<u>(437,094)</u>	<u>(330,410)</u>
Net cash provided (used) by operating activities	<u>(92,861)</u>	<u>(508,777)</u>	<u>(98,758)</u>
<b>Cash flows from non-capital financing activities</b>			
Transfers in from other funds	<u>176,622</u>	<u>508,777</u>	<u>91,939</u>
Net cash provided by non-capital financing activities	<u>176,622</u>	<u>508,777</u>	<u>91,939</u>
<b>Cash flows from capital and related financing activities</b>			
Acquisition of capital assets	(93,610)	-	-
Proceeds from sale of capital assets	<u>9,849</u>	<u>-</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(83,761)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	-	-	(6,819)
Pooled cash and investments - beginning of the year	<u>1,100</u>	<u>600</u>	<u>431,095</u>
Pooled cash and investments - end of the year	<u>\$ 1,100</u>	<u>\$ 600</u>	<u>\$ 424,276</u>

Neighborhood Renewal Program	Total
\$ 28,287	\$ 1,675,654
-	148,930
-	168,421
-	68,074
-	85,021
(44,617)	(1,253,770)
-	(99,329)
-	<u>(1,509,727)</u>
<u>(16,330)</u>	<u>(716,726)</u>
-	<u>777,338</u>
-	<u>777,338</u>
-	(93,610)
-	<u>9,849</u>
-	<u>(83,761)</u>
(16,330)	(23,149)
<u>731,923</u>	<u>1,164,718</u>
<u>\$ 715,593</u>	<u>\$ 1,141,569</u>

**CITY OF MOBILE, ALABAMA  
COMBINING STATEMENT OF CASH FLOWS (CONT'D)  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Azalea City Golf Course</u>	<u>Tennis Center</u>	<u>Saenger Theater</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	<u>\$ (271,459)</u>	<u>\$ (507,882)</u>	<u>\$ (312,504)</u>
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities</b>			
Depreciation	137,102	2,358	188,529
Change in assets and liabilities:			
Decrease (increase) in			
Accounts receivable	-	-	12
Prepaid expenses	-	-	82
Materials and supplies	15,285	-	(55)
Increase (decrease) in			
Accounts payable	13,210	(4,121)	16,821
Payroll payable	13,001	868	-
Advance collection	-	-	8,357
Total adjustments	<u>178,598</u>	<u>(895)</u>	<u>213,746</u>
Net cash provided (used) by operating activities	<u>\$ (92,861)</u>	<u>\$ (508,777)</u>	<u>\$ (98,758)</u>

<u>Neighborhood Renewal Program</u>	<u>Total</u>
<u>\$ 13,953</u>	<u>\$ (1,077,892)</u>
-	327,989
-	12
-	82
-	15,230
(30,283)	(4,373)
-	13,869
-	8,357
<u>(30,283)</u>	<u>361,166</u>
<u>\$ (16,330)</u>	<u>\$ (716,726)</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF CAPITAL PROJECTS BY PROGRAM AND DISPOSITION**  
**ENTERPRISE FUNDS**  
**BEGINNING OF PROJECT THROUGH SEPTEMBER 30, 2015**

<u>Program/Project Name</u>	<u>Project Cost Prior Years</u>	<u>Current Activity</u>	<u>Total Project Cost to September 30, 2015</u>
Mobile Convention Center			
Waterfront Development-GulfQuest	\$ 1,600,000	\$ -	\$ 1,600,000
Restroom renovation	289,701	-	289,701
Equipment & misc	-	22,318	22,318
Exterior lighting	-	15,690	15,690
Ballroom doors install & remove	-	21,100	21,100
Dockside panel repairs	-	19,900	19,900
Sprinkler system improvements	-	20,885	20,885
Upgrade direct digital control	-	46,929	46,929
Total	<u>\$ 1,889,701</u>	<u>\$ 146,822</u>	<u>\$ 2,036,523</u>

Disposition

In Progress		Completed	
Expensed	Capitalized	Expensed	Capitalized
\$ -	\$ -	\$ -	\$ 1,600,000
-	289,701	-	-
-	-	22,318	-
-	15,690	-	-
-	-	-	21,100
-	-	-	19,900
-	-	-	20,885
-	-	-	46,929
<u>\$ -</u>	<u>\$ 305,391</u>	<u>\$ 22,318</u>	<u>\$ 1,708,814</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, 2015**

	Original Budget	Actual	Variance Positive/ (Negative)
<b>Taxes</b>			
<b>Property</b>			
Real estate	\$ 12,043,994	\$ 13,302,397	\$ 1,258,403
Motor vehicle	1,733,199	1,784,368	51,169
<b>Sales and use</b>			
Sales tax - City	139,919,937	142,763,401	2,843,464
Sales tax - Police Jurisdiction	7,979,879	7,632,218	(347,661)
Lease/rental - City	5,166,256	5,465,885	299,629
Lease/rental - Police Jurisdiction	350,000	270,900	(79,100)
Room tax - City	3,514,129	3,760,391	246,262
Room tax - Police Jurisdiction	10,771	8,845	(1,926)
Motor vehicle rental - City	953,616	1,196,599	242,983
Motor vehicle rental - Police Jurisdiction	50,000	-	(50,000)
<b>Selective sales and use</b>			
<b>Motor fuel</b>			
Regular - City	2,102,060	2,332,905	230,845
Regular - Police Jurisdiction	676,191	665,486	(10,705)
County equalization	432,000	429,912	(2,088)
<b>Alcoholic beverages</b>			
Liquor - City	480,000	545,995	65,995
Liquor - Police Jurisdiction	24,000	24,670	670
Liquor - ABC Board	200,667	222,976	22,309
Table Wine	200,000	184,944	(15,056)
Beer	1,120,000	1,122,068	2,068
<b>Other</b>			
Cigarette stamp tax	1,800,000	1,743,039	(56,961)
Other tobacco tax - City	390,000	448,348	58,348
Other tobacco tax - Police Jurisdiction	42,000	32,387	(9,613)
Business privilege tax	278,688	280,778	2,090
Other tax revenue	260,000	520,258	260,258
<b>Total taxes</b>	<u>179,727,387</u>	<u>184,738,770</u>	<u>5,011,383</u>
<b>Licenses and permits</b>			
Business licenses - City	33,277,841	33,078,053	(199,788)
Business licenses - Police Jurisdiction	2,075,000	2,146,063	71,063
Motor vehicle licenses	687,465	674,143	(13,322)
Dog licenses	24,000	18,659	(5,341)
<b>Total licenses and permits</b>	<u>36,064,306</u>	<u>35,916,918</u>	<u>(147,388)</u>
<b>Intergovernmental</b>			
Alcoholic Beverage Control Board	-	90,243	90,243
Mobile County Racing Commission	-	12,574	12,574
<b>Total intergovernmental</b>	<u>-</u>	<u>102,817</u>	<u>102,817</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND (CONT'D)**  
**SEPTEMBER 30, 2015**

	Original Budget	Actual	Variance Positive/ (Negative)
Charges for services			
Health			
Lot cleaning	\$ 20,000	\$ 11,203	\$ (8,797)
Building demolition fee	15,000	11,775	(3,225)
Animal shelter	22,000	24,799	2,799
Public safety			
Inspection	1,225,000	1,525,995	300,995
Fire plan review fee	34,000	33,994	(6)
Police and fire	625,000	600,126	(24,874)
Engineering	480,000	521,397	41,397
Parking management fees	275,000	250,331	(24,669)
County sales tax collection fee	1,775,928	841,866	(934,062)
Property rental	45,000	133,200	88,200
Franchise fees - miscellaneous	2,620,000	2,803,610	183,610
Recreational fees	410,000	392,644	(17,356)
Vacation of ROW fee	-	41,000	41,000
Total charges for services	<u>7,546,928</u>	<u>7,191,940</u>	<u>(354,988)</u>
Fines and forfeitures			
Municipal offense fines	48,000	-	(48,000)
Police fines	1,025,000	978,947	(46,053)
Driver's education	370,000	276,183	(93,817)
Bond forfeitures	95,000	49,847	(45,153)
Court costs	340,000	283,098	(56,902)
DA Restitution Unit collection fees	115,000	99,479	(15,521)
Corrections fund	930,000	810,496	(119,504)
Alarm ordinance fines and permits	16,000	50	(15,950)
Total fines and forfeitures	<u>2,939,000</u>	<u>2,498,100</u>	<u>(440,900)</u>
State and federal assistance	<u>70,000</u>	<u>125,436</u>	<u>55,436</u>
Interest			
Investment of idle funds	60,000	44,951	(15,049)
Interest on receivables	-	8	8
Dividend income	-	1,741	1,741
Total interest	<u>60,000</u>	<u>46,700</u>	<u>(13,300)</u>
Miscellaneous			
Athletic fund	-	51,281	51,281
Miscellaneous	50,000	357,608	307,608
Total miscellaneous (other)	<u>50,000</u>	<u>408,889</u>	<u>358,889</u>
Total revenues	<u>\$ 226,457,621</u>	<u>\$ 231,029,570</u>	<u>\$ 4,571,949</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF OTHER FINANCING SOURCES (USES)**  
**BUDGET AND ACTUAL (BUDGETARY BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Original Budget	Actual	Variance Positive/ (Negative)
<b>Other financing sources</b>			
Operating transfers in:			
From 5-cent Gasoline Tax Special Revenue Fund	\$ 600,000	\$ 600,000	\$ -
From 7-cent Gasoline Tax Special Revenue Fund	-	137,812	137,812
From Fuel Inspection Fees Special Revenue Fund	80,000	81,070	1,070
From Strategic Plan Fund	2,500,000	2,499,996	(4)
From Capital Projects Fund	195,500	215,735	20,235
From WAVE Transit	-	2,396,360	2,396,360
From Grant Administration Funds	-	37,222	37,222
Total operating transfers in	<u>3,375,500</u>	<u>5,968,195</u>	<u>2,592,695</u>
Sales of general capital assets	-	13,025	13,025
Total other financing sources	<u>3,375,500</u>	<u>5,981,220</u>	<u>2,605,720</u>
<b>Other financing uses</b>			
Operating transfers out:			
To Capital Improvement Fund	-	79,769	(79,769)
To 7-Cent Roadway Maintenance Fund	350,000	547,856	(197,856)
To Grant Administration Funds	375,000	375,000	-
To Mobile Civic Center Enterprise Fund	819,565	1,009,429	(189,864)
To Metro Transit Enterprise Fund	6,226,948	8,251,899	(2,024,951)
To Cruise Terminal Enterprise Fund	-	281,754	(281,754)
To Firemedics Enterprise Fund	4,924,437	3,093,759	1,830,678
To Mobile Tennis Center Enterprise Fund	542,959	508,777	34,182
To Saenger Theater Enterprise Fund	155,000	91,939	63,061
To Azalea City Golf Course Enterprise Fund	265,464	176,622	88,842
To Employee Health Plan Internal Service Fund	7,632,425	6,836,054	796,371
To Insurance Internal Service Fund	2,248,880	3,167,840	(918,960)
Total operating transfers out	<u>23,540,678</u>	<u>24,420,698</u>	<u>(880,020)</u>
Total other financing sources (uses)	<u>\$ (20,165,178)</u>	<u>\$ (18,439,478)</u>	<u>\$ (1,725,700)</u>

**CITY OF MOBILE, ALABAMA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES**  
**SCHEDULE BY FUNCTION**  
**SEPTEMBER 30, 2015**

	<u>Land</u>	<u>Improvements</u>
General government	\$ 23,840,850	\$ 67,510,568
Economic development	-	-
Public safety	419,850	7,532,043
Public works	203,715	1,907,840
Culture and recreation	1,124,972	36,346,469
Finance	-	3,457
Nondepartmental	<u>1,671,200</u>	<u>1,556,419</u>
Total governmental capital assets allocated to functions	<u>\$ 27,260,587</u>	<u>\$ 114,856,796</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>
\$107,534,771	\$ 47,703,107	\$ 536,233,291	\$ 782,822,587
-	2,522	-	2,522
8,871,749	25,958,890	-	42,782,532
1,428,858	18,922,029	-	22,462,442
27,615,798	3,175,179	-	68,262,418
-	5,012,163	-	5,015,620
<u>471,300</u>	<u>5,341,744</u>	<u>1,166,245</u>	<u>10,206,908</u>
<u>\$145,922,476</u>	<u>\$ 106,115,634</u>	<u>\$ 537,399,536</u>	931,555,029
			5,958,600
			<u>12,545,452</u>
			950,059,081
			<u>289,814,423</u>
			<u>\$ 660,244,658</u>

**CITY OF MOBILE, ALABAMA**  
**SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	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	4.0-5.0%	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)	5.36%	2/1-8/1	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%	2/1-8/1	9/14/06	8/1/25



Serial Payments	Original Amount of Issue	Balance September 30, 2014	Year Ended September 30, 2015 Issued	Year Ended September 30, 2015 Retirements	Balance September 30, 2015	Interest for Year Ended September 2015
Semi-annual interest payments with annual principal payments ranging from \$390,000 to \$885,000	\$ 10,655,000	\$ 6,505,000	\$ -	\$ 580,000	\$ 5,925,000	\$ 341,825
Semi-annual interest payments with annual principal payments ranging from \$1,000,000 to \$8,750,000	63,410,000	45,300,000	-	2,835,000	42,465,000	2,156,100
Semi-annual interest payments with semi-annual principal payments ranging from \$225,000 to \$380,000	3,100,000	745,000	-	365,000	380,000	29,475
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	55,435,000	-	5,540,000	49,895,000	2,464,163
Semi-annual interest payments with annual principal payments ranging from \$715,000 to \$845,000	22,095,000	19,860,000	-	810,000	19,050,000	1,053,704
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	218,714	-	218,714	-	4,676
Semi-annual interest payments with annual principal payments ranging from \$640,000 to \$2,040,000	13,715,000	13,715,000	-	2,040,000	11,675,000	365,787
Semi-annual interest payments with semi-annual principal payments ranging from \$494,261 to \$525,499	5,100,000	3,092,697	-	1,014,996	2,077,701	44,086
Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$115,000	1,275,000	730,000	-	70,000	660,000	43,766
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$135,000	1,410,000	380,000	-	120,000	260,000	4,720
Semi-annual interest payments with annual principal payments ranging from \$30,000 to \$140,000	1,440,000	500,000	-	110,000	390,000	6,967
Semi-annual interest payments with annual principal payments ranging from \$105,000 to \$200,000	2,695,000	1,770,000	-	130,000	1,640,000	97,247
	<u>\$ 332,765,000</u>	<u>\$ 284,356,411</u>	<u>\$ -</u>	<u>\$ 13,833,710</u>	<u>\$ 270,522,701</u>	<u>\$ 13,259,432</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
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<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	191

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)**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 401,397,005	\$ 372,032,993	\$ 366,741,756	\$ 360,178,198
Restricted	21,295,974	95,217,446	93,283,087	97,600,533
Unrestricted (deficit)	<u>(282,832,642)</u>	<u>(161,252,000)</u>	<u>(157,937,778)</u>	<u>(126,055,943)</u>
Total governmental activities net position	<u>\$ 139,860,337</u>	<u>\$ 305,998,439</u>	<u>\$ 302,087,065</u>	<u>\$ 331,722,788</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 92,885,644	\$ 97,964,060	\$ 101,563,121	\$ 101,478,517
Unrestricted (deficit)	<u>(1,914,572)</u>	<u>6,820,494</u>	<u>10,284,211</u>	<u>4,634,952</u>
Total business-type activities net position	<u>\$ 90,971,072</u>	<u>\$ 104,784,554</u>	<u>\$ 111,847,332</u>	<u>\$ 106,113,469</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 494,282,649	\$ 469,997,053	\$ 468,304,877	\$ 461,656,715
Restricted	21,295,974	95,217,446	93,283,087	97,600,533
Unrestricted (deficit)	<u>(284,747,214)</u>	<u>(154,431,506)</u>	<u>(147,653,567)</u>	<u>(121,420,991)</u>
Total primary government net position	<u>\$ 230,831,409</u>	<u>\$ 410,782,993</u>	<u>\$ 413,934,397</u>	<u>\$ 437,836,257</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 350,323,247	\$ 352,295,866	\$ 360,784,525	\$ 165,220,265	\$ 268,805,699	\$ 209,514,867
95,803,612	92,363,209	82,012,164	163,913,530	67,707,443	90,373,307
<u>(90,121,806)</u>	<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>\$ 356,005,053</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>
\$ 102,867,788	\$ 105,870,417	\$ 104,970,172	\$ 108,695,419	\$ 92,821,853	\$ 93,845,147
6,145,132	5,217,216	(1,392,389)	(1,354,221)	(3,287,345)	(1,610,125)
<u>\$ 109,012,920</u>	<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>
\$ 453,191,035	\$ 458,166,283	\$ 465,754,697	\$ 273,915,684	\$ 361,627,552	\$ 303,360,014
95,803,612	92,363,209	82,012,164	163,913,530	67,707,443	90,373,307
<u>(83,976,674)</u>	<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>\$ 465,017,973</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>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenses</b>				
<b>Governmental activities:</b>				
General government	\$ 71,599,115	\$ 78,626,293	\$ 89,601,242	\$ 74,952,084
Economic development	1,339,289	1,175,960	1,271,271	975,841
Public safety	102,625,577	115,054,082	116,799,647	109,210,514
Public works	39,454,462	41,782,266	41,980,768	42,860,205
Culture and recreation	25,423,325	24,192,649	24,345,756	23,928,393
Finance	5,905,306	5,886,971	5,313,958	5,325,800
Nondepartmental	-	-	-	-
Interest on long-term debt	13,222,630	14,123,164	14,531,680	14,880,418
Total governmental activities net position	<u>259,569,704</u>	<u>280,841,385</u>	<u>293,844,322</u>	<u>272,133,255</u>
<b>Business-type activities:</b>				
Alabama Cruise Terminal	1,028,171	1,143,905	1,303,494	1,045,826
Civic Center	3,675,513	3,581,709	3,562,838	3,523,551
Convention Center	8,543,558	9,674,772	8,525,656	8,415,212
Golf course	1,573,881	1,533,543	1,545,563	1,428,306
Firemedics	5,392,697	7,477,075	6,795,760	6,385,225
Parking garage	239,667	285,324	228,298	280,776
Tennis Center	781,819	707,450	639,725	602,193
Neighborhood renewal program	14,334	18,987	1,408	25,141
Saenger Theater	843,474	889,736	259,127	-
WAVE Transit	11,857,903	12,134,216	11,551,094	12,369,217
Total business-type activities net position	<u>33,951,017</u>	<u>37,446,717</u>	<u>34,412,963</u>	<u>34,075,447</u>
Total primary government expenses	<u>\$ 293,520,721</u>	<u>\$ 318,288,102</u>	<u>\$ 328,257,285</u>	<u>\$ 306,208,702</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 82,670,334	\$ 84,138,439	\$ 98,695,339	\$ 49,310,958	\$ 25,688,828	\$ 25,254,679
1,299,046	2,802,701	1,429,622	984,354	1,011,217	749,116
108,344,311	101,844,933	107,158,818	84,761,044	79,092,490	72,728,165
43,316,969	44,867,891	45,892,056	40,955,090	34,964,378	33,730,335
25,262,720	19,665,980	20,373,562	22,191,802	15,418,136	13,666,917
5,509,037	5,791,514	6,823,212	5,273,774	5,363,060	5,220,066
-	-	-	-	40,980,936	44,605,075
15,119,170	14,120,058	15,717,193	36,120,233	9,879,154	8,310,320
<u>281,521,587</u>	<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>
3,689,985	527,408	415,494	-	-	-
3,758,785	4,506,235	3,685,566	4,134,371	3,833,788	3,882,027
9,800,672	8,977,037	10,981,125	9,921,621	9,240,980	7,842,320
1,619,823	1,452,509	1,518,478	1,302,813	1,371,130	1,347,414
6,113,101	5,430,599	5,478,439	5,632,700	4,473,192	4,265,886
251,674	275,939	270,307	264,875	243,425	247,879
612,999	560,212	509,708	542,698	546,246	494,000
16,710	5,143	7,875	16,295	10,864	11,223
-	-	-	-	-	-
11,579,865	10,620,087	10,812,366	10,244,202	9,445,274	9,144,479
<u>37,443,614</u>	<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>\$ 318,965,201</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>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 50,060,635	\$ 51,222,299	\$ 48,203,217	\$ 48,142,712
Public safety	5,141,753	5,841,687	6,282,468	5,652,106
Public works	562,397	430,550	654,746	296,647
Culture and recreation	525,844	437,059	525,468	458,196
Operating grants and contributions	6,158,691	6,937,239	9,032,116	5,984,128
Capital grants and contributions	19,279,163	2,525,315	5,105,011	14,496,855
Total governmental activities program revenues	<u>81,728,483</u>	<u>67,394,149</u>	<u>69,803,026</u>	<u>75,030,644</u>
Business-type activities:				
Charges for services				
Alabama Cruise Terminal	346,635	206,892	771,780	291,867
Civic Center	2,028,805	2,031,222	1,960,052	1,938,375
Convention Center	2,122,764	2,204,743	1,969,680	1,902,004
Golf course	1,304,713	1,344,965	1,339,025	1,348,748
Firemedics	4,227,342	2,189,244	2,149,941	2,927,822
Parking garage	405,092	400,957	410,482	414,799
Tennis Center	270,386	261,450	214,030	211,361
Affordable homes program	-	-	-	-
Neighborhood renewal program	28,287	53,884	-	-
Saenger Theater	530,969	542,724	200,270	-
WAVE Transit	1,164,788	1,136,104	1,115,896	984,645
Operating grants and contributions	3,502,088	3,412,216	2,910,578	2,429,300
Capital grants and contributions	488,423	848,317	1,275,691	4,142,259
Total business-type activities program revenues	<u>16,420,292</u>	<u>14,632,718</u>	<u>14,317,425</u>	<u>16,591,180</u>
Total primary government program revenues	<u>\$ 98,148,775</u>	<u>\$ 82,026,867</u>	<u>\$ 84,120,451</u>	<u>\$ 91,621,824</u>
<b>Net Expense</b>				
Governmental activities	\$ (177,841,221)	\$(213,447,236)	\$(224,041,296)	\$(197,102,611)
Business-type activities	(17,530,725)	(22,813,999)	(20,095,538)	(17,484,267)
Total primary government net expense	<u>\$ (195,371,946)</u>	<u>\$ (236,261,235)</u>	<u>\$ (244,136,834)</u>	<u>\$ (214,586,878)</u>



<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 49,664,462	\$ 49,218,621	\$ 13,394,552	\$ 9,056,023	\$ 9,357,220	\$ 9,738,673
5,769,616	5,931,428	41,261,597	41,289,992	43,238,905	39,537,888
306,793	325,592	267,731	277,672	261,901	233,358
412,487	453,870	537,176	516,332	488,084	503,998
5,595,180	12,691,226	1,938,788	5,189,084	4,611,096	2,259,958
6,957,112	4,520,212	4,647,220	3,180,406	2,849,792	10,452,699
<u>68,705,650</u>	<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>
5,709,263	2,579,507	1,058,523	202,671	-	-
2,188,484	2,094,485	1,754,181	2,200,886	1,886,225	1,927,101
3,231,603	4,766,976	3,576,172	3,169,704	1,626,680	1,438,348
1,341,283	1,340,499	1,509,422	1,423,508	1,436,369	1,433,407
2,794,810	2,487,710	2,425,990	2,299,286	1,935,848	1,783,517
417,518	408,137	411,804	475,082	315,206	332,442
214,112	161,321	78,687	76,195	71,577	72,256
71,967	-	-	-	-	2,515
-	-	-	-	-	-
-	-	-	-	-	-
1,021,023	1,086,131	1,027,542	1,099,053	1,001,989	960,770
354,918	7,789,433	3,330,363	3,667,452	189,500	-
4,233,881	-	-	82,935	2,463,690	3,187,170
<u>21,578,862</u>	<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>\$ 90,284,512</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>
\$(212,815,937)	\$(200,090,567)	\$(234,042,738)	\$(180,087,746)	\$(151,591,201)	\$(141,538,099)
(15,864,752)	(9,640,970)	(18,506,674)	(17,362,803)	(18,237,815)	(16,097,702)
<u>\$(228,680,689)</u>	<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>

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes:				
Real and personal property tax	\$ 18,293,200	\$ 17,130,837	\$ 16,364,039	\$ 16,262,921
Sales tax	178,536,073	171,549,434	163,725,091	133,215,345
Gasoline tax	10,113,784	9,474,098	9,499,092	9,680,455
Room tax	5,653,761	5,389,031	5,182,775	5,003,180
Beer and liquor tax	2,100,653	2,025,855	2,078,693	2,031,634
Rental and leasing tax	9,220,699	8,497,843	8,015,194	6,309,404
Cigarette stamp tax	1,743,039	1,815,029	1,993,093	2,200,090
Other tobacco tax	480,735	442,344	432,831	411,392
Financial excise tax	382,673	399,417	363,317	147,964
Other tax revenue	418,363	366,789	87,364	71,835
Grants and contributions not restricted to a specific program	-	348,437	-	-
Investment earnings	63,943	72,025	94,013	283,034
Other	6,901,008	7,500,929	1,766,581	1,409,680
Capital contributions	-	-	-	-
Transfers	<u>(3,885,039)</u>	<u>(4,969,603)</u>	<u>(15,212,065)</u>	<u>(4,206,588)</u>
Total governmental activities	<u>230,022,892</u>	<u>220,042,465</u>	<u>194,390,018</u>	<u>172,820,346</u>
Business-type activities				
Taxes:				
Sales tax	9,660,595	8,985,838	8,894,386	8,715,107
Room tax	1,879,914	1,790,951	1,722,185	1,662,898
Investment earnings	1,690	4,829	763	223
Other	-	-	-	-
Transfers	<u>3,885,039</u>	<u>4,969,603</u>	<u>15,212,065</u>	<u>4,206,588</u>
Total business-type activities	<u>15,427,238</u>	<u>15,751,221</u>	<u>25,829,399</u>	<u>14,584,816</u>
Total primary government	<u>\$ 245,450,130</u>	<u>\$ 235,793,686</u>	<u>\$ 220,219,417</u>	<u>\$ 187,405,162</u>
<b>Changes in Net Position</b>				
Governmental activities	\$ 52,181,671	\$ 6,595,229	\$ (29,651,278)	\$ (24,282,265)
Business-type activities	<u>(2,103,487)</u>	<u>(7,062,778)</u>	<u>5,733,861</u>	<u>(2,899,451)</u>
Total primary government net expense	<u>\$ 50,078,184</u>	<u>\$ (467,549)</u>	<u>\$ (23,917,417)</u>	<u>\$ (27,181,716)</u>

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 16,093,899	\$ 16,077,830	\$ 15,969,310	\$ 14,938,843	\$ 13,200,779	\$ 12,834,026
163,405,226	141,825,022	132,218,742	140,470,973	135,345,733	142,430,882
10,115,711	10,213,140	7,735,285	7,775,814	10,020,374	10,054,815
5,092,514	6,040,106	4,795,120	5,239,745	4,689,885	4,883,060
2,005,816	2,196,467	2,137,149	2,027,597	1,933,147	2,000,960
6,080,474	5,699,115	4,104,708	4,430,951	6,638,181	6,573,934
2,234,211	2,370,001	2,253,663	2,188,771	2,229,154	2,250,584
459,774	462,814	455,907	434,014	444,534	461,272
77,098	79,224	1,320,726	4,264,065	1,286,414	1,681,486
114,016	105,055	4,554,032	-	149,249	185,176
-	-	-	-	-	-
337,496	301,434	1,009,662	3,150,149	4,658,748	2,914,890
3,122,939	2,239,320	6,298,450	5,550,454	5,086,335	1,688,182
-	2,417,423	105,130,798	-	4,693,831	-
<u>(3,686,887)</u>	<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>205,452,287</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>
8,395,672	8,378,986	7,974,021	7,354,647	6,285,253	6,255,350
1,685,196	1,997,710	1,568,826	1,586,408	1,405,841	1,438,130
4,576	3,321	16,563	59,405	34,180	40,239
17,708	(9,704)	155,907	(164,194)	-	12,036
3,686,887	6,780,507	5,027,942	26,333,227	7,812,027	6,761,709
<u>13,790,039</u>	<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>\$ 219,242,326</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>
\$ (7,363,650)	\$ (16,844,123)	\$ 48,912,872	\$ (15,949,597)	\$ 30,973,136	\$ 39,659,459
<u>(2,074,713)</u>	<u>7,509,850</u>	<u>(3,763,415)</u>	<u>17,806,690</u>	<u>(2,700,514)</u>	<u>(1,590,238)</u>
<u>\$ (9,438,363)</u>	<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>

**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>
2015	\$ 18,293,200	\$ 178,536,073	\$ 10,113,784	\$ 5,653,761	\$ 2,100,653
2014	17,130,837	171,549,434	9,474,098	5,389,031	2,025,855
2013	16,364,039	163,725,091	9,499,092	5,182,775	2,078,693
2012	16,262,921	133,215,345	9,680,455	5,003,180	2,031,634
2011	16,093,899	163,405,226	10,115,711	5,092,514	2,005,816
2010	16,077,830	141,825,022	10,213,140	6,040,106	2,196,467
2009	15,969,310	132,218,742	7,735,285	4,795,120	2,137,149
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

	Rental and Leasing Tax	Tobacco Tax	Financial Excise Tax	Other Taxes	Total
\$	9,220,699	\$ 2,223,774	\$ 382,673	\$ 418,363	\$ 226,942,980
	8,497,843	2,257,373	399,417	366,789	217,090,677
	8,015,194	2,425,924	363,317	87,364	207,741,489
	6,309,404	2,611,482	147,964	71,835	175,334,220
	6,080,474	2,693,985	77,098	114,016	205,678,739
	5,699,115	2,832,815	79,224	105,055	185,068,774
	4,104,708	2,709,570	1,320,726	4,554,032	175,544,642
	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

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Nonspendable	2,612,208	2,311,354	2,251,159	3,264,694
Restricted	-	-	2,468,988	2,848,846
Assigned	2,325,111	1,992,313	2,834,071	2,355,302
Unassigned	37,421,124	14,926,335	(4,296,200)	11,371,036
Total general fund	<u>\$ 42,358,443</u>	<u>\$ 19,230,002</u>	<u>\$ 3,258,018</u>	<u>\$ 19,839,878</u>
All other governmental funds				
Reserved	-	-	-	-
Restricted	15,424,812	18,024,769	18,521,380	29,337,505
Committed	10,449,070	8,581,543	7,162,797	11,107,307
Assigned	44,579,571	44,539,666	44,268,800	28,770,798
Unassigned	-	(11,221)	(6,593)	-
Total other governmental funds	<u>70,453,453</u>	<u>71,134,757</u>	<u>69,946,384</u>	<u>69,215,610</u>
Unreserved, reported in:				
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Total all other governmental funds	<u>\$ 70,453,453</u>	<u>\$ 71,134,757</u>	<u>\$ 69,946,384</u>	<u>\$ 69,215,610</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.

2011	2010	2009	2008	2007	2006
\$ -	\$ 5,435,439	\$ 5,752,801	\$ 5,832,499	\$ 5,205,071	\$ 4,689,693
-	8,444,256	(1,266,959)	11,035,656	12,993,274	18,402,448
3,379,640	-	-	-	-	-
4,547,386	-	-	-	-	-
2,804,615	-	-	-	-	-
24,722,193	-	-	-	-	-
<u>\$ 35,453,834</u>	<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>
-	14,696,034	10,882,881	10,510,041	11,622,558	5,793,041
38,546,027	-	-	-	-	-
5,746,043	-	-	-	-	-
30,467,472	-	-	-	-	-
(6,599)	-	-	-	-	-
<u>74,752,943</u>	<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>
-	64,892,359	59,856,507	92,514,133	56,428,126	72,006,529
-	3,494,130	3,367,695	3,338,317	2,688,293	2,400,188
<u>\$ 74,752,943</u>	<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>

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

	2015	2014	2013	2012
<b>Revenues</b>				
Taxes	\$ 226,942,982	\$ 217,090,677	\$ 207,741,489	\$ 175,115,820
Licenses and permits	39,165,570	39,525,926	36,532,107	36,427,112
Intergovernmental	102,817	65,645	137,740	443,642
Charges for services	7,398,861	8,466,724	8,723,683	8,260,051
Fines and forfeitures	3,777,807	4,386,729	4,548,189	4,365,667
State and federal assistance	8,475,079	9,149,146	13,594,457	20,151,236
Assessments	-	3,944	-	-
Interest	63,943	72,025	94,013	283,035
Other	8,541,969	7,559,519	1,987,282	1,418,460
<b>Total revenues</b>	<u>294,469,028</u>	<u>286,320,335</u>	<u>273,358,960</u>	<u>246,465,023</u>
<b>Expenditures</b>				
General government	21,472,112	21,625,859	16,795,637	16,672,894
Economic development	1,175,456	854,155	832,668	801,029
Public safety	84,996,190	82,499,697	83,692,248	79,899,320
Public works	33,094,012	34,013,827	32,913,792	34,990,667
Culture and recreation	14,495,545	13,321,383	13,475,345	13,396,491
Finance	5,149,172	5,028,125	4,542,960	4,672,001
Nondepartmental	40,008,438	46,861,160	57,085,851	59,413,866
Capital outlay	29,059,564	23,893,432	33,359,798	21,907,267
<b>Debt service</b>				
Principal	14,479,688	12,132,976	11,952,149	8,749,175
Interest and fees	12,653,165	13,533,770	13,934,349	14,268,697
<b>Total expenditures</b>	<u>256,583,342</u>	<u>253,764,384</u>	<u>268,584,797</u>	<u>254,771,407</u>
<b>Excess of revenue over (under) expenditures</b>	<u>37,885,686</u>	<u>32,555,951</u>	<u>4,774,163</u>	<u>(8,306,384)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from borrowing	-	-	5,100,000	-
Proceeds (payment) from refunding	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Transfers in	39,374,477	54,390,241	39,264,957	30,456,574
Transfers out	(54,863,410)	(69,792,959)	(61,044,043)	(43,314,602)
Insurance recoveries	-	-	-	-
Premiums (discounts) on bonds issued	-	-	-	-
Bond Issuance Cost	-	-	(10,529)	-
Sale of general fixed assets	50,384	7,124	18,121	13,123
<b>Total other financing sources (uses)</b>	<u>(15,438,549)</u>	<u>(15,395,594)</u>	<u>(16,671,494)</u>	<u>(12,844,905)</u>
<b>Net change in fund balance</b>	<u>\$ 22,447,137</u>	<u>\$ 17,160,357</u>	<u>\$ (11,897,331)</u>	<u>\$ (21,151,289)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	11.58 %	10.99 %	10.68 %	10.31 %



	2011	2010	2009	2008	2007	2006
\$	207,431,270	\$ 186,728,761	\$ 174,810,707	\$ 181,770,773	\$ 174,536,999	\$ 181,520,268
	35,853,964	35,887,762	37,000,838	36,321,711	34,637,574	31,928,461
	245,581	199,992	1,548,996	539,578	1,730,873	2,242,992
	8,559,708	8,184,608	8,167,239	9,850,027	9,764,293	9,722,612
	4,468,316	4,724,902	4,691,317	4,968,281	4,547,176	3,573,552
	12,530,527	17,168,956	6,502,302	8,306,569	7,460,888	12,712,656
	526	-	-	-	-	-
	324,573	301,811	1,056,562	3,150,147	4,786,183	2,914,890
	7,297,106	2,244,211	5,608,303	4,575,337	4,652,330	1,481,766
	<u>276,711,571</u>	<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>
	17,319,848	17,244,146	18,919,217	16,774,235	15,156,729	14,781,181
	943,489	946,081	1,008,755	903,138	996,402	714,758
	78,453,950	79,674,151	86,342,817	84,463,292	75,746,232	69,966,349
	36,523,540	36,745,281	37,334,095	36,655,722	33,982,373	32,858,243
	14,293,565	14,696,416	15,154,032	13,191,508	12,830,294	11,331,104
	4,703,808	4,829,821	5,010,643	4,597,974	4,395,742	4,295,572
	51,280,489	58,242,547	40,363,981	46,884,800	46,938,096	51,929,138
	32,327,434	22,269,823	45,338,810	46,840,175	36,810,657	20,300,611
	7,301,694	7,104,607	12,020,851	46,944,636	12,556,427	13,261,003
	14,692,483	13,478,392	14,440,851	36,120,233	9,637,487	8,887,309
	<u>257,840,300</u>	<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>18,871,271</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>
	15,334,069	84,775,000	569,000	148,390,000	3,930,000	1,800,000
	-	-	-	-	-	63,410,000
	(10,657,242)	(58,207,259)	-	-	-	(37,722,873)
	28,985,202	32,058,663	32,984,026	56,126,848	41,185,247	44,794,015
	(39,249,373)	(42,116,454)	(41,718,561)	(86,780,999)	(53,102,723)	(55,805,630)
	1,559	2,113	-	448,534	564,370	1,166,236
	-	2,287,511	-	-	-	1,190,117
	(57,750)	(643,350)	-	-	-	-
	16,822	3,331	75,602	2,233	2,652	84,045
	<u>(5,626,713)</u>	<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>13,244,558</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>
	9.80 %	8.82 %	11.48 %	28.99 %	10.61 %	10.95 %

**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>
2015	\$ 3,540	5.0%
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%

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 OVERLAPPING<sup>1</sup> GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	City of Mobile <sup>2</sup>					City of Mobile Police Jurisdiction <sup>3</sup>				
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
2015	5.000 %	2.250 %	2.250 %	2.250 %	5.000 %	2.500 %	1.125 %	1.125 %	1.125 %	2.500 %
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 %

Source: Alabama Department of Revenue

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

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

<sup>3</sup>The City collects sales and use tax revenues on sales made within the City of Mobile Police Jurisdiction, located outside of the City's limits and within Mobile County.

Overlapping Rates

Mobile County					Total Direct and Overlapping Rates				
General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
1.000 %	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 %	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 %

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

<b>Taxpayer</b>	<b>2015</b>		<b>2006</b>	
	<b>Rank</b>	<b>Percentage of Total Taxable Sales</b>	<b>Rank</b>	<b>Percentage of Total Taxable Sales</b>
Wal-Mart #866	1	2.54 %	3	1.67 %
Wal-Mart #853	2	2.10 %	4	1.52 %
Wal-Mart #991	3	1.83 %	1	2.53 %
Sams Wholesale	4	1.82 %	2	2.15 %
Lowe's #549	5	0.92 %	9	0.83 %
Lowe's Home Center	6	0.89 %	10	0.82 %
Lowe's #212	7	0.87 %	5	1.38 %
Target	8	0.85 %		
Dillard's	9	0.82 %	6	1.16 %
Best Buy #340	10	0.78 %	7	1.03 %
Wal-Mart Supercenter #5174			8	0.99 %
<b>Totals</b>		<b><u>8.29 %</u></b>		<b><u>7.87 %</u></b>

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	
2015	\$ 549,530,640	\$ 1,325,990,140	\$ 273,833,900	\$ 415,303,220	\$ 63,448,440
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

Source: Mobile County Revenue Commissioner

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

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

	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Taxable Value</u>	<u>Assessed Value<sup>1</sup> as a Percentage of Actual Value</u>	
\$	2,501,209,460	7 mills	\$ 12,386,604,367	20.71	%
	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	%

**CITY OF MOBILE, ALABAMA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING<sup>1</sup> GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	<u>Overlapping Rates</u>			<u>Total Direct &amp; Overlapping Rates</u>
	<u>City of Mobile</u>	<u>Mobile County</u>		
		<u>County of Mobile</u>	<u>School District</u>	
	<u>Total City Millage</u>	<u>Total County Millage</u>	<u>Total School Millage</u>	
2015	7	16	29.5	52.5
2014	7	16	29.5	52.5
2013	7	16	29.5	52.5
2012	7	16	29.5	52.5
2011	7	16	29.5	52.5
2010	7	16	29.5	52.5
2009	7	16	29.5	52.5
2008	7	16	29.5	52.5
2007	7	16	29.5	52.5
2006	7	16	29.5	52.5

Source: Mobile County Revenue Commissioner

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



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

Taxpayer	2015				2006			
	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	\$ 66,829,820	1	2.67 %		\$ 232,048,400	1	5.21 %	
RPI Bel Air Mall LLC	37,756,660	2	1.51 %					
UOP LLC	39,039,400	3	1.56 %					
Kimberly-Clark Corporation	42,383,560	4	1.69 %		26,673,420	8	5.72 %	
Comcast of Alabama	21,475,660	5	0.86 %					
Bell South Communications	18,486,300	6	0.74 %		42,405,900	3	5.85 %	
Mobile Gas Service Corporation	17,488,920	7	0.70 %		30,528,000	7	5.77 %	
Paragon (Seillean) KS US	15,378,900	8	0.61 %					
Shell Chemical Company	14,981,480	9	0.60 %					
Campus Crest at Mobile	10,870,780	10	0.43 %					
Gulfstream Natural Gas					53,030,000	2	4.85 %	
IPSCO Steel (AL) Inc					42,306,940	4	2.98 %	
Florida Gas Transmission Co					40,111,600	5	4.85 %	
Degussa Corporation					34,649,720	6	4.30 %	
Exxon Corporation					18,208,440	9	4.86 %	
Colonial Realty Limited					17,746,360	10	6.35 %	
Totals	<u>\$ 284,691,480</u>		<u>11.38 %</u>		<u>\$ 537,708,780</u>		<u>5.05 %</u>	

Source: Mobile County Revenue Commissioner

Note: Principal property taxpayers presented for 2015 are those property taxpayers in the City of Mobile. Principal property taxpayers presented for 2006 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**

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
2015	\$ 13,956,359	\$ 12,438,912	89.13
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

\*Data not available

Source: Mobile County Revenue Commissioner

Collection in Subsequent Years		Total Collection to Date	
		Amount	Percentage of Levy
\$ 1,501,950	\$ 13,940,862	99.89	
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	

**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
2015	\$ 260,422,689	\$ 5,925,000	\$ 2,950,000	\$ 1,473,283
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

\*Data not available

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

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

Business Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita
Capital Leases			
\$ -	\$ 270,770,972	*	*
-	284,926,389	2.09	686
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

**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 <sup>1</sup> of Property	Per Capita <sup>2</sup>
2015	\$ 260,422,689	\$ 382,829	\$ 260,039,860	- %	*
2014	272,617,145	719,022	271,898,123	2.22 %	655
2013	282,547,567	221,605	282,325,962	2.44 %	682
2012	298,261,879	4,516,268	293,745,611	2.50 %	710
2011	298,290,944	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

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

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

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

**CITY OF MOBILE, ALABAMA  
DIRECT AND OVERLAPPING GOVERNMENT DEBT  
AS OF SEPTEMBER 30, 2015**

<b><u>Government Unit</u></b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable<sup>1</sup></b>	<b>Estimated Share of Overlapping Debt</b>
Debt repaid with property taxes: County	\$ 488,925,321	50 %	\$ <u>244,462,661</u>
Subtotal, overlapping debt			244,462,661
City of Mobile Direct Debt	270,388,143	100 %	<u>270,388,143</u>
Total direct and overlapping debt			<u>\$ 514,850,804</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.

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

**CITY OF MOBILE, ALABAMA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2015	2014	2013	2012
Debt Limit	\$ 512,931,580	\$ 504,987,932	\$ 476,702,224	\$ 468,309,460
Less: Total net debt applicable to limit	222,506,693	235,615,896	243,221,226	249,936,851
Legal debt margin	<u>\$ 290,424,887</u>	<u>\$ 269,372,036</u>	<u>\$ 233,480,998</u>	<u>\$ 218,372,609</u>
Total net debt applicable to the limit as a percentage of debt limit	43.4 %	46.7 %	51.0 %	53.4 %
Legal Debt Margin Calculation for Fiscal Year 2015				
Assessed value of real property, September 30, 2015			\$ 1,875,520,780	
Assessed value of personal property, September 30, 2015			<u>689,137,120</u>	
Total assessed value			<u>\$ 2,564,657,900</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

	2011	2010	2009	2008	2007	2006
\$	469,411,364	\$ 468,281,604	\$ 476,249,112	\$ 462,473,648	\$ 394,599,712	\$ 373,155,832
	260,122,205	255,534,378	229,861,239	239,875,431	171,439,425	181,386,101
\$	<u>209,289,159</u>	<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>
	55.4 %	54.6 %	48.3 %	51.9 %	43.4 %	48.6 %

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

Limited Obligation Tax Increment Financing Plan

Year	Tax Increment	Debt Service	
		Principal	Interest
2015	\$ 3,206,435	\$ 580,000	\$ 341,825
2014	3,391,681	545,000	372,763
2013	2,487,111	520,000	400,230
2012	2,532,414	500,000	424,460
2011	2,548,928	475,000	447,135
2010	2,172,723	455,000	468,184
2009	2,133,818	440,000	487,878
2008	1,778,031	420,000	506,163
2007	1,416,398	405,000	522,876
2006	1,371,461	390,000	538,090

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

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (amounts expressed in millions)</u>	<u>Per Capital Personal Income</u>
2015	*	*	*
2014	415,123	13,601	32,631
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

\*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>
37.1	High School Graduate	59,031	7.2%
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%

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

Taxpayer	2015			2006			
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment	
Mobile County Public School System	7,490	1	4.47 %	8,343	1	2.09 %	
USA School and Medical Facilities	5,200	2	3.10 %	5,600	3	1.40 %	
Infirmity Health Systems	4,600	3	2.74 %	6,500	2	1.62 %	
Austal USA	4,464	4	2.66 %				
City of Mobile	2,340	5	1.40 %	2,429	5	0.61 %	
County of Mobile	1,630	6	0.97 %	1,677	7	0.42 %	
AM/NS Calvert	1,600	7	0.95 %				
Providence	1,550	8	0.92 %	2,245	6	0.56 %	
VT MAE Aerospace	1,300	9	0.78 %				
Spring Hill Medical Center	1,200	10	0.72 %	1,310	8	0.33 %	
Walmart				3,000	4	0.75 %	
ST Aerospace Mobile				1,202	9	0.30 %	
US Coast Guard				949	10	0.24 %	
Totals	<u>31,374</u>		<u>18.71 %</u>	<u>33,255</u>		<u>8.32 %</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Function					
General government	185	203	223	195	197
Economic development	12	13	12	12	13
Public safety	1,333	1,399	1,288	1,546	1,374
Public works	540	541	569	564	581
Cultural and recreation	378	485	414	383	306
Finance	93	96	91	91	96
Golf course	20	26	22	26	21
Firemedics	71	93	73	74	71
Tennis Center	12	17	10	13	8
Motor Pool	3	3	3	2	3
Total	<u>2,647</u>	<u>2,876</u>	<u>2,705</u>	<u>2,906</u>	<u>2,670</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>2010*</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
190	197	189	196	184
14	13	12	13	7
1,327	1,312	1,307	1,273	1,178
576	575	553	585	512
303	317	294	325	323
93	91	88	91	90
20	28	28	17	27
71	66	61	59	58
10	10	10	7	11
<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u><u>2,607</u></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>

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

<b>Function</b>	2015	2014	2013	2012	2011
<b>General Government</b>					
<b>Urban Development</b>					
Service request orders	13,534	18,806	17,043	16,819	14,546
Municipal offense tickets	1,516	1,634	2,221	2,557	1,875
Inspections/investigations	62,057	65,763	63,407	63,213	82,961
Plan reviews	5,196	7,453	8,043	5,363	4,303
Plan reviews-right of way	2,489	2,587	2,574	2,401	2,628
Notice of violations	5,911	6,445	6,913	6,112	7,152
Permits	12,388	13,433	13,018	12,782	13,640
Certificate of Occupancy	378	330	267	367	643
PC/BOA applications	411	516	454	587	451
Tree commission applications	31	21	15	18	17
Complete nuisance abatement cases	125	77	44	49	151
Complete weed abatement cases	340	320	340	320	680
Removal of trees	369	146	395	458	467
Trimming removal	4,560	4,307	5,691	5,611	4,556
Stump removal	181	102	125	222	196
<b>Human Resources<sup>2</sup></b>					
Medical claims	234	221	262	251	279
Indemnity claims	35	31	42	37	40
<b>Mobile 311</b>					
Calls	96,450	110,776	115,594	115,398	109,681
SROs created	54,313	56,559	60,512	60,916	59,725
<b>Municipal Information Technology</b>					
<b>Telecommunications</b>					
Buildings with computer equipment	190	185	184	181	180
Miles of fiber	850	825	825	825	825
Wireless sites	25	22	18	30	27
Computer user accounts	3,250	3,222	3,000	2,934	2,850
Email accounts	2,400	2,369	2,458	2,320	2,050
Voicemail accounts	1,466	1,461	1,541	1,547	1,738
Computers/printers supported	3,098	3,098	3,163	2,537	2,450
Servers supported	99	99	9,595	115	75
800Mhz subscribers	-	-	-	-	1,906
City phone extensions	2,724	2,756	2,730	2,724	2,426
Broadband data cards	72	63	88	89	110
Software applications supported	426	426	420	409	409
MIT Help Desk cases	9,195	10,126	10,016	10,270	9,450
Number of employees trained	-	-	-	-	75
Cell phones	393	372	385	365	333
Telecom Help Desk requests	1,759	1,473	1,809	2,028	2,132
<b>Economic Development</b>					
<b>Mobile Historic Development Commission</b>					
Applications reviewed	400	412	430	449	471
Certificates issued	393	410	344	374	448
Applications heard by review board	58	64	86	75	93
Applications denied	7	2	12	6	5
<b>Public Safety</b>					
<b>Mobile Police Department</b>					
<b>Crime incidents:</b>					
Murder (or Non-Neg Manslaughter)	23	26	29	27	25
Murder domestic	1	4	-	3	7



2010	2009	2008	2007	2006
14,901	12,374	10,525	12,264	10,887
2,023	1,722	1,883	1,811	1,550
76,510	-	48,626	57,494	50,838
3,315	5,191	6,094	3,576	3,720
2,293	2,850	3,238	3,815	*
7,974	6,292	6,735	5,820	*
16,384	11,787	13,808	16,940	16,871
458	560	507	793	290
483	700	1,282	1,260	608
25	27	16	29	40
63	39	26	35	20
540	660	410	480	160
415	371	499	294	266
7,612	4,557	1,813	806	665
238	221	366	381	406
226	265	290	298	236
51	29	24	34	37
116,030	110,655	110,168	100,234	72,126
64,147	60,345	55,644	51,725	36,348
180	175	170	166	155
920	820	810	800	560
22	20	25	35	45
2,750	2,680	2,850	2,821	2,407
2,200	2,203	2,050	1,810	1,576
1,735	1,584	1,545	1,285	1,311
2,600	2,496	2,450	2,397	2,302
90	90	75	60	81
1,906	1,906	1,906	1,906	1,906
2,267	2,544	2,442	2,475	2,351
103	102	97	86	69
408	391	375	342	*
3,917	5,331	5,209	5,040	*
599	889	510	620	*
331	340	307	244	210
1,995	2,302	2,952	2,674	2,906
469	433	584	597	577
440	391	543	526	469
111	158	226	226	108
11	16	7	24	14
20	27	35	34	31
2	2	3	6	3

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

<b>Function</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Negligent manslaughter	-	2	-	1	-
Forcible rape	136	146	29	52	43
Carjacking	10	12	17	23	24
Robbery	427	431	452	526	622
Aggravated assault	1,225	1,136	1,272	879	999
Burglary	2,275	2,878	2,828	3,119	3,884
Larceny	8,367	8,824	9,384	9,213	9,030
Vehicle theft	623	727	742	611	783
Arson	47	56	42	61	53
Simple Assault	2,067	2,134	2,140	2,349	3,818
Sex offenses	131	120	123	174	138
Narcotics Laws	1,429	2,148	3,879	3,077	1,333
Weapons Offense	230	274	440	458	382
Forgery-counterfeiting	315	226	325	337	401
D.U.I.	422	448	405	388	459
All Other Offenses	26,888	26,606	29,750	31,953	31,748
Tickets:					
Following too close	51	79	66	105	66
Run red light	904	1,654	1,585	1,623	1,766
Run stop sign	802	1,156	1,248	1,592	1,336
Speeding	8,589	12,551	11,854	11,774	9,807
Speeding in school zone	319	557	512	415	320
Mobile Fire Rescue Department					
Total calls answered	35,619	33,486	31,906	31,529	32,858
Inspections	1,064	1,339	5,731	4,010	9,762
Plans reviewed	317	698	792	432	889
Permits issued	414	415	1,037	372	963
Mobile Municipal Court					
Total cases processed	43,216	106,076	65,659	70,406	71,996
Domestic violence cases	1,305	2,704	1,520	1,670	1,590
Environmental cases	2,246	4,092	2,720	4,061	3,709
Traffic cases	33,644	67,096	52,622	55,030	56,149
Criminal cases	5,632	12,714	8,797	9,645	10,548
Public works					
Flood Control					
Debris removed (cubic yards)	10,153	6,582	5,642	6,000	6,645
Work on ditches (miles)	16	13	17	18	13
Administration					
Disciplinary actions processed	208	171	191	225	379
Claims/reports processed	153	122	189	118	111
Concrete and sidewalk repair					
Concrete poured	1,341	1,743	3,198	1,575	2,452
Repairs	378	595	500	451	650
Replacements	2	3	5	10	8
Right-of-way maintenance					
Material hauled (cubic yards)	16,765	27,609	28,985	33,200	23,568
Material used (cubic yards)	4,304	14,265	17,700	13,165	5,590
Repairs	54	156	157	277	214
Asphalt street repair					
Asphalt used (tons)	727	1,112	1,071	1,233	1,088
Repairs	14,382	18,096	16,725	21,711	14,451
Street Sweeping					
Miles sweeper swept	11,324	19,252	31,003	26,336	15,902
Debris removed (cubic yards)	14,460	17,944	19,142	16,947	15,716

2010	2009	2008	2007	2006
-	-	-	2	1
52	30	22	30	54
60	73	68	59	46
686	775	833	639	601
1,035	301	311	370	398
3,882	3,493	3,182	3,416	3,349
9,889	9,555	9,707	9,749	9,655
1,267	972	1,192	1,278	1,432
58	56	78	89	56
1,171	5,639	5,822	5,929	6,230
234	233	275	266	294
3,888	3,096	3,059	3,115	3,189
398	400	383	354	352
395	382	652	623	623
570	478	589	565	472
35,262	31,223	33,085	33,885	34,512
101	129	118	57	45
2,221	2,105	2,765	2,165	1,994
2,143	1,971	2,251	1,097	1,149
11,472	12,774	15,500	12,234	9,314
325	255	218	183	132
35,713	34,248	31,712	30,579	2,588
7,177	695	641	872	658
806	1,619	3,854	871	196
555	1,331	1,265	1,191	350
72,230	67,571	76,578	69,951	57,772
1,642	1,485	1,567	1,698	1,691
3,977	3,285	4,311	2,614	2,610
56,823	52,590	61,096	56,363	43,489
9,788	10,211	9,604	9,276	9,982
240	1,720	180	940	-
28	30	36	32	141
385	320	102	152	175
103	147	117	100	106
2,919	4,114	5,305	3,238	2,342
520	1,193	886	1,049	881
39	507	526	540	522
37,880	55,341	40,572	47,654	20,845
9,220	9,450	8,845	9,930	7,825
207	244	320	261	126
1,466	2,402	2,376	3,152	2,467
19,087	18,925	17,801	21,332	21,376
17,400	16,400	17,623	18,319	19,260
14,807	14,304	17,460	17,697	20,310

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

<b>Function</b>	2015	2014	2013	2012	2011
Water used (gallons)	144,123	211,500	242,500	269,640	220,750
Dredge					
Material dredged/removed (cubic yards)	17,272	23,147	29,508	7,920	13,745
Storm drain and heavy equipment					
Drains cleaned	1,686	3,884	2,797	3,423	4,186
Material hauled (cubic yards)	1,275	2,730	7,824	3,481	4,176
Solid waste					
Waste removal (tons)	55,413	53,125	52,615	54,269	54,513
Other waste removal	414	318	305 (ton)	291 (ton)	110 (ton)
Special events	350	345	330	315	240
Carcass removal	1,200	3,650	3,617	3,610	3,947
Trash division					
Trash picked up	192,281	164,200	171,260	173,820	189,960
Pay pile loads	778	680	542	349	570
Environmental Response Crew					
Collections (gallons)	1,772	1,499	1,215	2,954	734
Other collections (yards)	-	-	-	-	-
Cleaned (feet)	6,478	25,928	29,666	27,852	28,080
Culture and Recreation					
Mobile Public Library					
Items circulated	1,670,662	1,702,092	1,798,526	1,899,180	1,871,251
Customer visits	1,410,099	1,447,113	1,439,398	1,369,945	1,417,588

\*Data not available

Source: Various City Departments

2010	2009	2008	2007	2006
276,397	299,604	369,640	467,000	840,000
24,344	15,035	25,130	49,650	46,809
4,224	5,387	4,455	3,506	4,859
15,744	16,188	5,472	11,448	13,458
56,306	55,972	56,647	58,235	58,734
93 (ton)	68.27 (ton)	57 (ton)	227 (ton)	61,800 (cy)
199	245	242	160	560
4,986	5,525	6,925	7,588	4,512
191,300	201,900	231,900	264,602	333,285
600	526	896	977	610
1,240	805	1,442	1,338	4,643
-	-	-	13	-
35,665	34,805	19,555	19,707	6,285
1,979,929	2,121,584	1,975,446	1,830,942	1,739,028
1,441,980	1,469,049	1,369,611	1,264,125	1,123,116

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

<b>Function</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Streets and Highways					
Paved	1,267.7	1,267.5	1,267.7	1,267.2	1,264.4
Unimproved	18.9	18.9	19.6	19.8	21.8
Traffic Signals	317	316	316	315	453
Street Lights	5,200	5,200	5,200	5,200	5,200
Public Safety					
Police					
Precincts and Mini-Precincts	6	7	8	8	9
Fire					
Number of Stations	20	21	21	21	20
Culture and Recreation					
Number of Parks	68	68	92	93	95
Parks Acreage	1,294	1,294	1,754	1,754	1,754
Swimming Pools	6	6	6	6	5
Wading Pools	9	9	6	5	*
Spray Grounds	4	3	3	3	*
Tennis Courts	93	93	93	97	97
Community Centers	14	14	14	15	15
Senior Centers	3	3	4	*	*
Motor Pool					
Number of Sanitation Collection Trucks	35	36	37	38	37

\*Information not available

\*\*Method for reporting has changed.

Source: Various City Departments

2010	2009	2008	2007	2006
1,263.3	1,262.5	1,261.5	1,179.0	1,164.1
21.8	21.8	20.9	15.0	12.8
431	452	452	398	283
4,922	4,922	4,922	4,922	4,893
8	9	10	10	8
20	20	20	19	17
91	91	89	68	67
1,740	1740	1740	1,740**	1,740**
7	7	7	6	6
*	*	*	*	*
*	*	*	*	*
97	97	97	97	87
17	17	17	16	16
*	*	*	*	*
36	48	34	31	*