

CITY OF MOBILE, ALABAMA

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2016

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



WILLIAM S. STIMPSON
MAYOR

Part I Introductory Section

**CITY OF MOBILE, ALABAMA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2016**

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March 31, 2017

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, 2016. 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 audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The audit is underway and the separately issued Single Audit Report will be available for review at the Federal Audit Clearinghouse.

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

PROFILE OF THE CITY

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

The city covers an area of 179 square miles. In 2015, the United States Census Bureau estimated that there were 194,288 people residing within the city limits of Mobile and that there were 415,395 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 2015, 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 2016, the unassigned fund balance of the general fund was a positive \$29.8 million following a budget amendment to transfer \$10.2 million in surplus to the capital fund for, among other purposes, the construction of two fire stations and economic development. The total fund balance for the general fund, including restricted, assigned and nonspendable fund balance was \$34.7 million.

ECONOMIC CONDITION

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

In September, 2016 Airbus completed construction of a \$600 million aircraft assembly plant in Mobile at the Brookley Aeroplex where it will employ approximately 1,000 full-time workers at full-capacity and deliver approximately four aircraft per month. The first plane was delivered in April, 2016.

Austal USA in Mobile has been commissioned by the US Navy to build twelve ships under a Spearhead-class Expeditionary Fast Transport vessel contract. Austal has constructed and delivered five 127-meter littoral combat ships to the Navy under an eleven-ship, \$4.0 billion contract. In connection with the JHSV and LCS contracts, Austal employs 4,400 workers in its Mobile shipyard.

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

MANAGEMENT OF CITY RESOURCES

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

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

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

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 \$1,847,500 at September 30, 2016 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 fully insured for workers' compensation claims with a deductible of \$750,000 per accident and employee health insurance claims.

The City has contracted with outside third parties for claim administration. These liabilities were estimated to be approximately \$14.9 million at September 30, 2016 and are accounted for in the Government-wide financial statements. The liability for employee health insurance claims of approximately \$2.27 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.

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, 2015 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 and Rebecca Christian, Deputy 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, 2015

Executive Director/CEO



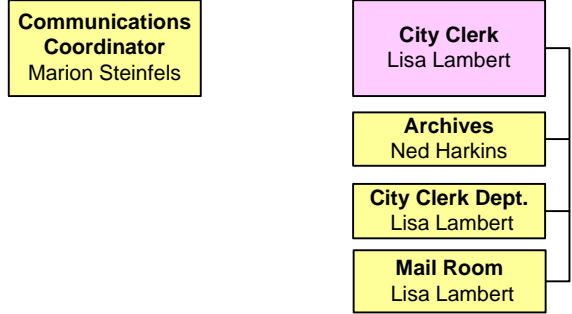
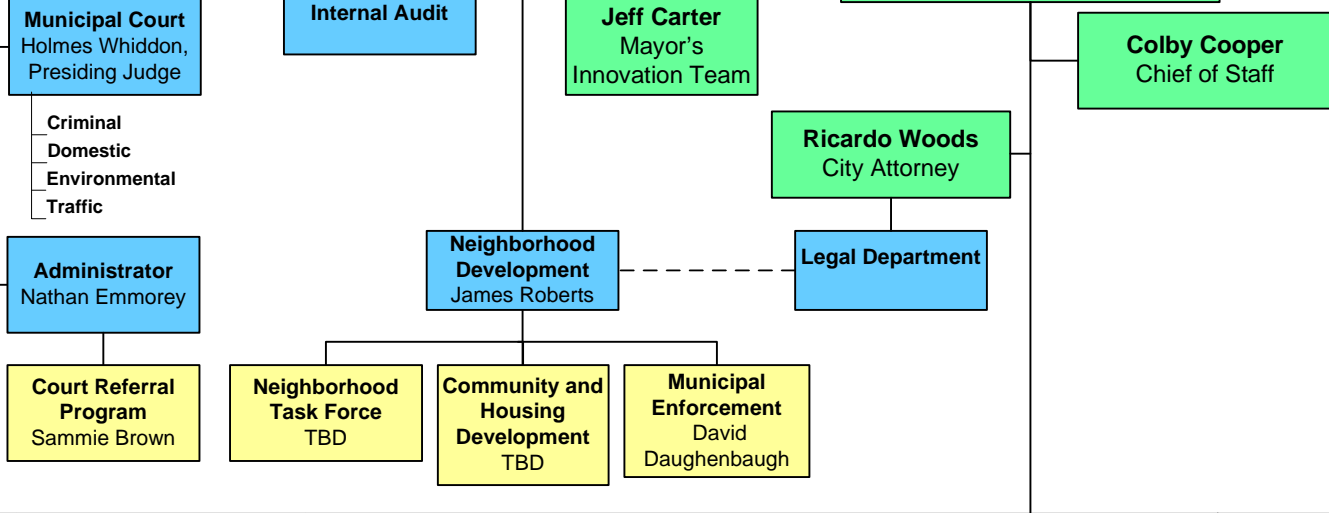
City of Mobile Organizational Chart

CITY OF MOBILE CITIZENS

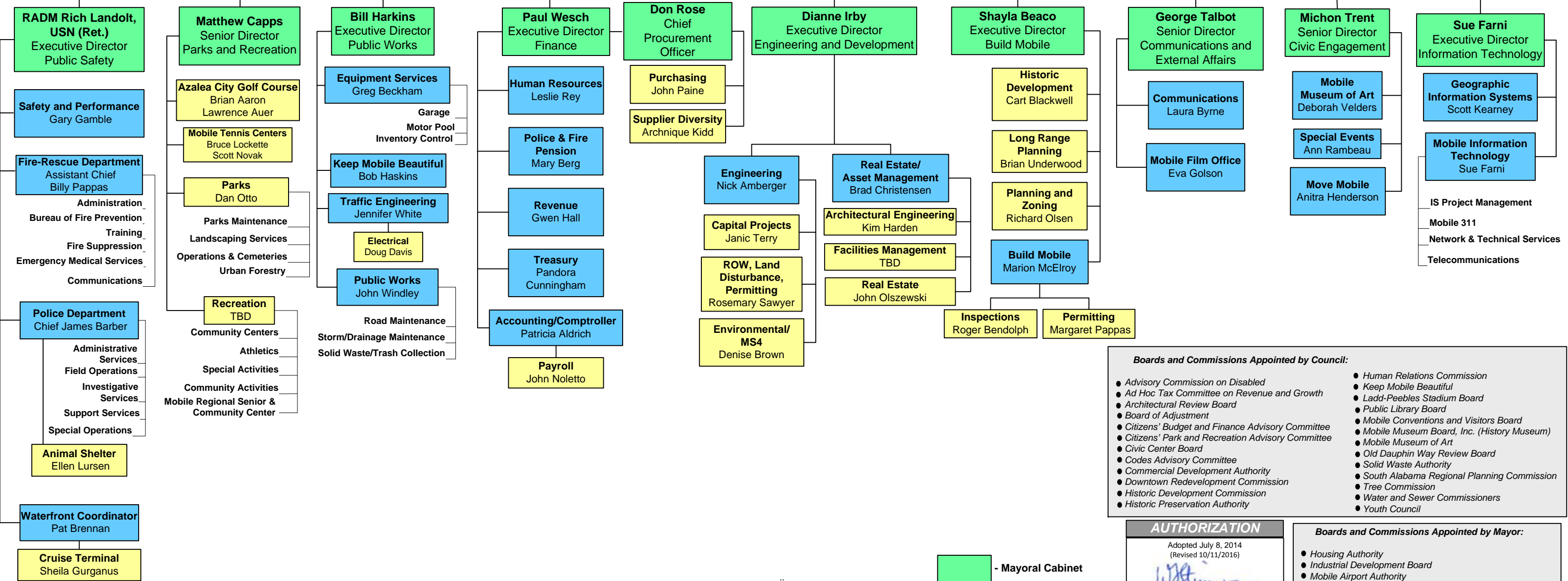
CITY COUNCIL

**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 10/11/2016)

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, 2016

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



WILLIAM S. STIMPSON
MAYOR

Part II Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mobile, as of and for the year ended September 30, 2016, 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 1.92 percent and 0.41 percent, respectively, of the assets, 5.19 percent and (0.87) percent, respectively, of the net position, and 1.30 percent and 2.67 percent, respectively, of the revenues of the City. Those financial statements were audited by other auditors whose reports thereon have 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 reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of 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, 2016, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2017 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 Huchalew, LLP

**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, 2016. 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 \$254.0 million (net position). Of this amount the City had a deficit in unrestricted net position of \$277.6 million offset by \$24.1 million in restricted net position and \$507.5 million in net investment in capital assets.
- ◆ The City's total net position increased \$31.34 million, or 13.83%, as a result of this year's operations. Net position of governmental activities increased \$32.4 million, or 23.6%, and net position of business-type activities decreased \$1.1 million, or 1.19% (percentage excluding prior period adjustments).
- ◆ 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 \$120.6 million. This was an increase of \$7.7 million or 6.87% from the prior year.
- ◆ At the end of the current fiscal year, total fund balance for the General Fund was \$34.7 million, a decrease of \$7.7 million (18.1%) from the prior year. This was primarily due to transfers out of the general fund into the capital improvements fund for the purposes of capital outlay. City management made intentional efforts to increase capital project funding in recent years.
- ◆ Sales and use tax, the City's single largest revenue source, increased \$1.6 million or 0.86% from the prior year primarily due to static revenue collections over the prior year.
- ◆ The City had one bond issue during the fiscal year. On February 11, 2016 the City issued General Obligation Refunding Warrants, Series 2016 in the principal amount of \$39,402,000 for the purpose of refunding the City's outstanding General Obligation Refunding and Improvement Warrants, Series 2006.

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 17 - 19) 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 20. 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 33.

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 94.

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

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

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

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State Law and by bond covenants. However, the City Council established many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Department of Justice and the Department of Housing and Urban Development). Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for 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 \$254.0 million. This is a \$23.2 million increase over last year's net position. The following table provides a summary of the City's net position:

CITY OF MOBILE, ALABAMA
Net Position
September 30, 2015 and 2016
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Amount	% Change
	2016	2015	2016	2015	2016	2015	Change	
Current and other assets	\$149,368	\$141,289	\$ 17,814	\$ 16,677	\$167,182	\$157,966	\$ 9,216	5.83%
Capital assets(net)	666,676	660,245	90,230	92,886	756,906	753,131	3,775	0.50%
Total assets	816,044	801,534	108,044	109,563	924,088	911,097	12,991	1.43%
Deferred outflows of resources	44,365	23,976	4,251	1,588	48,616	25,564	23,052	90.17%
Total assets and deferred outflows of resources	860,409	825,510	112,295	111,151	972,704	936,661	36,043	3.85%
Current and other liabilities	37,062	33,652	3,147	3,065	40,209	36,718	3,491	9.51%
Long-term liabilities	658,273	647,669	13,698	12,189	671,971	659,858	12,113	1.84%
Total liabilities	695,334	681,321	16,845	15,254	712,179	696,576	15,604	2.24%
Deferred inflows of resources	1,737	4,329	4,761	4,924	6,498	9,253	(2,755)	-29.77%
Total Liability and deferred inflows of resources	697,072	685,650	21,606	20,178	718,677	705,829	12,849	1.82%
NET POSITION								
Net investment in capital assets	417,251	401,397	90,230	92,886	507,481	494,283	13,198	2.67%
Restricted	24,153	21,296	-	-	24,153	21,296	2,857	13.42%
Unrestricted	(278,066)	(282,833)	458	(1,915)	(277,608)	(284,748)	7,140	-2.51%
Total net position	\$163,338	\$139,860	\$ 90,688	\$ 90,971	\$254,026	\$230,831	\$ 23,195	10.05%

The largest portion of the City's net assets (199.8%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, equipment, etc.) less any related debt used to acquire those assets that are still outstanding, excluding any unspent proceeds of the debt issued. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets (9.49%) 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 \$278.1 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 balance of \$0.5 million which is a \$2.4 million increase from the prior year. This increase is due primarily to adjustments to beginning net position related to accumulated depreciation in various funds totaling \$0.8 million increase. Additionally, there was an increase in the beginning net position in the WAVE Transit of \$1.0 million related to a change in the beginning net pension liability.

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

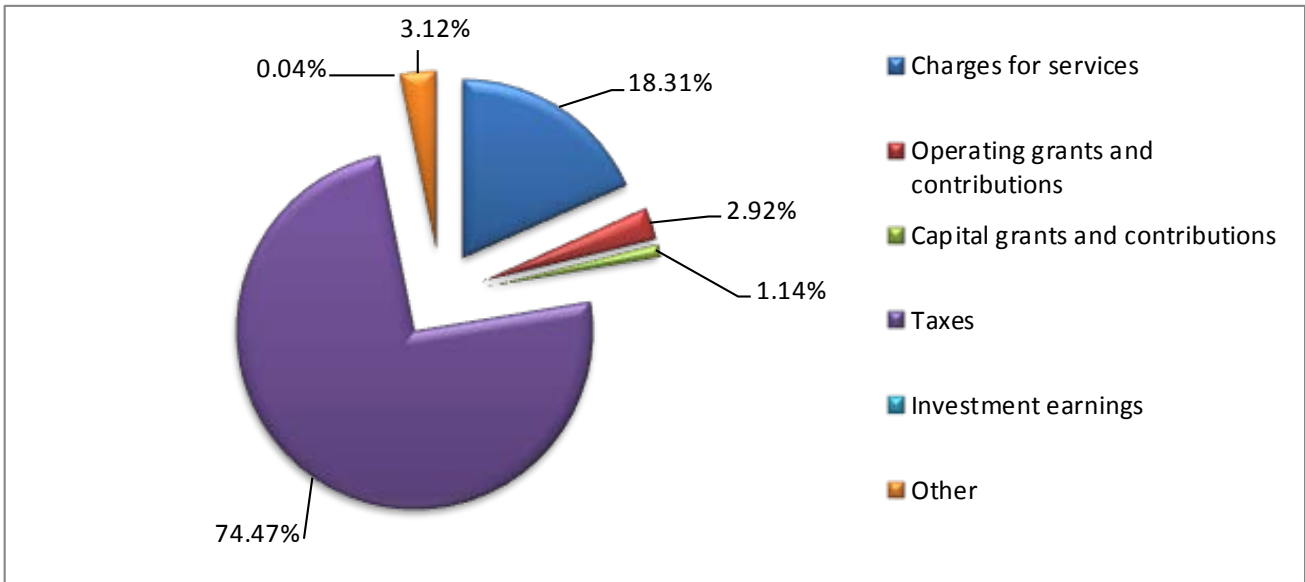
CITY OF MOBILE, ALABAMA
Changes in Net Position
September 30, 2016
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Amount Change	% Change
	2016	2015	2016	2015	2016	2015		
REVENUES								
Program revenues:								
Charges for services	\$ 56,570	\$ 56,290	\$12,633	\$12,430	\$ 69,203	\$ 68,720	\$ 483	0.70%
Operating grants and contributions	9,030	6,159	3,309	3,502	12,339	9,661	2,678	27.72%
Capital grants and contributions	3,519	19,279	1,157	488	4,676	19,768	(15,092)	-76.35%
General revenues:								
Taxes	230,138	226,943	11,961	11,541	242,099	238,484	3,615	1.52%
Investment earnings	136	64	2	2	138	66	72	109.09%
Other	9,633	6,901	-	-	9,633	6,901	2,732	39.59%
Total revenues	<u>309,026</u>	<u>315,636</u>	<u>29,062</u>	<u>27,963</u>	<u>338,088</u>	<u>343,600</u>	<u>(5,512)</u>	<u>-1.60%</u>
EXPENSES								
Governmental activities:								
General government	71,077	71,599	-	-	71,077	71,599	(522)	-0.73%
Culture and recreation	24,346	25,423	-	-	24,346	25,423	(1,077)	-4.24%
Economic development	1,058	1,339	-	-	1,058	1,339	(281)	-20.99%
Engineering, development & build	15,563	-	-	-	15,563	-	15,563	100.00%
Finance	5,793	5,905	-	-	5,793	5,905	(112)	-1.90%
Public safety	108,777	102,626	-	-	108,777	102,626	6,151	5.99%
Public works	32,183	39,454	-	-	32,183	39,454	(7,271)	-18.43%
Interest on long-term debt	12,524	13,223	-	-	12,524	13,223	(699)	-5.29%
Business-Type activities:								
Azalea City Golf Course	-	-	1,603	1,574	1,603	1,574	29	1.84%
Civic Center	-	-	3,794	3,676	3,794	3,676	118	3.21%
Convention Center	-	-	9,078	8,544	9,078	8,544	534	6.25%
Cruise Terminal	-	-	1,093	1,028	1,093	1,028	65	6.32%
Emergency Medical Services	-	-	5,796	5,393	5,796	5,393	403	7.47%
Mobile Tennis Center	-	-	762	782	762	782	(20)	-2.56%
Neighborhood Renewal Program	-	-	11	14	11	14	(3)	-21.43%
Parking Garage	-	-	238	240	238	240	(2)	-0.83%
Saenger Theater	-	-	882	843	882	843	39	4.63%
Wave Transit System	-	-	12,170	11,858	12,170	11,858	312	2.63%
Total expenses	<u>271,322</u>	<u>259,569</u>	<u>35,427</u>	<u>33,952</u>	<u>306,748</u>	<u>293,521</u>	<u>13,227</u>	<u>4.51%</u>
Change in net position before special items and transfers								
	37,705	56,067	(6,365)	(5,989)	31,340	50,078	(18,738)	-37.42%
Transfers	(5,285)	(3,885)	5,285	3,885	-	-	-	0.00%
Change in net position	<u>32,419</u>	<u>52,182</u>	<u>(1,080)</u>	<u>(2,104)</u>	<u>31,340</u>	<u>50,078</u>	<u>(18,738)</u>	<u>-37.42%</u>
Net position - beginning	<u>130,919</u>	<u>87,678</u>	<u>91,767</u>	<u>93,075</u>	<u>222,687</u>	<u>180,753</u>	<u>41,935</u>	<u>23.20%</u>
Net position - ending	<u>\$163,338</u>	<u>\$139,860</u>	<u>\$90,687</u>	<u>\$90,971</u>	<u>\$254,027</u>	<u>\$230,831</u>	<u>\$ 23,197</u>	<u>10.05%</u>

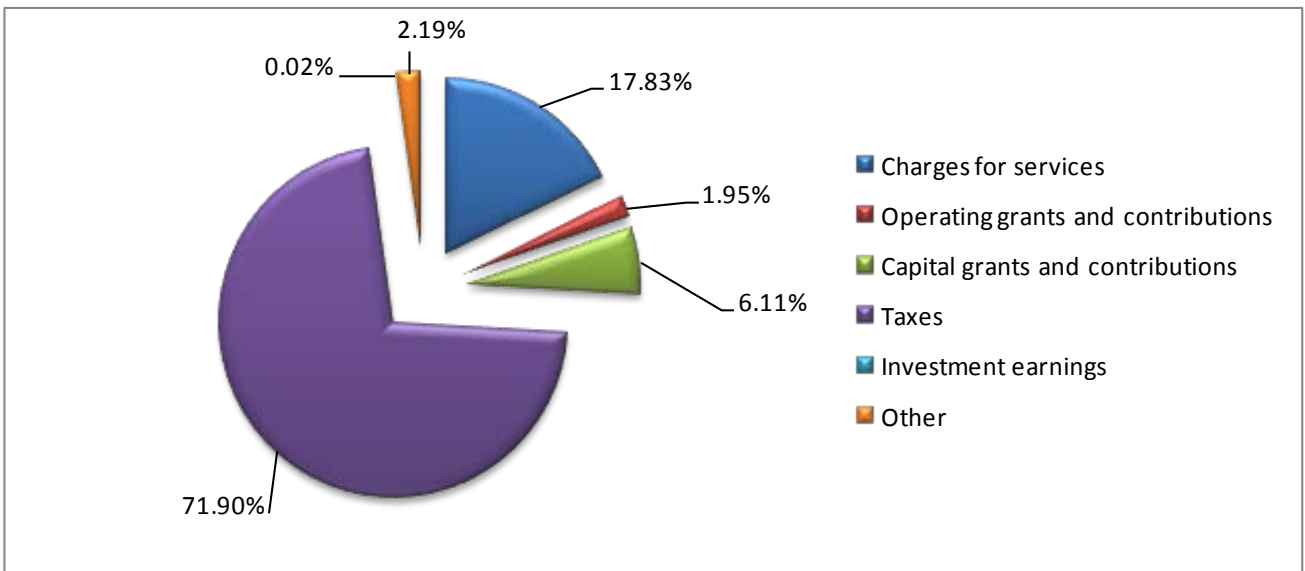
*Prior period adjustments were made in accordance with current generally accepted accounting principles. See Note 18 for further explanation.

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities for fiscal year 2016.

GOVERNMENTAL REVENUES 2016

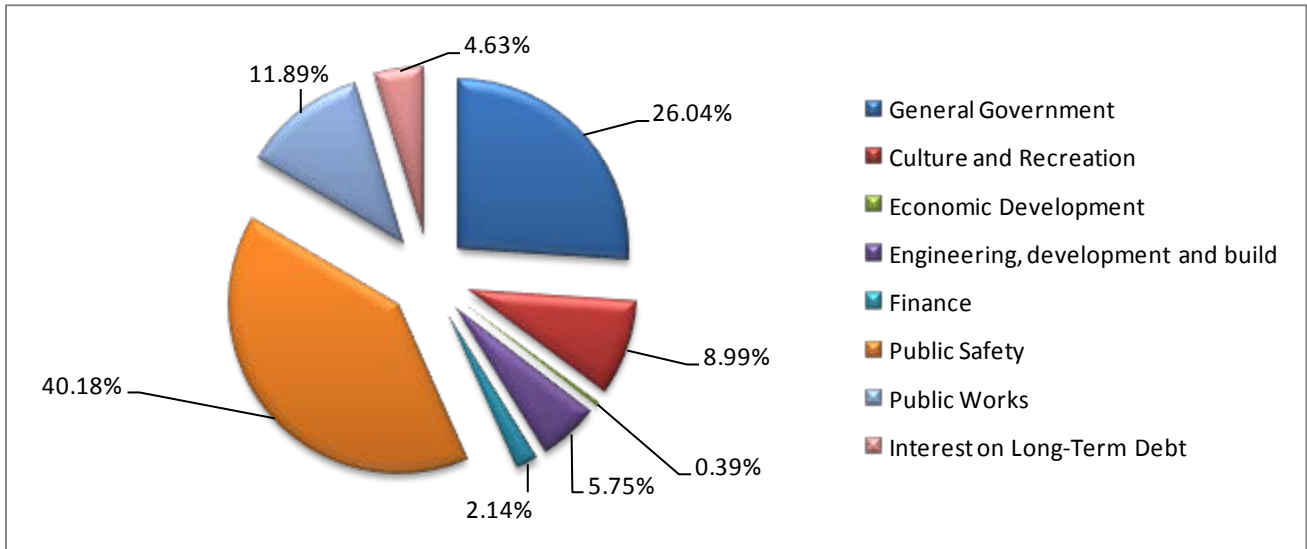


GOVERNMENTAL REVENUES 2015

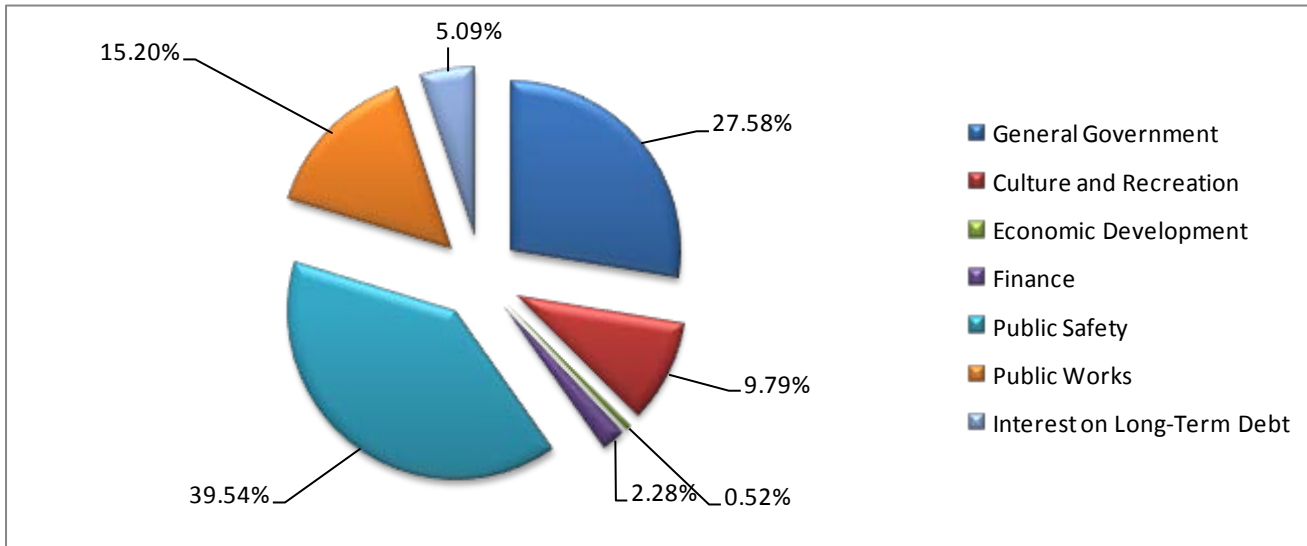


As graphically portrayed above, the City is heavily reliant on taxes to support governmental operations. Taxes provided 74.47% and 71.90% of the City's total governmental revenues in fiscal years 2016 and 2015, respectively.

GOVERNMENTAL FUNCTIONAL EXPENSES 2016



GOVERNMENTAL FUNCTIONAL EXPENSES 2015



See the following page for discussion of these graphs.

Governmental activities

Governmental activities increased the City's net assets by \$32.4 million. The key elements of this change are as follows:

- Excess expenses over revenue for governmental activities amounted to \$202.2 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$135,751 which was an increase of \$71,808 from the prior year.
- Tax revenues amounted to \$230.1 million which was an increase of 1.41% over the prior year and was due primarily to stable economic conditions and collections enforcement.
- Other revenue amounted to \$9.6 million.
- Transfers out of governmental activities totaled \$5.3 million.

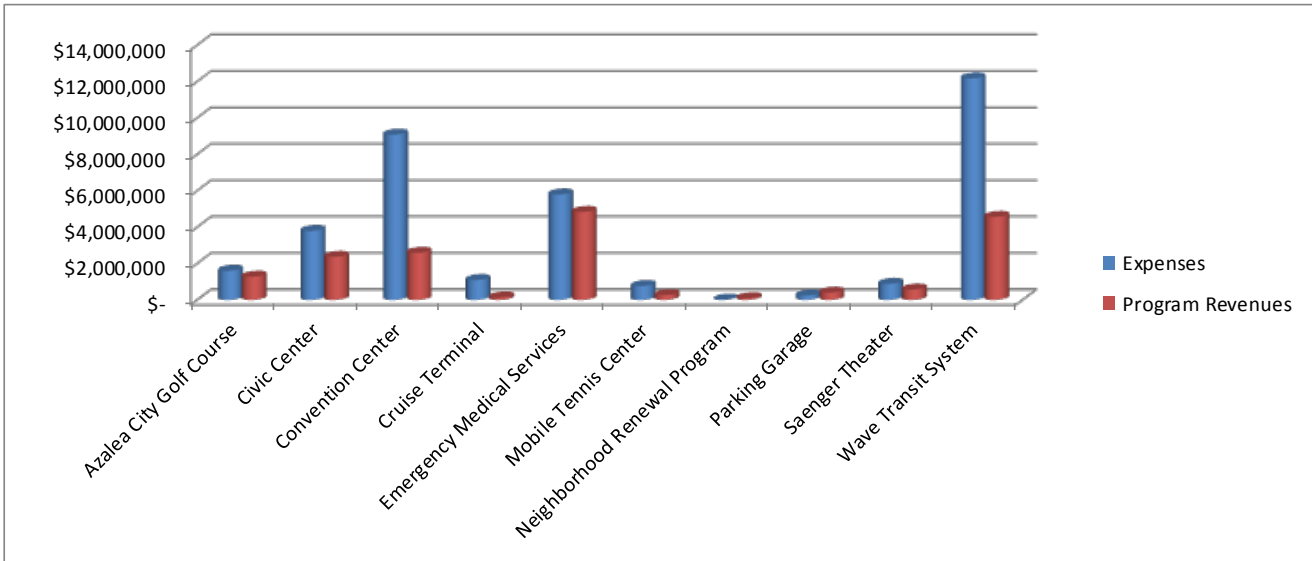
Governmental activity expenses increased \$11.8 million from the prior year. Of the \$271.3 million of governmental activity expenses, public safety was the largest operating cost, at 40.18% of total costs in 2016. For the government-wide full accrual statements, capital outlay expenses were eliminated and capital assets were reported.

Business-type activities

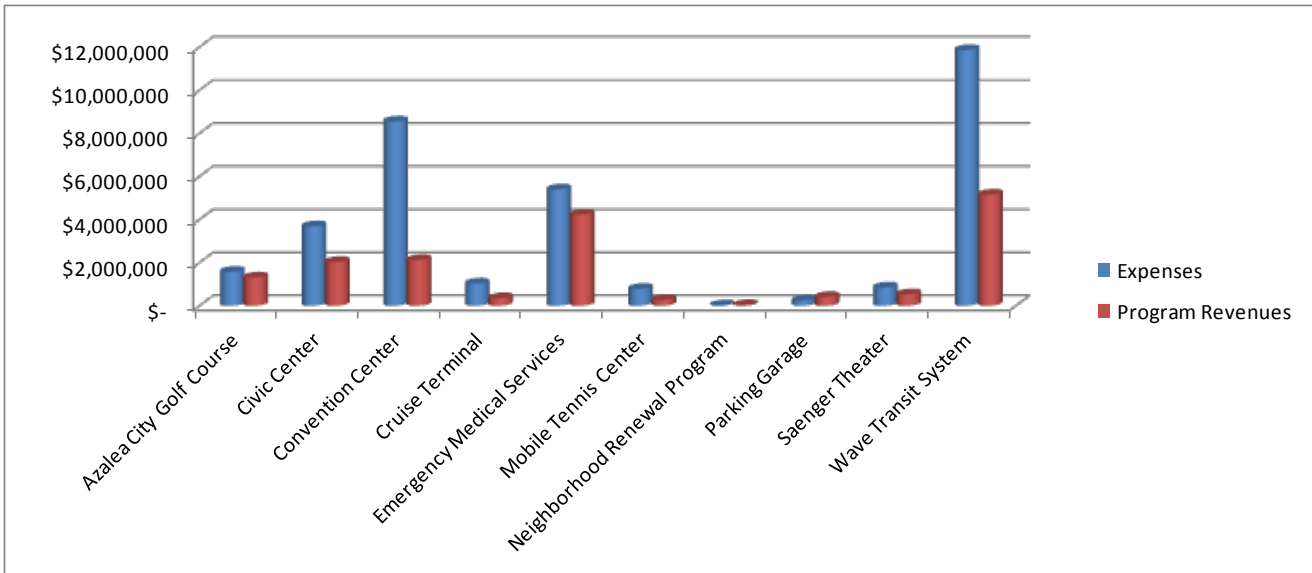
Business-type activities decreased the City's total net assets by \$1.1 million. Business-type activities are shown comparing costs to revenues generated by related services. The parking garage and neighborhood renewal program business-type activities are self-supporting with user charges and other revenues designed to recover costs.

The cruise terminal, civic center, convention center, golf course, emergency medical services, 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, emergency medical services, tennis center, Saenger theater, and WAVE transit activities required subsidization by the City.

**BUSINESS-TYPE ACTIVITIES
REVENUES VS. COSTS 2016**



**BUSINESS-TYPE ACTIVITIES
REVENUES VS. COSTS 2015**



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 \$120.6 million, of which \$29.8 million is unassigned. The nonspendable fund balance is \$2.8 million and stems from inventory and prepaid expenses. Restricted fund balance is \$15.2 million and comprises funds with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$9.8 million and comprises funds with constraints imposed by formal action of the City Council. Finally assigned fund balance is \$63.0 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 \$7.7 million increase from the prior year. This increase is primarily due to a \$26.3 million increase in the fund balance of the Capital Improvements Fund and decreases of \$7.7 and \$10.9 million dollars in the General Fund and non-major governmental funds respectively. This was primarily due to intentional transfers into the Capital Improvements Fund for the purposes of capital outlay and higher levels of tax revenues allocated to the fund through the annual budgetary process. City management made intentional efforts to increase capital improvements funding in the last few 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 decreased by approximately \$7.7 million. See General Fund Budgetary Highlights and the preceding paragraph for more information.

The Capital Improvements Fund has a fund balance of \$59.3 million which includes a net increase of \$26.3 million. As stated above, the increase is primarily due to transfer into the fund from the General Fund and higher levels of tax revenues allocated to the fund through the annual budgetary process.

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 \$1.1 million during the current fiscal year. This decrease is due primarily to a \$1.6 million net loss in the WAVE Transit System and a \$1.8 million net increase in the Emergency Medical Services as well as net losses in the Civic Center, Cruise Terminal, Convention Center, 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 \$17.6 million from the prior year, primarily due \$19.5 million in transfers of governmental capital asset vehicle equipment transferred into the Motor Pool Fund for the purpose of centralizing administration of rolling-stock fleet.

GENERAL FUND BUDGETARY HIGHLIGHTS

The excess of revenues over expenditures on a budgetary basis during the year was \$29.5 million. The following are the main components of the excess:

- Tax revenue was under expected budgeted amounts by \$5.1 million.
- Departmental expenditures were under budget by \$10.1 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, and state and federal projects, etc. were under budget by \$1.4 million.
- Total revenues were approximately \$5.1 million under budget while expenditures were \$11.4 million under budget. This was due primarily to cost savings in departments and cost centers during the year.
- See Required Supplementary Information for more information on the General Fund Budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of September 30, 2016, the City's net investment in capital assets for governmental and business-type activities was \$417.3 million and \$90.2 million, respectively. The increase was \$13.2 million from 2015 for the City as a whole. See Note 7 for additional information about changes in capital assets during the fiscal year.

CITY OF MOBILE, ALABAMA
Comparative Statement of Capital Assets
September 30, 2015 and 2016
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Amount	% Change
	2016	2015	2016	2015	2016	2015	Change	
Land	\$ 27,452	\$ 27,261	\$ 10,684	\$ 10,685	\$ 38,136	\$ 37,946	\$ 190	0.50%
Construction-in-progress	39,502	18,504	150	305	39,652	18,809	20,843	110.81%
Intangible assets	4,581	4,476	-	-	4,581	4,476	105	2.35%
Buildings	145,929	145,922	126,852	126,852	272,781	272,774	7	0.00%
Improvements	115,845	114,857	17,953	17,663	133,798	132,520	1,278	0.96%
Vehicular	63,323	64,497	12,767	13,537	76,090	78,034	(1,944)	-2.49%
Other equipment	45,556	41,589	7,110	6,346	52,666	47,935	4,731	9.87%
Other assets	30	30	-	-	30	30	-	0.00%
Infrastructure	538,368	532,923	-	-	538,368	532,923	5,445	1.02%
	<u>980,586</u>	<u>950,059</u>	<u>175,516</u>	<u>175,388</u>	<u>1,156,102</u>	<u>1,125,447</u>	<u>30,655</u>	<u>2.72%</u>
Less: accumulated depreciation	<u>(313,910)</u>	<u>(289,814)</u>	<u>(85,286)</u>	<u>(82,502)</u>	<u>(399,196)</u>	<u>(372,317)</u>	<u>(26,879)</u>	<u>7.22%</u>
Capital assets, net	<u>\$ 666,676</u>	<u>\$ 660,245</u>	<u>\$ 90,230</u>	<u>\$ 92,886</u>	<u>\$ 756,906</u>	<u>\$ 753,130</u>	<u>\$ 3,776</u>	<u>0.50%</u>

Long-Term Debt

As of September 30, 2015, the City had \$258.9 million of long-term debt outstanding, including bonds and warrants payable, notes payable, and obligations under capital leases. In the current fiscal year, the City retired principal on long-term debt (bonds, warrants, and notes) in the amount of \$14.2 million and made payments of \$0.7 million for capital lease obligations. Interest payments on long-term debt totaled \$12.5 million. More information on long-term debt activity can be found in the Notes to the Financial Statements in Note 8 - Long Term Debt. The following table summarizes the City's long-term debt:

CITY OF MOBILE, ALABAMA
Outstanding Long-Term Debt
September 30, 2015 and 2016
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total		Amount Change	% Change
	2016	2015	2016	2015	2016	2015		
Bonds/warrants, net	\$255,866	\$270,283	\$ -	\$ -	\$255,866	\$270,283	\$(14,417)	-5.33%
Notes payable	2,495	2,950	-	-	2,495	2,950	(455)	-15.42%
Obligations under capital lease	493	1,473	-	-	493	1,473	(980)	-66.53%
Total long-term debt	<u>258,854</u>	<u>274,706</u>	<u>-</u>	<u>-</u>	<u>258,854</u>	<u>274,706</u>	<u>(15,852)</u>	<u>-5.77%</u>

The City's general obligation bond warrants which are insured 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, 2016, the City's permissible debt limit exceeded actual debt by approximately \$346.1 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 November, 2016, Carnival Cruise Lines returned to the Mobile cruise terminal for operation of Caribbean cruises. The 2,056 passenger Carnival Fantasy offers four-day cruises to Cozumel and five-day excursions to Cozumel and Costa Maya or Progresso.

In September, 2015 Airbus completed construction of a \$600 million aircraft assembly plant in Mobile at the Brookley Aeroplex where it will employ approximately 1,000 full-time workers at full-capacity and was approximately four aircraft per month. The first plane was 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.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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



Paul C. Wesch
Executive Director of Finance

**BASIC
FINANCIAL STATEMENTS**

CITY OF MOBILE, ALABAMA
Statement of Net Position
September 30, 2016

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
ASSETS				
Current assets:				
Cash, equity in pooled cash and investments	\$ 116,404,934	\$ 13,615,429	\$ 130,020,363	\$ 3,620,944
Restricted cash - capital purchases	83,712	-	83,712	-
Receivables (net)	29,717,885	3,790,661	33,508,546	320,528
Internal balances	370,626	(370,626)	-	-
Inventories	2,781,282	433,436	3,214,718	33,854
Other current assets	10,000	344,645	354,645	-
Total current assets	149,368,439	17,813,545	167,181,984	3,975,326
Noncurrent assets:				
Land	27,451,679	10,684,497	38,136,176	248,225
Construction-in-progress	39,502,578	150,037	39,652,615	-
Intangible assets	4,580,735	-	4,580,735	-
Buildings	145,928,672	126,851,808	272,780,480	-
Improvements	115,845,133	17,952,542	133,797,675	-
Vehicular	63,322,881	12,766,739	76,089,620	209,099
Other equipment	45,556,418	7,109,878	52,666,296	5,400,617
Other assets	29,540	-	29,540	-
Infrastructure	538,368,031	-	538,368,031	-
Accumulated depreciation	(313,909,558)	(85,285,795)	(399,195,353)	(4,789,451)
Total noncurrent assets	666,676,109	90,229,706	756,905,815	1,068,490
Total assets	816,044,548	108,043,251	924,087,799	5,043,816
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on refunding	2,582,715	-	2,582,715	-
Deferred pension outflows	41,782,705	4,250,782	46,033,487	885,780
Total deferred outflows of resources	44,365,420	4,250,782	48,616,202	885,780
Total assets and deferred outflows of resources	860,409,968	112,294,033	972,704,001	5,929,596
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	18,806,031	1,661,989	20,468,020	635,368
Unearned revenue	825,456	901,114	1,726,570	178,750
Pension employer contribution payable	17,430,096	583,649	18,013,745	-
Total current liabilities	37,061,583	3,146,752	40,208,335	814,118
Noncurrent liabilities:				
Due within one year				
Bonds and warrants payable, current portion	15,899,854	-	15,899,854	-
Notes payable, current portion	485,000	-	485,000	-
Capital lease obligation, current portion	492,519	-	492,519	-
Compensated absences, current portion	1,304,391	93,148	1,397,539	48,699
Insurance claims, current portion	5,178,034	-	5,178,034	-
Landfill postclosure liability, current portion	49,873	-	49,873	-
Due in more than one year				
Bonds and warrants payable, long-term portion	239,965,692	-	239,965,692	-
Notes payable, long-term portion	2,010,000	-	2,010,000	-
Compensated absences, long-term portion	11,746,791	378,777	12,125,568	522,323
Self-insured liability - legal, long-term portion	1,847,500	-	1,847,500	6,034,045
Insurance claims, long-term portion	12,019,602	-	12,019,602	-
Landfill postclosure liability, long-term portion	621,801	-	621,801	-
Net pension liability	165,586,782	13,226,345	178,813,127	5,313,220
Postemployment benefits	201,065,000	-	201,065,000	-
Total noncurrent liabilities	658,272,839	13,698,270	671,971,109	11,918,287
Total liabilities	695,334,422	16,845,022	712,179,444	12,732,405
DEFERRED INFLOWS OF RESOURCES				
Deferred service concession arrangement receipts	-	3,762,755	3,762,755	-
Deferred pension inflows	1,737,172	998,462	2,735,634	562,556
Total deferred inflows of resources	1,737,172	4,761,217	6,498,389	562,556
Total liabilities and deferred inflows of resources	697,071,594	21,606,239	718,677,833	13,294,961
NET POSITION				
Net investment in capital assets	417,251,471	90,229,705	507,481,176	1,068,490
Restricted for:				
Capital projects	8,651,606	-	8,651,606	-
Debt Service	131,469	-	131,469	-
Economic development	9,737,870	-	9,737,870	-
Grant programs	5,632,013	-	5,632,013	-
Unrestricted	(278,066,055)	458,089	(277,607,966)	(8,433,855)
Total net position	\$ 163,338,374	\$ 90,687,794	\$ 254,026,168	\$ (7,365,365)

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Statement of Activities
For the Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 71,077,484	\$ 50,160,158	\$ 5,510,555	\$ -
Culture and recreation	24,346,459	302,707	105,648	-
Economic development	1,058,324	-	-	1,699,318
Engineering, development & build	15,562,782	1,601,395	99,733	1,579,868
Finance	5,792,949	-	-	-
Public safety	108,777,473	4,505,318	3,313,888	5,200
Public works	32,182,584	-	-	234,612
Interest on long-term debt	12,523,734	-	-	-
Total governmental activities	<u>271,321,789</u>	<u>56,569,578</u>	<u>9,029,824</u>	<u>3,518,998</u>
Business-type activities:				
Azalea City Golf Course	1,602,676	1,275,404	1,403	-
Civic Center	3,794,184	2,367,738	-	-
Convention Center	9,078,055	2,588,337	-	-
Cruise Terminal	1,092,752	141,063	-	-
Emergency Medical Services	5,796,418	3,882,158	952,565	-
Mobile Tennis Center	761,823	260,707	-	-
Neighborhood Renewal Program	11,467	100,278	-	-
Parking Garage	237,596	402,268	-	-
Saenger Theater	881,566	566,731	-	-
Wave Transit System	12,169,978	1,048,474	2,354,936	1,157,458
Total business-type activities	<u>35,426,515</u>	<u>12,633,158</u>	<u>3,308,904</u>	<u>1,157,458</u>
Total primary government	<u>\$ 306,748,304</u>	<u>\$ 69,202,736</u>	<u>\$ 12,338,728</u>	<u>\$ 4,676,456</u>
Component units:				
Mobile Public Library	\$9,575,192	\$626,314	\$118,221	\$1,880
Public Park and Recreation Board	1,158,716	1,084,825	-	-
Solid Waste Disposal Authority	1,999,960	-	2,351,074	-
Total component units	<u>\$ 12,733,868</u>	<u>\$ 1,711,139</u>	<u>\$ 2,469,295</u>	<u>\$ 1,880</u>
General revenues:				
Real and personal property tax				
Sales tax				
Gasoline tax				
Room tax				
Beer and liquor tax				
Rental and leasing tax				
Cigarette stamp tax				
Other tobacco tax				
Financial excise tax				
Other tax revenue				
Grants and contributions not restricted to specific programs				
Investment earnings				
Other				
Transfers				
Total general revenues, special items, and transfers				
Change in net position				
Net position - beginning				
Adjustments to beginning net position				
Net position - ending				

See Accompanying Notes to the Financial Statements

Net (Expense) Revenue and Changes in Net Position

Primary Government				Component Units
Governmental Activities	Business-type Activities	Total		
\$ (15,406,771)	\$ -	\$ (15,406,771)	\$ -	-
(23,938,104)	-	(23,938,104)	-	-
640,994	-	640,994	-	-
(12,281,786)	-	(12,281,786)	-	-
(5,792,949)	-	(5,792,949)	-	-
(100,953,067)	-	(100,953,067)	-	-
(31,947,972)	-	(31,947,972)	-	-
(12,523,734)	-	(12,523,734)	-	-
<u>(202,203,389)</u>	<u>-</u>	<u>(202,203,389)</u>	<u>-</u>	<u>-</u>
-	(325,869)	(325,869)	-	-
-	(1,426,446)	(1,426,446)	-	-
-	(6,489,718)	(6,489,718)	-	-
-	(951,689)	(951,689)	-	-
-	(961,695)	(961,695)	-	-
-	(501,116)	(501,116)	-	-
-	88,811	88,811	-	-
-	164,672	164,672	-	-
-	(314,835)	(314,835)	-	-
-	(7,609,110)	(7,609,110)	-	-
<u>-</u>	<u>(18,326,995)</u>	<u>(18,326,995)</u>	<u>-</u>	<u>-</u>
<u>(202,203,389)</u>	<u>(18,326,995)</u>	<u>(220,530,384)</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ (8,828,777)	-
-	-	-	(73,891)	-
-	-	-	351,114	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,551,554)</u>	<u>-</u>
19,241,503	-	19,241,503	-	-
179,817,467	9,995,087	189,812,554	-	-
10,471,152	-	10,471,152	-	-
5,916,535	1,965,763	7,882,298	-	-
2,154,493	-	2,154,493	-	-
9,465,186	-	9,465,186	-	-
1,701,496	-	1,701,496	-	-
452,886	-	452,886	-	-
560,580	-	560,580	-	-
357,022	-	357,022	-	-
-	-	-	8,743,046	-
135,751	1,954	137,705	75,062	-
9,633,119	340	9,633,459	-	-
(5,284,854)	5,284,854	-	-	-
<u>234,622,336</u>	<u>17,247,998</u>	<u>251,870,334</u>	<u>8,818,108</u>	<u>-</u>
32,418,947	(1,078,997)	31,339,950	266,554	-
139,860,337	90,971,072	230,831,409	(7,631,919)	-
(8,940,910)	795,719	(8,145,191)	-	-
<u>\$ 163,338,374</u>	<u>\$ 90,687,794</u>	<u>\$ 254,026,168</u>	<u>\$ (7,365,365)</u>	<u>-</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, 2016

	General Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash, equity in pooled cash and investments	\$ 27,447,354	\$ 59,344,202	\$ 25,449,499	\$ 112,241,055
Restricted cash - capital purchases	-	-	83,712	83,712
Receivables (net)	21,245,944	4,113,244	3,449,430	28,808,618
Due from other funds	1,305,003	-	-	1,305,003
Inventories	2,781,282	-	-	2,781,282
Other assets	10,000	-	-	10,000
Total assets	<u>\$ 52,789,583</u>	<u>\$ 63,457,446</u>	<u>\$ 28,982,641</u>	<u>\$ 145,229,670</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 14,977,526	\$ 3,916,511	\$ 1,288,701	\$ 20,182,738
Unearned revenue	42,912	200,000	582,544	825,456
Due to other funds	351,433	-	582,944	934,377
Compensated absences - terminated employees	217,398	-	-	217,398
Insurance claims payable	485,372	-	-	485,372
Escrowed funds liability	2,023,615	-	4,166	2,027,781
Total liabilities	<u>18,098,256</u>	<u>4,116,511</u>	<u>2,458,355</u>	<u>24,673,122</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Inventory	2,781,282	-	-	2,781,282
Prepaid items	10,000	-	-	10,000
Restricted				
Capital Projects	-	-	6,762,073	6,762,073
Debt Service	-	-	131,469	131,469
Grants	-	-	5,632,013	5,632,013
Law Enforcement	-	-	168,455	168,455
Road and Bridge Construction	-	-	186,373	186,373
Road and Bridge Repair	-	-	2,356,683	2,356,683
Committed				
Flood Management	-	-	83,970	83,970
Tax Increment Program	-	-	9,709,410	9,709,410
Assigned				
Athletic Fund	64,832	-	-	64,832
Capital Improvements Fund	-	59,340,935	-	59,340,935
Designated and Donated Funds	1,117,574	-	-	1,117,574
Economic Development	-	-	28,460	28,460
General Fund Encumbrances	964,058	-	-	964,058
Municipal Court	-	-	1,465,380	1,465,380
Unassigned	29,753,581	-	-	29,753,581
Total fund balances (deficits)	<u>\$ 34,691,327</u>	<u>\$ 59,340,935</u>	<u>\$ 26,524,286</u>	<u>\$ 120,556,548</u>
Total liabilities and fund balances (deficits)	<u>\$ 52,789,583</u>	<u>\$ 63,457,446</u>	<u>\$ 28,982,641</u>	<u>\$ 145,229,670</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Reconciliation of Balance Sheet
To the Statement of Net Position
September 30, 2016

Fund balances of governmental funds \$120,556,548

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	912,197,477	
Less accumulated depreciation	(271,059,520)	
		641,137,957

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

Bonds and warrants payable	(255,865,546)	
Notes payable	(2,495,000)	
Capital lease obligations	(244,611)	
Deferred amount on refunding	2,582,715	
		(256,022,442)

Other long-term items not reported in governmental funds:

Accrued interest payable	(1,439,319)	
Pension employer contribution payable	(11,350,511)	
Compensated absences	(12,833,783)	
Insurance claims payable	(14,446,464)	
Landfill postclosure liability	(671,674)	
Net pension liability	(165,586,782)	
OPEB liability	(201,065,000)	
Deferred pension inflows	(1,737,172)	
Deferred pension outflows	41,782,705	
Note Receivable	585,000	
		(366,763,000)

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.

24,429,311

\$163,338,374

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, 2016

	General Fund	Capital Improvements Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 177,030,713	\$ 34,709,854	\$ 18,397,752	\$ 230,138,319
Licenses and permits	36,615,641	-	3,344,317	39,959,958
Intergovernmental	79,906	-	-	79,906
Charges for services	6,744,432	-	130,692	6,875,124
Fines and forfeitures	1,900,795	-	1,201,928	3,102,723
State and federal assistance	118,537	-	12,320,695	12,439,232
Investment income	123,953	-	14,475	138,428
Other revenue	609,081	9,102,357	7,530	9,718,968
Total revenues	<u>223,223,058</u>	<u>43,812,211</u>	<u>35,417,389</u>	<u>302,452,658</u>
EXPENDITURES				
Current:				
General government	13,292,931	-	5,648,413	18,941,344
Culture and recreation	13,499,894	-	-	13,499,894
Economic development	939,655	-	-	939,655
Engineering, development & build	11,738,404	-	1,718,568	13,456,972
Finance	5,052,016	-	-	5,052,016
Public safety	83,172,947	-	4,639,860	87,812,807
Public works	25,123,159	-	50,004	25,173,163
Non-departmental	41,086,215	-	2,597,298	43,683,513
Debt service:				
Administrative charges	-	9,059	62,144	71,203
Interest	11,615	26,328	12,166,182	12,204,125
Principal retirement	75,000	739,405	14,120,733	14,935,138
Interest Reimbursement	-	-	(248,425)	(248,425)
Capital outlay:				
Capital outlay	-	39,281,241	5,327,258	44,608,499
Total expenditures	<u>193,991,836</u>	<u>40,056,033</u>	<u>46,082,035</u>	<u>280,129,904</u>
Excess (deficiency) of revenues over expenditures	<u>29,231,222</u>	<u>3,756,178</u>	<u>(10,664,646)</u>	<u>22,322,754</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	4,277	-	25,644	29,921
Capital-related debt issued	-	-	39,402,000	39,402,000
Payment to refunding bond escrow agent	-	-	(39,260,592)	(39,260,592)
Bond issuance costs	-	-	(141,408)	(141,408)
Transfers in	7,111,434	43,469,702	35,359,640	85,940,776
Transfers out	(44,014,048)	(20,934,803)	(35,599,952)	(100,548,803)
Total other financing sources (uses)	<u>(36,898,337)</u>	<u>22,534,899</u>	<u>(214,668)</u>	<u>(14,578,106)</u>
Net change in fund balances	(7,667,115)	26,291,077	(10,879,314)	7,744,648
Fund balances - beginning	42,358,442	33,049,858	37,403,600	112,811,900
Fund balances - ending	<u>\$ 34,691,327</u>	<u>\$ 59,340,935</u>	<u>\$ 26,524,286</u>	<u>\$ 120,556,548</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended September 30, 2016

Net change in fund balances - total governmental funds \$7,744,648

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

Governmental funds report the acquisition of capital assets as expenditures. However, in the statement of activities, the cost of those assets are capitalized and depreciated over their useful lives.

Expenditures for capital assets	37,023,233	
Less depreciation expense	(19,737,246)	
Contributions of capital assets are not reported as income in governmental funds	109,590	
Capital assets transferred from business-type activities	(19,480,426)	
Gain (loss) on disposal of capital assets	(114,911)	
		(2,199,760)

Proceeds from debt obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments - bonds & warrants payable	13,740,733	
Principal payments - notes payable	455,000	
Principal payments - capital lease obligations	739,405	
Amortization of deferred amount on refunding	(774,089)	
Amortization of current year bond premium	258,925	
Amortization of current year bond discount	(19,306)	
Capital-related debt issued	(39,402,000)	
Payment to refunding bond escrow agent	39,260,592	
		14,259,260

Some expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in the governmental funds.

Change in long-term compensated absences	(298,724)	
Change in long-term insurance claims	(716,310)	
Change in landfill post-closure liability	47,955	
Change in accrued interest	188,935	
Change in pension contribution payable	(3,081,729)	
Change in net pension liability	(15,729,563)	
Change in OPEB liability	(9,627,000)	
Change in deferred pension inflows	2,591,433	
Change in deferred pension outflows	21,741,833	
Change in long-term notes receivable	(75,000)	
		(4,958,170)

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.

17,572,969

\$32,418,947

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.

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

CITY OF MOBILE, ALABAMA
Statement of Net Position
Proprietary Funds
September 30, 2016

	Business-type Activities		
	Civic Center	Cruise Terminal	Wave Transit System
ASSETS			
Current assets:			
Cash, equity in pooled cash and investments	\$ 455,638	\$ 300	\$ 80,752
Receivables (net)	65,084	500	63,764
Due from other funds	-	-	351,433
Inventories	31,832	-	168,262
Other assets	1,983	-	328,067
Total current assets	<u>554,537</u>	<u>800</u>	<u>992,278</u>
Noncurrent assets:			
Non-depreciable capital assets	224,350	-	2,107,142
Depreciable capital assets, net	6,063,777	16,148,097	14,780,824
Total noncurrent assets	<u>6,288,127</u>	<u>16,148,097</u>	<u>16,887,966</u>
Total assets	<u>6,842,664</u>	<u>16,148,897</u>	<u>17,880,244</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension outflows	-	-	1,425,066
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>1,425,066</u>
Total assets and deferred outflows of resources	<u>6,842,664</u>	<u>16,148,897</u>	<u>19,305,310</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	353,342	21,356	367,301
Pension employer contributions payable	-	-	25,000
Unearned revenue	269,984	500	-
Due to other funds	-	-	722,059
Compensated absences - terminated employees	-	-	93,148
Capital lease obligations	-	-	-
Insurance claims payable	-	-	-
Total current liabilities	<u>623,326</u>	<u>21,856</u>	<u>1,207,508</u>
Noncurrent liabilities:			
Compensated absences - terminated employees	-	-	378,777
Self-insured legal liability	-	-	-
Net pension liability	-	-	3,938,614
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,317,391</u>
Total liabilities	<u>623,326</u>	<u>21,856</u>	<u>5,524,899</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred service concession arrangement receipts	-	-	-
Deferred pension inflows	-	-	988,137
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>988,137</u>
Total liabilities and deferred inflows of resources	<u>623,326</u>	<u>21,856</u>	<u>6,513,036</u>
NET POSITION			
Net investment in capital assets	6,288,127	16,148,097	16,887,966
Unrestricted	(68,789)	(21,056)	(4,095,692)
Total net position	<u>\$ 6,219,338</u>	<u>\$ 16,127,041</u>	<u>\$ 12,792,274</u>

See Accompanying Notes to the Financial Statements

Business-type Activities					Governmental Activities
Convention Center	Parking Garage	Emergency Medical Services	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 9,784,044	\$ 1,527,668	\$ 296,814	\$ 1,470,213	\$ 13,615,429	\$ 4,163,879
1,252,937	235,000	2,161,732	11,644	3,790,661	324,267
-	-	-	-	351,433	-
62,208	-	-	171,134	433,436	-
12,982	-	-	1,613	344,645	-
<u>11,112,171</u>	<u>1,762,668</u>	<u>2,458,546</u>	<u>1,654,604</u>	<u>18,535,604</u>	<u>4,488,146</u>
5,149,612	1,895,790	-	1,457,640	10,834,534	-
34,657,963	3,209,496	83,243	4,451,771	79,395,171	25,538,150
<u>39,807,575</u>	<u>5,105,286</u>	<u>83,243</u>	<u>5,909,411</u>	<u>90,229,705</u>	<u>25,538,150</u>
<u>50,919,746</u>	<u>6,867,954</u>	<u>2,541,789</u>	<u>7,564,015</u>	<u>108,765,309</u>	<u>30,026,296</u>
-	-	2,825,716	-	4,250,782	-
-	-	2,825,716	-	4,250,782	-
<u>50,919,746</u>	<u>6,867,954</u>	<u>5,367,505</u>	<u>7,564,015</u>	<u>113,016,091</u>	<u>30,026,296</u>
369,125	-	869,469	240,045	2,220,638	1,235,777
-	-	-	-	25,000	-
105,258	-	165	525,207	901,114	-
-	-	-	-	722,059	-
-	-	-	-	93,148	-
-	-	-	-	-	247,908
-	-	-	-	-	2,265,800
<u>474,383</u>	<u>-</u>	<u>869,634</u>	<u>765,252</u>	<u>3,961,959</u>	<u>3,749,485</u>
-	-	-	-	378,777	-
-	-	-	-	-	1,847,500
-	-	9,287,731	-	13,226,345	-
-	-	9,287,731	-	13,605,122	1,847,500
<u>474,383</u>	<u>-</u>	<u>10,157,365</u>	<u>765,252</u>	<u>17,567,081</u>	<u>5,596,985</u>
-	3,762,755	-	-	3,762,755	-
-	-	10,325	-	998,462	-
-	3,762,755	10,325	-	4,761,217	-
<u>474,383</u>	<u>3,762,755</u>	<u>10,167,690</u>	<u>765,252</u>	<u>22,328,298</u>	<u>5,596,985</u>
39,807,575	5,105,286	83,243	5,909,411	90,229,705	25,290,243
10,637,788	(2,000,087)	(4,883,428)	889,352	458,088	(860,932)
<u>\$ 50,445,363</u>	<u>\$ 3,105,199</u>	<u>\$ (4,800,185)</u>	<u>\$ 6,798,763</u>	<u>\$ 90,687,793</u>	<u>\$ 24,429,311</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2016

	Business-type Activities		
	Civic Center	Cruise Terminal	Wave Transit System
OPERATING REVENUES			
Charges for services	\$ 922,922	\$ 44,122	\$ 879,813
Facility rent	473,341	88,194	-
Sales revenue	-	-	-
Parking fees	330,645	3,234	-
Concessions	346,612	-	-
Retiree drug subsidy	-	-	-
Other revenue	294,218	5,513	168,661
Total operating revenues	<u>2,367,738</u>	<u>141,063</u>	<u>1,048,474</u>
OPERATING EXPENSES			
Personnel services	2,096,956	195,121	7,290,492
Commodities	108,445	8,124	1,693,684
Utilities	654,302	177,809	161,424
Professional and technical	301,668	116,488	370,449
Maintenance and repairs	15,808	76,901	-
Printing and reproduction	3,021	1,667	-
Insurance payments	96,975	78,182	721,818
Event expenses	46,442	-	-
Cost of goods sold	-	-	-
Increase (decrease) in provision for self-insurance loss	-	-	-
Other charges	97,714	31,599	395,801
Depreciation	372,853	406,861	1,536,310
Capital outlay	-	-	-
Total operating expenses	<u>3,794,184</u>	<u>1,092,752</u>	<u>12,169,978</u>
Operating income (loss)	<u>(1,426,446)</u>	<u>(951,689)</u>	<u>(11,121,504)</u>
NONOPERATING REVENUES (EXPENSES)			
Taxes	-	-	-
State and federal assistance	-	-	2,354,936
Investment income	-	-	-
Interest and fee payments	-	-	-
Damaged vehicles reimbursement	-	-	-
Gain (loss) from disposal of assets	-	-	11,219
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>2,366,155</u>
Income (loss) before contributions and transfers	<u>(1,426,446)</u>	<u>(951,689)</u>	<u>(8,755,349)</u>
Capital grants and contributions	-	-	1,157,458
Transfers in	1,121,554	605,598	9,338,469
Transfers out	-	(50,472)	(3,315,161)
Transfer of capital assets	-	-	-
Change in net position	<u>(304,892)</u>	<u>(396,563)</u>	<u>(1,574,583)</u>
Total net position - beginning	6,157,693	16,523,604	13,332,710
Adjustments to beginning net position	366,537	-	1,034,147
Total net position - ending	<u>\$ 6,219,338</u>	<u>\$ 16,127,041</u>	<u>\$ 12,792,274</u>

See Accompanying Notes to the Financial Statements

Business-type Activities					Governmental
Convention Center	Parking Garage	Emergency Medical Services	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
\$ 929,160	\$ -	\$ 3,882,188	\$ 1,615,786	\$ 8,273,991	\$ 26,134,446
580,771	402,268	-	191,009	1,735,583	-
-	-	-	246,187	246,187	-
117,900	-	-	-	451,779	-
898,900	-	-	83,649	1,329,161	-
-	-	-	-	-	194,411
61,606	-	(30)	66,489	596,457	-
<u>2,588,337</u>	<u>402,268</u>	<u>3,882,158</u>	<u>2,203,120</u>	<u>12,633,158</u>	<u>26,328,857</u>
2,751,406	-	4,412,136	1,659,904	18,406,015	129,436
1,028	-	866,943	294,106	2,972,330	2,770,959
469,260	-	44,785	301,607	1,809,187	37,828
3,224,334	1,725	168,037	257,850	4,440,551	1,863,885
156,571	-	104,798	20,592	374,670	9,751
496	-	7,486	2,819	15,489	4,710
331,738	-	-	80,736	1,309,449	27,189,686
93,042	-	-	-	139,484	-
-	-	-	124,287	124,287	-
-	-	-	-	-	(186,000)
607,910	34,227	189,522	159,318	1,516,091	1,612,009
1,307,923	201,644	2,711	317,755	4,146,057	3,968,328
134,347	-	-	16,593	150,940	-
<u>9,078,055</u>	<u>237,596</u>	<u>5,796,418</u>	<u>3,235,567</u>	<u>35,404,550</u>	<u>37,400,592</u>
<u>(6,489,718)</u>	<u>164,672</u>	<u>(1,914,260)</u>	<u>(1,032,447)</u>	<u>(22,771,392)</u>	<u>(11,071,735)</u>
11,960,850	-	-	-	11,960,850	-
-	-	952,565	1,403	3,308,904	-
-	1,955	-	-	1,955	-
-	-	-	-	-	(9,889)
-	-	-	-	-	73,392
-	-	-	(25,169)	(13,950)	(238,429)
<u>11,960,850</u>	<u>1,955</u>	<u>952,565</u>	<u>(23,766)</u>	<u>15,257,759</u>	<u>(174,926)</u>
5,471,132	166,627	(961,695)	(1,056,213)	(7,513,633)	(11,246,661)
-	-	-	-	1,157,458	19,496,458
367,000	-	2,763,593	997,851	15,194,065	9,323,172
(6,543,580)	-	-	-	(9,909,213)	-
-	-	-	(7,677)	(7,677)	-
<u>(705,448)</u>	<u>166,627</u>	<u>1,801,898</u>	<u>(66,039)</u>	<u>(1,079,000)</u>	<u>17,572,969</u>
51,442,847	3,224,234	(6,602,083)	6,892,069	90,971,074	6,872,066
(292,036)	(285,662)	-	(27,267)	795,719	(15,724)
<u>\$ 50,445,363</u>	<u>\$ 3,105,199</u>	<u>\$ (4,800,185)</u>	<u>\$ 6,798,763</u>	<u>\$ 90,687,793</u>	<u>\$ 24,429,311</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2016

	Business-type Activities - Enterprise Funds		
	Civic Center	Cruise Terminal	Wave Transit System
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers and users	\$ 920,922	\$ 689	\$ 1,222,578
Cash received from sales revenue	-	-	-
Cash received from internal billings	-	-	-
Cash received from employee contributions	-	-	-
Cash received from facility rent	508,936	131,627	-
Cash received from parking fees	330,645	3,234	-
Cash received from concessions	346,612	-	-
Cash received from miscellaneous	359,789	5,513	-
Cash payments for operating expenses	(1,232,509)	(525,118)	(3,369,561)
Cash payments for insurance claims	-	-	-
Cash payments for internal services	(24,555)	-	-
Cash payments to employees for services	(2,096,956)	(170,771)	(6,758,485)
Net cash provided (used) by operating activities	<u>(887,116)</u>	<u>(554,826)</u>	<u>(8,905,468)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes	-	-	-
Non-capital grants and contributions	-	-	3,381,091
Transfers in from other funds	1,121,554	605,598	9,349,433
Transfers out to other funds	-	(50,472)	(3,885,227)
Retiree drug subsidy	-	-	-
Net cash provided (used) by noncapital financing activities	<u>1,121,554</u>	<u>555,126</u>	<u>8,845,297</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest payments	-	-	-
Acquisition of capital assets	-	-	(1,446,823)
Proceeds from sale of capital assets	-	-	30,670
Reimbursement for damaged vehicles	-	-	-
Payments on capital leases	-	-	-
Capital grants and contributions	-	-	1,358,428
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(57,725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income received	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	234,438	300	(117,896)
Balances - beginning of year	221,200	-	198,648
Balances - end of the year	<u>\$ 455,638</u>	<u>\$ 300</u>	<u>\$ 80,752</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ (1,426,446)	\$ (951,689)	\$ (11,121,504)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	372,853	406,861	1,536,310
Non-cash items included in operating income	-	-	609,111
Non-capital financing cash flow included in operating income	-	-	-
Changes in assets and liabilities:			
Accounts Payable - Supplier	75,661	(34,348)	(43,082)
Accounts Receivable	35,595	(500)	174,104
Self-insurance liability	-	-	-
Bad Debt	-	-	-
Compensated absences	-	-	25,343
Inventory and prepaid expenses	(10,350)	-	16,697
Salaries & Benefits Payable	-	24,350	(102,447)
Advance collections	65,571	500	-
Net cash provided (used) by operating activities	<u>\$ (887,116)</u>	<u>\$ (554,826)</u>	<u>\$ (8,905,468)</u>

See Accompanying Notes to the Financial Statements

Business-type Activities - Enterprise Funds					Governmental Activities	
Convention Center	Parking Garage	Emergency Medical Services	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
\$ 850,860	\$ -	\$ 3,229,215	\$ 1,716,063	\$ 7,940,327	\$ 1,122,455	
-	-	-	142,409	142,409	-	
-	-	-	-	-	19,504,061	
-	-	-	-	-	5,507,414	
247,373	300,227	-	195,459	1,383,622	-	
117,900	-	-	-	451,779	-	
898,900	-	-	83,649	1,329,161	-	
139,906	-	-	394,284	899,492	-	
(4,977,134)	(35,952)	(1,254,316)	(1,382,253)	(12,776,843)	(5,050,956)	
-	-	-	-	-	(27,077,633)	
(20,225)	-	(431,226)	(102,492)	(578,498)	-	
(2,835,500)	-	(4,911,220)	(1,569,853)	(18,342,785)	(128,220)	
<u>(5,577,920)</u>	<u>264,275</u>	<u>(3,367,547)</u>	<u>(522,734)</u>	<u>(19,551,336)</u>	<u>(6,122,879)</u>	
11,916,102	-	-	-	11,916,102	-	
-	-	952,565	1,403	4,335,059	-	
367,000	-	2,763,593	997,851	15,205,029	9,323,172	
(6,543,580)	-	-	-	(10,479,279)	-	
-	-	-	-	-	194,411	
<u>5,739,522</u>	<u>-</u>	<u>3,716,158</u>	<u>999,254</u>	<u>20,976,911</u>	<u>9,517,583</u>	
-	-	-	-	-	(9,889)	
(134,347)	-	(51,797)	(136,994)	(1,769,961)	(2,896,109)	
-	-	-	(10,881)	19,789	613,682	
-	-	-	-	-	73,392	
-	-	-	-	-	(241,359)	
-	-	-	-	1,358,428	-	
<u>(134,347)</u>	<u>-</u>	<u>(51,797)</u>	<u>(147,875)</u>	<u>(391,744)</u>	<u>(2,460,283)</u>	
-	1,955	-	-	1,955	-	
-	1,955	-	-	1,955	-	
27,255	266,230	296,814	328,645	1,035,786	934,421	
9,756,789	1,261,438	-	1,141,568	12,579,643	3,229,458	
<u>\$ 9,784,044</u>	<u>\$ 1,527,668</u>	<u>\$ 296,814</u>	<u>\$ 1,470,213</u>	<u>\$ 13,615,429</u>	<u>\$ 4,163,879</u>	
\$ (6,489,718)	\$ 164,672	\$ (1,914,260)	\$ (1,032,447)	\$ (22,771,392)	\$ (11,071,735)	
1,307,923	201,644	2,711	317,755	4,146,057	3,968,328	
-	-	(815,771)	-	(206,660)	-	
-	-	-	-	-	(194,411)	
(50,517)	-	(18,938)	(88,444)	(159,668)	1,000,279	
(264,995)	-	(653,273)	950	(708,119)	(316,330)	
-	-	-	-	-	404,450	
-	-	-	-	-	85,324	
-	-	-	-	25,343	-	
(12,210)	-	-	(42,063)	(47,926)	-	
-	-	31,819	(3,306)	(49,584)	1,216	
(68,403)	(102,041)	165	324,820	220,612	-	
<u>(5,577,920)</u>	<u>264,275</u>	<u>(3,367,547)</u>	<u>(522,735)</u>	<u>(19,551,337)</u>	<u>(6,122,879)</u>	

See Accompanying Notes to the Financial Statements

COMPONENT UNITS

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

CITY OF MOBILE, ALABAMA
Statement Net Position
Combining Component Units
September 30, 2016

	Solid Waste Disposal Authority	Mobile Public Library	Public Park and Recreation Board	Total
ASSETS				
Current assets:				
Cash, equity in pooled cash and investments	\$ -	\$ 3,157,740	\$ 463,204	\$ 3,620,944
Receivables (net)	-	68,611	251,917	320,528
Inventories	-	-	33,854	33,854
Total current assets	<u>-</u>	<u>3,226,351</u>	<u>748,975</u>	<u>3,975,326</u>
Noncurrent assets:				
Land	248,225	-	-	248,225
Vehicular	-	209,099	-	209,099
Other equipment	-	3,691,114	1,709,503	5,400,617
Accumulated depreciation	-	(3,302,030)	(1,487,421)	(4,789,451)
Total noncurrent assets	<u>248,225</u>	<u>598,183</u>	<u>222,082</u>	<u>1,068,490</u>
Total assets	<u>248,225</u>	<u>3,824,534</u>	<u>971,057</u>	<u>5,043,816</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	-	876,887	8,893	885,780
Total deferred outflows of resources	<u>-</u>	<u>876,887</u>	<u>8,893</u>	<u>885,780</u>
Total assets and deferred outflows of resources	<u>248,225</u>	<u>4,701,421</u>	<u>979,950</u>	<u>5,929,596</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	157,256	437,410	40,702	635,368
Unearned revenue	-	-	178,750	178,750
Compensated absences, current portion	-	48,699	-	48,699
Total current liabilities	<u>157,256</u>	<u>486,109</u>	<u>219,452</u>	<u>862,817</u>
Noncurrent liabilities:				
Compensated absences, long-term portion	-	522,323	-	522,323
Self-insured liability - legal, long-term portion	6,034,045	-	-	6,034,045
Net pension liability	-	5,280,421	32,799	5,313,220
Total noncurrent liabilities	<u>6,034,045</u>	<u>5,802,744</u>	<u>32,799</u>	<u>11,869,588</u>
Total liabilities	<u>6,191,301</u>	<u>6,288,853</u>	<u>252,251</u>	<u>12,732,405</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	-	547,393	15,163	562,556
Total deferred inflows of resources	<u>-</u>	<u>547,393</u>	<u>15,163</u>	<u>562,556</u>
Total liabilities and deferred inflows of resources	<u>6,191,301</u>	<u>6,836,246</u>	<u>267,414</u>	<u>13,294,961</u>
NET POSITION				
Net investment in capital assets	248,225	598,183	222,082	1,068,490
Restricted for:				
Unrestricted	(6,191,301)	(2,733,008)	490,454	(8,433,855)
Total net position	<u>\$ (5,943,076)</u>	<u>\$ (2,134,825)</u>	<u>\$ 712,536</u>	<u>\$ (7,365,365)</u>

See Accompanying Notes to the Financial Statements

CITY OF MOBILE, ALABAMA
Statement of Activities
Combining Component Units
For the Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Mobile Public Library				
Culture and recreation	\$ 9,575,192	\$ 626,314	\$ 118,221	\$ 1,880
Total Mobile Public Library	<u>9,575,192</u>	<u>626,314</u>	<u>118,221</u>	<u>1,880</u>
Public Park and Recreation Board				
Culture and recreation	<u>1,158,716</u>	<u>1,084,825</u>	-	-
Total Public Park and Recreation Board	<u>1,158,716</u>	<u>1,084,825</u>	-	-
Solid Waste Disposal Authority				
Public works	<u>1,999,960</u>	-	<u>2,351,074</u>	-
Total Solid Waste Disposal Authority	<u>1,999,960</u>	-	<u>2,351,074</u>	-
Total component units:	<u>\$ 12,733,868</u>	<u>\$ 1,711,139</u>	<u>\$ 2,469,295</u>	<u>\$ 1,880</u>

General revenues:

- Grants and contributions not restricted to specific programs
- Investment earnings
- Payments from City of Mobile
- Payments from Mobile County
- Payments from City of Saraland
- Total general revenues and transfers
- Change in net position
- Net position - beginning
- Net position - ending

See Accompanying Notes to the Financial Statements

Net (Expense) Revenue and Changes in Net Position

<u>Solid Waste Disposal Authority</u>	<u>Mobile Public Library</u>	<u>Public Park and Recreation Board</u>	<u>Total</u>
\$ -	\$ (8,828,777)	\$ -	\$ (8,828,777)
-	(8,828,777)	-	(8,828,777)
-	-	(73,891)	(73,891)
-	-	(73,891)	(73,891)
351,114	-	-	351,114
351,114	-	-	351,114
351,114	(8,828,777)	(73,891)	(8,551,554)
-	290,249	-	290,249
-	75,062	-	75,062
-	6,831,022	200,000	7,031,022
-	1,238,342	-	1,238,342
-	183,433	-	183,433
-	8,618,108	200,000	8,818,108
351,114	(210,669)	126,109	266,554
(6,294,190)	(1,924,156)	586,427	(7,631,919)
\$ (5,943,076)	\$ (2,134,825)	\$ 712,536	\$ (7,365,365)

See Accompanying Notes to the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, 2016

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

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

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

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

- Capital Improvements - This fund is considered a major governmental fund and is used to provide for necessary capital improvements and is financed by a portion of the sales tax.
- 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.
- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- Flood Management - This fund is used to hold funds collected from developers to help defray the cost of future drainage in an area. This fund was established by ordinance passed by the City Council.
- 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, 2016

- 1998 General Obligation Capital Projects - This fund is used to provide for several projects including modular buildings at Strickland Youth Center and the construction and installation of certain improvements to the City's storm water drainage system.
- 1998 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects, including addition to Public Library, Fine Arts Museum, GM&O Terminal renovations, Public Safety buildings, and City/County Misdemeanor facility.
- 2000 Capital Projects - This fund is used to provide for improvements to the City's parks and recreational facilities and for storm water drainage and sewer improvements.
- 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.
- 2006 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects of the City. This fund was financed by the 2006 General Obligation Refunding and Capital Warrants.
- 2008 General Capital Improvements Projects - This fund is used to provide for certain capital improvement projects of the City.
- 2008B General Obligation Capital Improvement Projects - This fund is used for certain capital improvement projects of the City.
- 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.
- 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.

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- 2016 General Obligation Refunding Warrants - This fund is used to refund the 2006 General Obligation Refunding and Improvement Warrants.

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:

- 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 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).
- 2010 Small Issue General Obligation Warrants - This fund is used to service the remaining debt outstanding on the General Obligation Taxable Build America Warrant, Series 2010.
- 2011 General Obligation Private Placement Warrants - This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2011.
- 2012 General Obligation Private Placement Warrants - This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2012.

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- 2016 General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the General Obligation Refunding Warrants, Series 2016.

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:

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

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- Public Safety Grants - This fund is used to account for public safety related activities funded by federal, state, local, and private grants.
- Housing and Urban Development Grants - This fund is used to account for activities funded by grants from the U.S. Department of Housing and Urban Development.

Proprietary Funds - Proprietary funds are used to account for the City's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is based upon determination of net income. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. Operating revenues for proprietary operations generally result from producing or providing goods and services. Operating expenses for these operations include all costs related to providing the service or product. All other revenue and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The City's proprietary funds are as follows:

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

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

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- 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.
- 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.
- Azalea City Golf Course - This fund is used to account for the operations of the Azalea City Golf Course which derives revenues from course and cart rental.
- Neighborhood Renewal Program - This fund is used to account for the operations of the Neighborhood Renewal Program which derives 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.
- Employee Health Fund - This fund is used to account for assets held in trust by the City for the payment of health insurance claims.
- Liability Insurance Fund - This fund is used to account for automobile and general liability claims and expenses paid for other departments of the City.

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

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

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.

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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.

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- The budget is adopted by a majority vote of the City Council, and any required revenue measures are legally enacted through passage of an ordinance.
- Changes or amendments to budgeted expenditures of the City at the departmental and fund level must be approved by the City Council.
- Departmental expenditures may not legally exceed budgetary appropriations for the General Fund. Accordingly, the legal level of budgetary control is established within the General Fund at the departmental level. Management may amend the budget at the object level within departments without City Council approval. All unencumbered balances lapse at year-end.

Revenue Recognition - Ad valorem taxes are assessed on property valuations and statutory liens are attached to such properties as of October 1st each year. These taxes are due October 1st, but do not become delinquent until December 31st, after which penalty fees are levied. If taxes and penalties are not paid by June 30th of the following year, the property is then sold for taxes due and remittance is made at this time by the Mobile County Tax Collector to the City of Mobile. All tax levies are collected and remitted to the City of Mobile by the end of the City's fiscal year; consequently, the financial statements do not have accounts receivable or allowance for uncollected tax levies.

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

Unearned Revenue - 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.

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Inventories - All City inventories are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories held by the General Fund consist principally of traffic engineering, municipal garage, public buildings, electrical, mechanical maintenance, public works, police and fire department supplies. Inventories are stated at average or weighted average cost. Appropriate allowances have been recorded for obsolete and surplus items.

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

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

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:

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<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

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.

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Equity Classifications

Government-wide Financial Statements

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

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

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.

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- 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.

Pensions - Refer to Note 10 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.

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

Adoption of new GASB pronouncements

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. 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.

Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2016:

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).

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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. 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.

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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.

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

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

GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, & No. 73*

Issued March 2016, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

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

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

GASB Statement No. 84, *Fiduciary Activities*

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

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

NOTE 2 - ORGANIZATION AND REPORTING ENTITY

Organization

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

Reporting Entity

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

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

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
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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, and Mobile County and user fees. Complete financials of the library can be obtained directly from their administrative office at:

Mobile Public Library
700 Government Street
Mobile, AL 36602

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

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

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

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

CITY OF MOBILE, ALABAMA
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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.

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, 2016. 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.

CITY OF MOBILE, ALABAMA
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- **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 \$479,718 to Mobile Emergency Management during the fiscal year ended September 30, 2016. 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 \$ 1,360,585 to the Mobile Personnel Board during the fiscal year ended September 30, 2016. 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, 2016 the City contributed \$ 3,048,628 to the Juvenile Court and Youth Center. It is funded by Mobile County, the City of Mobile, the Department of Youth Services and various grants from the State of Alabama.

NOTE 3 - CASH, EQUITY IN POOLED CASH AND INVESTMENTS

Deposits

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

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

**CITY OF MOBILE, ALABAMA
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The City's primary government deposits and City's restricted cash were fully insured or collateralized at September 30, 2016. At year-end, the carrying amount of the City's deposits was \$130,104,075 and the bank balance was \$130,048,279. Included in the bank balances are certificates of deposit totaling \$8,963,737. Of the total bank balance, \$3,314,095 was covered by Federal Depository Insurance and \$126,734,184 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, 2016, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
Money market funds	\$ 39,988,041	0.0027
Sweep accounts	-	-
Certificates of deposit	8,963,737	0.0822
	<u>\$ 48,951,778</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, 2016, the City's investments in money market accounts are under the SAFE program. The investment policy also requires diversification of the City's investment portfolio by security type and institution. With the exception of U.S. Treasury Securities, the City will allow no more than 65% of its investment portfolio to be invested in single security types.

Custodial Credit Risk

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

Interest Rate Risk

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

CITY OF MOBILE, ALABAMA
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NOTE 4 - RECEIVABLES

Receivables at September 30, 2016 consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Receivables			
Taxes	\$ 18,671,217	\$ 951,214	\$ 19,622,431
Customers and other	1,603,115	8,219,057	9,822,172
Other governmental units	9,899,911	-	9,899,911
Gross receivables	30,174,243	9,170,271	39,344,514
Allowance for uncollectibles	(456,358)	(5,379,610)	(5,835,968)
Net receivables	\$ 29,717,885	\$ 3,790,661	\$ 33,508,546

Substantially all receivables are due in fiscal year 2016.

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, 2016, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds		
General Fund		
Capital Improvements Fund	\$ -	\$ 18,594,242
Other Governmental Funds	(3,796,273)	1,402,567
Internal Service Funds	-	9,323,172
Mobile Convention Center	-	367,000
Mobile Civic Center	-	1,121,554
Cruise Terminal	-	605,598
WAVE Transit	(3,315,161)	8,838,470
Emergency Medical Services	-	2,763,593
Other Enterprise Funds	-	997,851
Total General Fund	<u>(7,111,434)</u>	<u>44,014,047</u>
Capital Improvements Fund		
General Fund	(18,594,242)	-
Other Governmental Funds	(22,494,525)	20,434,803
WAVE Transit	-	500,000
Cruise Terminal	(50,472)	-
Mobile Convention Center	(2,330,464)	-
Total Capital Improvements Fund	<u>(43,469,703)</u>	<u>20,934,803</u>
Other Governmental Funds		
General Fund	(1,402,567)	3,796,273
Capital Improvements Fund	(20,434,803)	22,494,525
Other Governmental Funds	(9,309,153)	9,309,153
Mobile Convention Center	(4,213,116)	-
Other Enterprise Funds	-	-
Total Other Governmental Funds	<u>(35,359,639)</u>	<u>35,599,951</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

	<u>Transfer In</u>	<u>Transfer Out</u>
Internal Service Funds		
General Fund	(9,323,172)	-
Total Internal Service Funds	<u>(9,323,172)</u>	<u>-</u>
Major Enterprise Funds		
Mobile Civic Center		
General Fund	(1,121,554)	-
Total Mobile Civic Center	<u>(1,121,554)</u>	<u>-</u>
Mobile Convention Center		
General Fund	(367,000)	-
Capital Improvements Fund	-	2,330,464
Other Governmental Funds	-	4,213,116
Total Mobile Convention Center	<u>(367,000)</u>	<u>6,543,580</u>
WAVE Transit		
General Fund	(8,838,470)	3,315,161
Capital Improvements Fund	(500,000)	-
Total WAVE Transit	<u>(9,338,470)</u>	<u>3,315,161</u>
Cruise Terminal		
General Fund	(605,598)	-
Capital Improvements	-	50,472
Total Cruise Terminal	<u>(605,598)</u>	<u>50,472</u>
Emergency Medical Services		
General Fund	(2,763,593)	-
Total Emergency Medical Services	<u>(2,763,593)</u>	<u>-</u>
Other Enterprise Funds		
General Fund	(997,851)	-
Total Other Enterprise Fund	<u>(997,851)</u>	<u>-</u>
Total Transfers	<u>\$ (110,458,015)</u>	<u>\$ 110,458,015</u>

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, 2016, are as follows:

	<u>Due To</u> <u>Other Funds</u>	<u>Due From</u> <u>Other Funds</u>
Major Governmental Funds		
General Fund		
Other Governmental Funds	-	582,944
WAVE Transit	351,433	722,059
Total General Fund	<u>351,433</u>	<u>1,305,003</u>
Other Governmental Funds		
General Fund	582,944	-
Total Other Governmental Funds	<u>582,944</u>	<u>-</u>
Major Enterprise Funds		
WAVE Transit		
General Fund	722,059	351,433
Total WAVE Transit	<u>722,059</u>	<u>351,433</u>
Total Interfund Balances	<u>\$ 1,656,436</u>	<u>\$ 1,656,436</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, 2016:

	Capital Assets, Not Depreciated					
	Land		Construction in Progress		Intangible Assets	
	\$	27,260,587	\$	18,899,413	\$	4,476,346
Balance, beginning						
Additions		191,092		27,048,829		104,389
Deductions				(6,445,664)		
Balance, ending		<u>27,451,679</u>		<u>39,502,578</u>		<u>4,580,735</u>
Accumulated Depreciation, beginning		-		-		-
Additions		-		-		-
Deductions		-		-		-
Accumulated Depreciation, ending		<u>-</u>		<u>-</u>		<u>-</u>
Capital Assets, Net		<u>\$ 27,451,679</u>		<u>\$ 39,502,578</u>		<u>\$ 4,580,735</u>

	Capital Assets, Depreciated					
	Improvements Other than Buildings		Vehicular Equipment		Other Equipment	
	Buildings	Other than Buildings	Equipment	Equipment	Infrastructure	Totals
Balance, beginning	\$ 145,922,476	\$ 114,856,796	\$ 64,496,834	\$ 41,618,800	\$ 532,923,190	\$ 950,059,081
Additions	6,196	988,337	8,428,509	4,385,173	5,444,841	48,096,258
Deductions			(9,602,462)	(418,015)		(17,569,672)
Balance, ending	<u>145,928,672</u>	<u>115,845,133</u>	<u>63,322,881</u>	<u>45,585,958</u>	<u>538,368,031</u>	<u>980,585,667</u>
Accumulated Depreciation, beginning	32,206,276	56,914,027	42,427,092	33,979,256	133,624,044	299,150,694
Additions	2,562,841	4,362,017	4,976,708	1,148,295	10,655,713	23,705,574
Deductions	-	-	(8,574,598)	(372,113)	-	(8,946,710)
Accumulated Depreciation, ending	<u>34,769,116</u>	<u>61,276,044</u>	<u>38,829,202</u>	<u>34,755,438</u>	<u>144,279,757</u>	<u>313,909,558</u>
Capital Assets, Net	<u>\$ 111,159,556</u>	<u>\$ 54,569,089</u>	<u>\$ 24,493,679</u>	<u>\$ 10,830,520</u>	<u>\$ 394,088,274</u>	<u>\$ 666,676,109</u>

Construction in progress consists of the following:

Asset	Project	Balance, beginning	Additions	Deductions	Balance, ending
79239	FORT CONDE WELCOME CENTER - ROOF REPAIRS	592,343	43,495		635,838
79240	CDBG 2011 - ANN STREET DRAINAGE	468,978	13,000		481,978
79244	CDBG 2012 - THEODORE PARK IMPROVEMENTS	258,055	7,195		265,250
79247	ERP SYSTEM - MUNIS	1,481,758	2,341,717		3,823,475
79248	PARKS - HERNDON PARK IMPROVEMENTS	1,914,694	308,485		2,223,179
79249	PARKS - JAMES SEALS PARK IMPROVEMENTS	702,773	18,391	(721,164)	-
79251	CDBG 2013 - TOULMINVILLE SIDEWALKS	30,968	541,916		572,884
79252	CDBG 2013 - SOUTH OAKLEIGH SIDEWALKS	45,534	-	(45,534)	-
79253	AIRBUS WAY & AEROSPACE DR	4,802,000	-	(4,802,000)	-
79254	INFRASTRUCTURE - ADA MODIFICATIONS	462,352	977,170		1,439,522
79255	CITY SHARE - ZEIGLER BLVD	1,106,020	80,880		1,186,900

CITY OF MOBILE, ALABAMA
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Asset	Project	Balance, beginning	Additions	Deductions	Balance, ending
79256	RESURFACING 4CT GAS TAX PROJECT	4,374,255	4,575,343		8,949,598
79257	HILLSDALE HEIGHTS SIDEWALKS	26,909	-		26,909
79259	MPO - MCGREGOR AVE WIDENING	239,171	109,646		348,817
79262	ED - PINEBROOK - MCGREGOR	86,928	106,294		193,222
79264	2007 DRAINAGE AREAS 1 & 2	27,920			27,920
79265	ANN ST (TENN TO MCDONALD)	190,876	156,420		347,296
79271	MOBILE ST. IMPROVEMENTS	210,279	45,464		255,743
79284	GIS AERIAL MAPPING SYSTEM	106,524	4,204	(110,728)	-
79285	PARKS - PUB SAFETY SKATEBOARD PARK RESTR	5,214	104,292		109,506
79286	PARKS - MARDI GRAS PARK	711	2,076,222		2,076,933
79287	PARKS - LYONS PARK IMPROVEMENT	77	33,362		33,439
79288	HANK AARON STADIUM IMPROVEMENTS	420,947	210,575		631,522
79289	CDBG 2009 - DOWNTOWN ST RESURFACING	597,307	-	(597,307)	-
79290	CDBG 2015 - BALTIMORE ST REHAB	786	106,860		107,646
79291	CDBG 2011 - 3 MILE CREEK BIKE TRAIL	22,034	78,515		100,549
79292	CDBG 2014 - CRAWFORD-MURPHY WALKING TRAIL	3,562	114,124		117,686
79293	CDBG 2014 - CRAWFORD-MURPHY TENNIS COURT	53,639	1,372	(55,011)	-
79294	CDBG 2013 - WOOKCOCK SCHOOL IMPROVEMENTS	119,504	30,588		150,092
79295	CDBG 2014 - FIGURES PARK WALKING TRAIL	412	79,588		80,000
79296	POLICE - 200 GOVERNMENT ST PURCH & RENO	298,387	157,862		456,249
79297	INFRASTRUCTURE - ADA MODIFICATIONS	3,496	8,990	(12,486)	-
79298	WATER ST - COMPLETE STREETS - DESIGN	245,000			245,000
79456	CITYWIDE STORM DRAINS	-	257,877		257,877
79457	CITYWIDE SIDEWALK REPAIRS	-	362,432		362,432
79459	CITYWIDE INLET REPAIRS	-	562,481		562,481
79460	CITYWIDE LITTER/INLET REPAIRS	-	821,868		821,868
79461	LITTER CLEANUP - 3MI, 1MI & DOG RIVER	-	11,482		11,482
79462	CITYWIDE GAURDRAILS	-	135,255		135,255
79463	CITYWIDE PIPELINE REPAIR	-	582,675		582,675
79464	LITTER TRAP & SITE IMPROVEMENTS	-	63,209		63,209
79465	DRAINAGE - MAUDELA YNE DRIVE REPAIRS	-	12,387		12,387
79466	MONTLIMAR CREEK REPAIRS	-	761,802		761,802
79467	DRAINAGE-CORONADO CT DITCH REPAIRS	-	122,929		122,929
79468	DITCH REPAIRS - MONTLIMAR CANAL & COL	-	101,077		101,077
79469	CITYWIDE LITTER/INLET REPAIRS	-	51,763		51,763
79470	PARKS - MIMS RENOVATIONS & REPAIRS	-	35,530		35,530
79471	PARKS - MAITRE PARK IMPROVEMENTS	-	305,841		305,841
79472	LADD STADIUM RENOVATIONS & REPAIRS	-	68,827		68,827
79473	PARKS - DOYLE PARK IMPROVEMENTS	-	101,434	(101,434)	-
79474	ARCHITECTURAL ENGINEERING PROJECTS	-	24,214		24,214
79475	PARKS - FIGURES PARK IMPROVEMENTS	-	50,534		50,534
79476	PARKS - FIGURES COMMUNITY CENTER	-	53,914		53,914
79479	CDBG 2012 - MOBILE STREET SIDEWALKS	-	98,044		98,044
79480	CDBG 2013 - ROBERT HOPE CTR WALKING TRAIL	-	95,184		95,184
79497	AIRPORT & SAGE TURNING RADIUS	-	3,727		3,727
79498	MOBILE CARNIVAL MUSEUM - FENCE	-	56,792		56,792
79499	FORT CONDE FENCE REPAINTING	-	5,822		5,822
79505	STORMWATER - MISC BRIDGE IMPROVEMENTS	-	9,133		9,133

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Asset	Project	Balance, beginning	Additions	Deductions	Balance, ending
79506	TRAFFIC CALMING DEVICES PROG	-	15,645		15,645
79513	CS-ZEIGLER-CODY TO SCHILLINGER	-	167,000		167,000
79519	PARKS - TRINITY GARDEN PK IMP-DIST 1	-	16,155		16,155
79526	HISTORIC DEV - AFRICAN AMERICAN HTG	-	31,250		31,250
79530	GUS REHM/CRICHTON FIRE STATION	-	10,326		10,326
79537	FIRE - MISC FIRE STATIONS/BLDGS IMPR	-	70,076		70,076
79540	PARKS - NEW PARK THEODORE AREA	-	40,000		40,000
79546	TRINITY GARDENS DITCH ENCLOSURES	-	160,816		160,816
79559	PARKS - COPELAND-COX TENNIS CTR-D 7	-	6,786		6,786
79561	CITYWIDE ROOF REPAIRS	-	112,443		112,443
79563	MILL STREET PARK IMPROVEMENTS	-	70		70
79566	PARKS - ANNEXED AREA-WEST-MCCANTS PARK	-	49,998		49,998
79567	BROAD ST IMPROVEMENTS - TIGER	-	158,817		158,817
79568	ED - WESTWOOD PLAZA	-	12,437		12,437
79570	DRAINAGE - LA PINE DR AT CLUBHOUSE	-	21,398		21,398
79571	DRAINAGE - FLORIDA ST AT DOHM ST	-	50,896		50,896
79572	DRAINAGE - 2008 HOLLEMAN DR	-	79,526		79,526
79573	DRAINAGE - SPRINGHILL/MOBILE INFIRMARY	-	11,133		11,133
79574	PARKS - DOTCH COMMUNITY CENTER	-	1,072		1,072
79576	PARKS - CRAWFORD PARK IMPROVEMENTS	-	31,156		31,156
79577	PARKS - HARMON RECREATION CENTER	-	37,257		37,257
79578	PARKS - SPRINGHILL RECREATION CENTER	-	32,024		32,024
79579	DOWNTOWN PEDESTRIAN LIGHTING	-	106,050		106,050
79580	STREETSCAPE GATEWAY TO PLATEAU	-	225,786		225,786
79582	DRAINAGE - BOLTON BR DITCH REPRS-I65	-	5,150		5,150
79583	DRAINAGE - BURMA HILLS REPAIRS	-	6,413		6,413
79585	MOORES CREEK DITCH REPAIRS	-	16,914		16,914
79586	DRAINAGE - KING ST IMPROVEMENTS	-	6,840		6,840
79587	LIGHTING GREYSTONE FACILITY	-	19,227		19,227
79589	DRAINAGE - ESLAVA CREEK IMPROVEMENTS	-	50,220		50,220
79590	DRAINAGE - GAFHILL DR PIPE REPAIRS	-	13,338		13,338
79593	MCGREGOR SIDEWALKS - OLD SHELL TO DAU	-	29,498		29,498
79594	TURNING RAIDUS AIRPORT BLVD	-	1,665		1,665
79595	SIGNAL IMPROVEMENTS AIRPORT & SAGE	-	39,636		39,636
79599	GASLIGHT PIPE REPAIRS	-	18,645		18,645
79601	1524 RIDGELAND RD W PIPE REPAIRS	-	14,630		14,630
79602	CENTER ST OUTFALL-12 MILE CREEK	-	4,750		4,750
79603	2505 WOODLAND ROAD DRAINAGE	-	1,012		1,012
79604	MEDAL OF HONOR PARK PLAYGROUND	-	26,081		26,081
79605	AIRWAY PK DR & SCHILLINGER	-	3,007		3,007
79606	DRAINAGE - GRAHAM RD SOUTH	-	23,459		23,459
79607	PARKS - LANGAN PK-COPELAND-COX TENNIS	-	14,243		14,243
79608	12 MILE CREEK BANK STABILIZATION PROJ	-	52,483		52,483
79609	IRENE & LONGS GARDEN OUTFALL	-	100		100
79610	RETENTION POND SUMMER PLACE SUBDIVISION	-	3,150		3,150
79612	PARKS - BOTANICAL GARDENS	-	150,000		150,000
79613	PARKS - JAPANESE GARDENS	-	150,000		150,000
79615	PARKS - COPELAND COX TENNIS CENTER	-	76,315		76,315

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Asset	Project	Balance, beginning	Additions	Deductions	Balance, ending
79616	EXPLOREUM RENOVATION & REPAIRS	-	45,974		45,974
79617	MPL MOORER BRANCH	-	44,465		44,465
79618	SIDEWALKS - LANGAN PARK AREA	-	134,803		134,803
79619	BOLTON BR UNIV TO AZALEA	-	245,593		245,593
79620	DAUPHIN ISLAND PARKWAY	-	5,866		5,866
79621	CRUISE TERMINAL - EQUIPMENT & MISC	-	888,444		888,444
79622	PARKS - LANGAN PARK SHADE STRUCTURE	-	52,103		52,103
79623	3 MILE CREEK FENNEL ST/BUSH PARK	-	15,820		15,820
79624	1125 NORTH DR PIPE LINING	-	20,983		20,983
79625	2556 FLEETWOOD DR N	-	16,361		16,361
79626	2666 GOVT BLVD PIPE LINING	-	9,705		9,705
79627	CODY RD - MILKHOUSE CREEK	-	5,026		5,026
79628	4317 MARQUEETE DR INLET	-	13,662		13,662
79629	3 MILE CREEK JAPANESE GARDENS	-	20,000		20,000
79631	4558 BROOKMORE PIPE LINING	-	15,492		15,492
79632	2124 LUCKNER CT OUTFALL REPAIR	-	22,762		22,762
79633	ZEIGLER AT 3 MILE CREEK CULVERT	-	5,950		5,950
79634	3 MILE CREEK AT BOWIE COURT	-	12,422		12,422
79635	2409 WOODLAND ROAD DRAINAGE	-	5,000		5,000
79636	350 GULFWOOD DR DRAINAGE	-	5,000		5,000
79637	WATER ST - STRIPING/SIGNALS	-	124,618		124,618
79638	ANN ST (ARLINGTON - DOUGLAS) DRAIN	-	975,805		975,805
79641	MOBILE CO RESURFACING CIP 2015-004A	-	399,340		399,340
79642	CITY SHARE - TOULMINVILLE SIDEWALKS	-	279,481		279,481
79730	DISTRICT 1 ROADWAY RESURFACING	-	444,827		444,827
79731	DISTRICT 2 ROADWAY RESURFACING	-	746,455		746,455
79732	DISTRICT 3 ROADWAY RESURFACING	-	282,836		282,836
79733	DISTRICT 4 ROADWAY RESURFACING	-	481,076		481,076
79734	DISTRICT 5 ROADWAY RESURFACING	-	490,855		490,855
79735	DISTRICT 6 ROADWAY RESURFACING	-	562,520		562,520
79736	DISTRICT 7 ROADWAY RESURFACING	-	438,665		438,665
79744	CITYWIDE ROADWAY STRIPING	-	9,505		9,505
79745	DISTRICT 1 SIDEWALK REPAIRS & MAINT	-	96,163		96,163
79746	DISTRICT 2 SIDEWALK REPAIRS & MAINT	-	404,477		404,477
79747	DISTRICT 3 SIDEWALK REPAIRS & MAINT	-	56,350		56,350
79748	DISTRICT 4 SIDEWALK REPAIRS & MAINT	-	147,709		147,709
79750	DISTRICT 6 SIDEWALK REPAIRS & MAINT	-	78,398		78,398
79751	DISTRICT 7 SIDEWALK REPAIRS & MAINT	-	158,979		158,979
79752	DISTRICT 1 STREET LIGHT IMPROVEMENT	-	2,684		2,684
79757	DISTRICT 6 STREET LIGHT IMPROVEMENT	-	13,557		13,557
79758	DISTRICT 7 STREET LIGHT IMPROVEMENT	-	6,012		6,012
	Total	18,899,413	27,048,829	(6,445,664)	39,502,578

CITY OF MOBILE, ALABAMA
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Depreciation expense was charged to governmental activities as follows:

<u>Function</u>	<u>Depreciation Expense</u>
General government	\$ 15,324,877
Economic development	1,153
Public safety	4,038,554
Public works	1,901,805
Engineering, development & build	301,982
Culture & recreation	2,114,332
Finance	22,871
Total depreciation expense	<u>\$ 23,705,574</u>

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2016:

	<u>Capital Assets, Not Depreciated</u>	
	<u>Land</u>	<u>Construction in Progress</u>
	Balance, beginning	\$ 10,684,497
Additions	-	424,048
Deductions	-	(579,402)
Balance, ending	<u>10,684,497</u>	<u>150,037</u>
Accumulated Depreciation, beginning	-	-
Additions	-	-
Deductions	-	-
Accumulated Depreciation, ending	-	-
Capital Assets, Net	<u>\$ 10,684,497</u>	<u>\$ 150,037</u>

	<u>Capital Assets, Depreciated</u>				
	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Vehicular Equipment</u>	<u>Other Equipment</u>	<u>Totals</u>
	Balance, beginning	\$ 126,851,809	\$ 17,662,840	\$ 13,536,592	\$ 6,346,218
Additions	-	289,702	804,742	823,195	2,341,687
Deductions	(1)	-	(1,574,595)	(59,535)	(2,213,533)
Balance, ending	<u>126,851,808</u>	<u>17,952,542</u>	<u>12,766,739</u>	<u>7,109,878</u>	<u>175,515,501</u>
Accumulated Depreciation, beginning	56,517,117	10,818,535	10,081,415	5,323,062	82,740,129
Additions	2,324,695	541,212	1,015,625	264,525	4,146,057
Deductions	-	-	(1,600,391)	-	(1,600,391)
Accumulated Depreciation, ending	<u>58,841,812</u>	<u>11,359,747</u>	<u>9,496,649</u>	<u>5,587,587</u>	<u>85,285,795</u>
Capital Assets, Net	<u>\$ 68,009,996</u>	<u>\$ 6,592,795</u>	<u>\$ 3,270,090</u>	<u>\$ 1,522,291</u>	<u>\$ 90,229,706</u>

Approximately \$5.6 million (cost of \$12.0 million and accumulated depreciation of \$6.8 million) of the Municipal Parking Garage property is leased to others as of September 30, 2016. (See Note 12)

CITY OF MOBILE, ALABAMA
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Depreciation expense was charged to business-type activities as follows:

<u>Fund</u>	<u>Depreciation Expense</u>
Civic center	\$ 372,853
Convention center	1,307,923
Cruise terminal	406,861
WAVE transit	1,536,310
Parking garage	201,644
Golf course	126,756
Emergency medical services	2,711
Tennis center	1,945
Saenger theater	189,054
Total depreciation expense	<u>\$ 4,146,057</u>

NOTE 8 - LONG-TERM DEBT

Outstanding Debt

The general and limited obligation bonds/warrants and notes of the City include the following at September 30, 2016:

Debt Issuance	Principal Balance
\$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	\$ 5,315,000
\$57,000,000; 2008 General Obligation Refunding and Improvement Warrants, due semiannually 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 semiannually with interest payable at rates ranging from 4.00% to 5.00% per annum; maturing February 15, 2020	44,120,000
\$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	18,205,000
\$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	55,850,000
\$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	9,985,000
\$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	1,046,964
\$39,402,000; 2016 General Obligation Refunding Warrants; due annually with interest payable semi-annually at rates ranging from 4.50% to 5.00% per annum; maturing February 15, 2030	39,402,000
Total bonds/warrants payable	<u>\$ 254,118,964</u>

CITY OF MOBILE, ALABAMA
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Debt Issuance	Principal Balance
\$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%	\$ 585,000
\$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%	135,000
\$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%	270,000
\$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%	1,505,000
Total notes payable	<u>\$ 2,495,000</u>

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

Bonds/Warrants Payable			
<u>Governmental Activities</u>			
Fiscal Year Ending September 30	Principal	Interest	Total
2017	\$ 15,899,854	\$ 11,065,877	\$ 26,965,731
2018	14,338,110	10,415,843	24,753,953
2019	14,988,000	9,718,693	24,706,693
2020	15,729,000	8,993,512	24,722,512
2021	16,135,000	8,299,877	24,434,877
2022-2026	91,157,000	31,083,792	122,240,792
2027-2030	85,872,000	8,706,767	94,578,767
Subtotals	254,118,964	88,284,361	342,403,325
Plus: Bond Premium	1,962,222	(1,962,222)	-
Less: Deferred Bond Discount	(215,640)	215,640	-
Less: Deferred amount on refunding	(2,582,715)	2,582,715	-
Totals	<u>\$ 253,282,831</u>	<u>\$ 89,120,494</u>	<u>\$ 342,403,325</u>

Notes Payable			
<u>Governmental Activities</u>			
Fiscal Year Ending September 30	Principal	Interest	Total
2017	\$ 485,000	\$ 101,283	\$ 586,283
2018	375,000	89,037	464,037
2019	250,000	77,562	327,562
2020	260,000	67,328	327,328
2021	265,000	56,532	321,532
2022-2025	860,000	111,723	971,723
Totals	<u>\$ 2,495,000</u>	<u>\$ 503,465</u>	<u>\$ 2,998,465</u>

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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	Capital Leases		
	Governmental Activities		
	Present Value of Net Minimum Lease Payments	Amount Representing Interest	Total
2017	\$ 492,519	\$ 9,977	\$ 502,496
Totals	\$ 492,519	\$ 9,977	\$ 502,496

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

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

<u>Asset Category</u>	<u>Governmental Activities</u>
Vehicles	2,888,871
Equipment	150,041
	3,038,912
Less: Accumulated amortization	(1,786,341)
Capital assets, net	1,252,571

CITY OF MOBILE, ALABAMA
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The following is a summary of the changes in liabilities reported in the Statement of Net Position for the year ended September 30, 2016:

	Balance, October 1	Additions	Deductions	Balance, September 30	Due Within One Year
<u>Governmental Activities</u>					
General and limited obligation bonds/warrants	\$ 267,572,701	\$ 39,402,000	\$ 52,855,737	\$ 254,118,964	\$ 15,899,854
Plus: Bond premium	2,945,293		983,071	1,962,222	-
Less: Bond discount	(234,948)		(19,308)	(215,640)	-
Total general and limited obligation bonds/warrants	270,283,046	39,402,000	53,819,500	255,865,546	15,899,854
Notes payable	2,950,000	-	455,000	2,495,000	485,000
Obligations under capital leases	1,473,283	-	980,764	492,519	492,519
Compensated absences	12,893,913	1,461,659	1,304,391	13,051,181	1,304,391
Self-insured legal liability	1,257,050	1,368,374	777,924	1,847,500	-
Insurance claims	16,797,037	29,361,220	28,960,621	17,197,636	5,178,034
Landfill postclosure liability	719,629	-	47,955	671,674	49,873
OPEB liability	191,438,000	20,025,000	10,398,000	201,065,000	-
Net pension liability	149,857,219	43,336,305	27,606,742	165,586,782	-
Total governmental activities	647,669,177	134,954,558	124,350,897	658,272,838	23,409,671
<u>Business-type Activities</u>					
Compensated absences	446,582	567,791	542,448	471,925	93,148
Net pension liability	12,352,712	3,755,055	2,881,422	13,226,345	-
Total business-type activities	12,799,294	4,322,846	3,423,870	13,698,270	93,148
Total primary government	\$ 660,468,471	\$ 139,277,404	\$ 127,774,767	\$ 671,971,108	\$ 23,502,819

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, 2016, the permissible debt limit exceeded actual debt by approximately \$346.1 million.

NOTE 9 - CURRENT BOND REFUNDING & DEFEASANCE OF PRIOR DEBT

Current Bond Refunding

On February 11, 2016 the City issued \$39,402,000 General Obligation Refunding Warrants, Series 2016 with interest of 4.5 to 5 percent per annum. The Series 2016 Warrants were issued for the purpose of refunding the City's General Obligation Refunding and Improvement Warrants, Series 2006.

CITY OF MOBILE, ALABAMA
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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 Warrants. The amount of \$40,164,422 was transferred to the Escrow Trustee to provide for the redemption and prepayment of the Series 2006 Warrants. Of this amount, \$903,829.96 represents additional contribution of unspent proceeds from previous issuances.

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 total debt service related to the refunded Series 2006 warrants would have been \$54,876,582.54 (net of a \$903,829.96 contribution of unspent proceeds). The Series 2016 Warrants have debt service requirements totaling \$47,314,470.72. The net effect of the issuance was a \$7,562,111.82 decrease in total debt service payments through the 2030 fiscal year. The issuance resulted in an economic gain of \$7,562,111.82 in gross savings, or \$6,306,914.88 in present value savings.

NOTE 10 - 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:

<u>Plan</u>	<u>Contributions</u>
Employees' Retirement System of Alabama (ERS)	\$ 4,960,435
Police and Firefighters Retirement Plan (PFFRP)	19,701,945
General Municipal Employee Pension Trust Fund (GMEPTF)	8,911
Total	<u>\$ 24,671,291</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.

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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.

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.

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.

CITY OF MOBILE, ALABAMA
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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. City of Mobile ERS membership as of September 30, 2015 consisted of:

<u>Category</u>	<u>Members</u>
Retired members or their beneficiaries currently receiving benefits	706
Vested inactive members	24
Non-vested inactive members	75
Active members	1,228
Post-DROP retired members still in active service	14
Total	<u>2,047</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.

CITY OF MOBILE, ALABAMA
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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, 2016, the City's active employee contribution rate was 5.00% percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 10.23% of covered payroll.

The City's contractually required contribution rate for Tier 1 employer contributions during fiscal 2016 were based on 11.25% of pensionable pay. Tier 2 employer contributions during fiscal 2016 were based on 9.05% 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 2016 amounted to \$7,333,204 of which \$4,960,435 and \$2,372,769 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, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2014 rolled forward to September 30, 2015 using standard roll-forward techniques shown in the following table:

<u>Roll-Forward of the Total Pension Liability</u>	<u>Expected</u>	<u>Actual</u>
Total pension liability		
as of September 30, 2014 (a)	\$ 194,194,836	\$ 192,347,783
Entry Age Normal Cost for		
October 1, 2014 - September 30, 2015 (b)	3,700,746	3,700,746
Actual Benefit Payments and Refunds		
for October 1, 2014 - September 30, 2015 (c)	<u>(13,800,512)</u>	<u>(13,800,512)</u>
Total Pension Liability		
as of September 30, 2015		
[(a) x (1.08)] + (b) - [(c) x (1.04)]	<u>\$ 199,078,636</u>	<u>\$ 197,083,819</u>
Difference between Expected and Actual Experience		
(Gain)/Loss		\$ (1,994,817)

Actuarial assumptions. The total pension liability in the September 30, 2014 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%
<i>*Net of pension plan investment expense</i>	

CITY OF MOBILE, ALABAMA
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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, 2014 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data. The actuarial methods and assumptions used will be those last adopted by the Board based upon the advice and recommendation of the actuary including the Interest Smoothing methodology. The actuary shall conduct an investigation into the system's experience at least every five years and utilize the results of the investigation to form the basis for those recommendations which shall include the Interest Smoothing Methodology.

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

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

	Target Allocation	Long-Term Expected Rate of Return*
Fixed income	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.

CITY OF MOBILE, ALABAMA
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Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Changes in Net Pension Liability			
Balances at 9/30/2014	\$ 194,194,836	\$ 143,038,689	\$ 51,156,147
Changes for the year:			-
Service cost	3,700,746		3,700,746
Interest	14,983,566		14,983,566
Differences between expected and actual experience	(1,994,817)		(1,994,817)
Contributions-employer		4,996,104	(4,996,104)
Contributions-employee		2,362,148	(2,362,148)
Net investment income		1,659,058	(1,659,058)
Benefit payments, including refunds of employee contributions	(13,800,512)	(13,800,512)	-
Administrative expense			-
Changes in benefit terms			-
Changes in assumptions or other inputs			-
Transfers among employers	-	50,472	(50,472)
Net changes	2,888,983	(4,732,730)	7,621,713
Balances at 9/30/2015	<u>\$ 197,083,819</u>	<u>\$ 138,305,959</u>	<u>\$ 58,777,860</u>

Sensitivity of the net pension liability to changes in the discount rate. The following table presents the City's net pension liability calculated using the discount rate of 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%)
City's Net Pension Liability	\$78,363,573	\$58,777,860	\$42,024,793

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, 2015. 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, 2015. The auditor's report dated January 15, 2016 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.

**CITY OF MOBILE, ALABAMA
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2016 the City recognized pension expense (income) of \$5,570,987.

Components of pension expense are as follows:

Service Cost	\$ 3,700,746
Interest on the total pension liability	14,983,566
Current-period benefit changes	-
Expensed portion of the current-period difference between expected and actual experience	(376,381)
Expensed portion of current-period changes of assumptions	-
Member contributions	(2,362,148)
Projected earnings on plan investments	(11,187,424)
Expensed portion of current-period differences between actual and projected earnings on plan investments	1,905,673
Transfers among employers	(50,472)
Recognition of beginning deferred outflows as pension expense	-
Recognition of beginning deferred inflows as pension expense	(1,042,573)
Pension Expense (Income)	<u>\$ 5,570,987</u>

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to ERS pension of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,618,436
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	4,494,976	-
Employer contributions subsequent to the measurement date*	4,791,994	-
Total	<u>\$ 9,286,970</u>	<u>\$ 1,618,436</u>

*Employer contributions made from 10/01/2015-09/30/2016, related to normal and accrued liability components of employer rate net of any refunds or error service payments. These amounts will be recognized in 2017 as a reduction of the net pension liability.

CITY OF MOBILE, ALABAMA
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Amounts reported as deferred outflows of resources and deferred inflows of resources to ERS pension will be recognized in pension expense as follows:

Year ended September 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2017	\$ 5,655,094	\$ (376,381)	\$ 5,278,713
2018	863,100	(376,381)	486,719
2019	863,102	(376,381)	486,721
2020	1,905,674	(376,381)	1,529,293
2021	-	(112,912)	(112,912)
Thereafter	-	-	-
	<u>\$ 9,286,970</u>	<u>\$ (1,618,436)</u>	<u>\$ 7,668,534</u>

Police and Firefighters Retirement Plan

General Plan Information

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

The responsibilities for general administration of the Plan are entrusted to a Board of Trustees made up of three elected police officers, three elected firefighters, the Executive Director of Financial Services for the City of Mobile and two members appointed by the governing body of the City of Mobile. The Plan's assets are held in trust by 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.

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.

CITY OF MOBILE, ALABAMA
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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.

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.

CITY OF MOBILE, ALABAMA
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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, 2016, the City's active employee contribution rate was 8.22 percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 54.05% percent of covered payroll. Total contributions to the Plan during fiscal year 2016 amounted to \$22,697, 695 of which \$19,701,945 and \$2,995,750 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, 2015, according to the latest actuarial valuations, was comprised of the following:

Category	Members
Active members:	
Regular active members	933
DROP program members	25
Inactive employees and beneficiaries currently receiving benefits:	
Retired - service retirement	542
Retired - disability retirement	43
Retired - beneficiaries	142
Inactive employees entitled to but not yet receiving a benefit:	
Deferred vested members	16
Total, as of October 1, 2015	1,701

CITY OF MOBILE, ALABAMA
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Net Pension Liability

The City's net pension liability was measured as of September 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2014 rolled forward to September 30, 2015 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	2.50%
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, 2014 valuation were based on results of an actuarial experience study for the period October 1, 2005 through September 30, 2014.

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.

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

CITY OF MOBILE, ALABAMA
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Best estimates of arithmetic real rates of return for each major asset class are as follows:

	Target Allocation	Long-Term Expected Rate of Return
Broad equity markets	5.00%	6.01%
Domestic large cap equity	28.00%	6.91%
Domestic mid cap equity	9.50%	8.91%
Domestic small cap equity	9.50%	5.01%
International equity	10.00%	3.31%
Domestic fixed equity	25.00%	0.81%
Alternative investments	13.00%	7.51%
Total	<u>100.00%</u>	5.07%

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Changes in Net Pension Liability			
Balances at 9/30/2014	\$ 258,973,587	\$ 151,689,814	\$ 107,283,773
Changes for the year:			
Service cost	1,501,441	-	1,501,441
Expected interest growth	18,407,492	11,091,513	7,315,979
Unexpected investment income		(17,973,235)	17,973,235
Demographic experience	1,341,073	-	1,341,073
Contributions-employer		16,354,458	(16,354,458)
Contributions-employee		2,969,379	(2,969,379)
Benefit payments, including refunds of employee contribution	(19,657,648)	(19,657,648)	-
Administrative expense		(4,989)	4,989
Changes in benefit terms			-
Assumption changes			-
Net changes	<u>1,592,358</u>	<u>(7,220,522)</u>	<u>8,812,880</u>
Balances at 9/30/2015	<u>\$ 260,565,945</u>	<u>\$ 144,469,292</u>	<u>\$ 116,096,653</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 7.32%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.32%) or 1-percentage point higher (8.32%) than the current rate:

	1% Decrease (6.32%)	Current Discount Rate (7.32%)	1% Increase (8.32%)
City's Net Pension Liability	\$ 146,000,078	\$ 116,096,653	\$ 91,572,244

CITY OF MOBILE, ALABAMA
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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, 2016 the City recognized pension expense (income) of \$9,504,811.

Components of pension expense are as follows:

Service Cost	\$ 1,501,441
Expected interest growth	7,315,979
Investment gain/loss	3,551,626
Demographic gain/loss	100,155
Employee contributions	(2,969,379)
Benefit payments and refunds	-
Administrative expenses	4,989
Changes in benefit terms	
Changes in assumptions or other inputs	
Pension Expense (Income) for the year ended 9/30/2016	\$ 9,504,811

At September 30, 2016, 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, 2014	\$ -	\$ 172,082
Amortization payments	(3,694,802)	(43,021)
Investment gain/loss	17,973,235	-
Demographic gain/loss	1,341,073	-
Changes in assumptions or other inputs	-	-
Employer contributions subsequent to the measurement date*	19,701,944	
Balance as of September 30, 2015	\$ 35,321,450	\$ 129,061

**Employer contributions made from 10/01/2015-09/30/2016, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amounts will be recognized in 2017 as a reduction of the net pension liability.*

CITY OF MOBILE, ALABAMA
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Amounts reported as deferred outflows of resources and deferred inflows of resources to PFFRP pension will be recognized in pension expense as follows:

Year ended September 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2016	\$ 3,694,802	\$ (43,021)	\$ 3,651,781
2017	3,694,802	(43,021)	3,651,781
2018	3,694,802	(43,019)	3,651,783
2019	3,694,802		3,694,802
2020	100,155		100,155
2021	100,155		100,155
Thereafter	639,988		639,988
	\$ 15,619,506	\$ (129,061)	\$ 15,490,445

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, 2016, 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, 2016, 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, 2016 were \$8,911.

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).

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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.

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.

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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, 2016, the City's active employee contribution rate was 5% of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 7.74% percent of covered payroll. Total contributions to the pension plan during plan fiscal year 2016 amounted to \$508,501 of which \$280,573 and \$227,928 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:

Category	Members
Retirees and beneficiaries currently receiving benefits	28
Vested terminated employees	7
Active employees	124
Total	159

Net Pension Liability

The City's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions.

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

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

Mortality rates were based on 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.

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

	Target Allocation	Long-Term Expected Rate of Return
International developed equity	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>	2.75%

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<u>Changes in Net Pension Liability</u>			
Balances at 6/30/2015:	\$ 14,326,862	\$ 10,556,852	\$ 3,770,010
Changes for the year:			
Service cost	855,623		855,623
Interest	710,345	173,650	536,695
Differences between expected and actual experience	(760,649)		(760,649)
Contributions-employer		280,573	(280,573)
Contributions-employee		227,928	(227,928)
Benefit payments, including refunds of employee contributions	(340,857)	(340,857)	-
Administrative expense		(19,280)	19,280
Changes in benefit terms			-
Assumption changes	26,156		26,156
Net changes	490,618	322,014	168,604
Balances at 6/30/2016:	<u>\$ 14,817,480</u>	<u>\$ 10,878,866</u>	<u>\$ 3,938,614</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 4.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.75%) or 1-percentage point higher (5.75%) than the current rate:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
City's Net Pension Liability	\$ 6,069,861	\$ 3,938,614	\$ 2,192,280

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, 2016

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

For the year ended September 30, 2016 the City recognized pension expense (income) of \$889,684.

Components of pension expense are as follows:

Service Cost	\$ 855,623
Expected interest growth	205,412
Investment gain/loss	(6,694)
Demographic gain/loss	52,188
Employee contributions	(227,928)
Administrative expenses	19,280
Changes in benefit terms	-
Changes in assumptions or other inputs	(8,197)
Pension Expense (Income)	<u>\$ 889,684</u>

At September 30, 2016, 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, 2015	\$ 1,332,366	\$ 454,930
Amortization payments	(264,739)	(227,442)
Investment gain/loss	331,283	-
Demographic gain/loss	-	760,649
Changes in assumptions or other inputs	26,156	-
Net changes	<u>92,700</u>	<u>533,207</u>
Balance as of September 30, 2016	<u>\$ 1,425,066</u>	<u>\$ 988,137</u>

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

Year ended September 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2017	\$ 264,739	\$ (227,442)	\$ 37,297
2018	264,739	(227,442)	37,297
2019	264,737	(103,452)	161,285
2020	213,698	(103,452)	110,246
2021	147,443	(103,452)	43,991
Thereafter	269,710	(222,897)	46,813
	<u>\$ 1,425,066</u>	<u>\$ (988,137)</u>	<u>\$ 436,929</u>

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 2016, those costs totaled approximately \$5,110,427 and the liability for incurred and not paid claims totaled \$2,562,300.

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 2016, retirees have been assumed to make monthly contributions equal to \$72 for single coverage and \$188 for family coverage. COBRA contributions for the same period have been assumed to be \$361 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.

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.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, 2016
Annual OPEB Cost	\$ 20,025,000
Employer Contributions	(10,196,000)
Interest on Employer Contributions	(202,000)
Increase in the Net OPEB Obligation	9,627,000
Net OPEB Obligation, beginning of year	191,438,000
Net OPEB Obligation, end of year	\$201,065,000

Development of the Annual OPEB Cost:

ARC	\$ 28,923,000
Interest on the Net OPEB Obligation	7,658,000
Adjustment to the ARC	(16,556,000)
Total Annual OPEB Cost	\$ 20,025,000

Trend information for the OPEB Plan:

Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed	Annual OPEB Cost	% Contributed
September 30, 2014	\$ 41,899,000	20%	\$ 34,655,000	24%
September 30, 2015	\$ 28,272,000	37%	\$ 19,811,000	52%
September 30, 2016	\$ 28,923,000	36%	\$ 20,025,000	52%

Funding Status and Funding Progress

As of September 30, 2016, 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.

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 presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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)	Funded Ratio (1)/(2)	(4) Covered Payroll	Net OPEB Obligation (3)/(4)
October 1, 2011	\$ -	\$ 278,507,000	\$ 278,507,000	0.00%	\$ 90,791,000	306.8%
October 1, 2013	\$ -	\$ 304,313,000	\$ 304,313,000	0.00%	\$ 87,883,000	346.3%
October 1, 2015	\$ -	\$ 216,074,000	\$ 216,074,000	0.00%	\$ 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 were 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.

Healthcare cost trend rate(s):	Medical	Dental
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

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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

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

NOTE 11 - RESTRICTED NET POSITION

The following is a summary of the restricted net position at September 30, 2016:

<u>Activity</u>	<u>Restricted By</u>	<u>Amount</u>
Capital Projects	Enabling Legislation	\$ 2,338,209
Capital Projects	Legal Restriction	6,313,397
Debt Service	Legal Restriction	131,469
Economic Development	Enabling Legislation	9,737,870
Grant Programs	Grant Agreements	5,632,013
		<u>\$ 24,152,958</u>

NOTE 12 - SERVICE CONCESSION ARRANGEMENT

Parking Garage

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

This agreement meets the definition of a service concession arrangement under GASB Statement No. 60. The unamortized balance of the \$5,000,000 initial base payment at September 30, 2016 was \$3,762,755. This amount is reported as a deferred inflow of resources related to deferred service concession arrangement receipts in the Enterprise Funds - Municipal Parking Garage fund.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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 \$402,268 for fiscal year 2016 is included in the Enterprise Funds - Municipal Parking Garage fund. Also see Note 7 for additional information relating to leased property.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Joint Governmental Complex

On June 26, 1990, the City entered into an operating lease with the County of Mobile (The County) to lease space in a joint governmental complex. Lease payments for the City were \$1,370,613 for the year ended September 30, 2016.

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 \$1,847,500 and \$4,807,500. Consequently, the City has accrued at September 30, 2016, the lesser of the range equal to \$1,847,500. Loss contingencies categorized as "reasonably possible" range between \$322,125 and \$900,000.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Governmental Funds Encumbrances

Governmental Funds Encumbrances	Amount
Major Governmental Funds:	
General Fund	\$ 965,230
Capital Improvements Fund	20,237,439
Governmental Funds - Non-Major	3,136,457
Total Governmental Funds Encumbrances	\$ 24,339,126

Encumbrances for the year ended September 30, 2016 are disclosed for each major fund and for all other governmental funds in the aggregate.

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The claim liabilities are reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The City is self-insured for claims and judgments, general liability, and general automobile liability. As more fully discussed in Note 13, the City has determined and recorded an estimate of \$1,847,500 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, 2016 is \$14,931,836.

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, 2016 is \$2,265,800.

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

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
Claims and judgments, general liability and general and automotive liability				
2014-2015	\$ 717,256	\$ 1,652,140	\$ 1,112,346	\$ 1,257,050
2015-2016	1,257,050	1,368,374	777,924	1,847,500
Employee Health				
2014-2015	\$ 2,364,500	\$ 26,915,373	\$ 26,828,073	\$ 2,451,800
2015-2016	2,451,800	25,473,758	25,659,758	2,265,800
Workers' Compensation				
2014-2015	\$ 13,670,219	\$ 3,579,883	\$ 2,904,865	\$ 14,345,237
2015-2016	14,345,237	3,887,462	3,300,863	14,931,836

NOTE 15 - FUNDS DEFICITS OF NON-MAJOR FUNDS

Deficits in net position/fund balance of non-major funds at September 30, 2016, are as follows:

Internal Service Funds

Employee Health Fund	\$ 2,380,853
Insurance Fund	\$ 721,496

NOTE 16 - MUNICIPAL SOLID WASTE LANDFILLS

The City has in operation two solid waste landfills. The responsibility for annual operation and future closure and postclosure care costs of the Chastang landfill has been transferred to another the Solid Waste Disposal Authority. At September 30, 2016, 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 \$671,674 reported in the Statement of Net Position as a landfill postclosure liability at September 30, 2016 represents the estimated current cost of all postclosure care. However, due to changes in technology, laws or regulations, these costs may change in the future.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

NOTE 17 - IRREVOCABLE LETTER OF CREDIT

The City entered into an Irrevocable Letter of Credit on May 14, 2002 with their 2002 Limited Obligation Tax Increment Warrants' Paying Agent in the amount of \$11,148,326 for the benefit of the holders of the \$10,655,000 City of Mobile, Alabama Limited Obligation Tax Increment Warrants, Series 2002 (Warrants) issued by the City pursuant to an Ordinance duly adopted by the City on May 7, 2002. The Letter of Credit can only be used by the City to make a drawing to pay the amount of principal and/or interest due on the Warrants or redemption premium of the Warrants. The Letter of Credit was renewed on October 31, 2015 for the period of through October 13, 2017.

NOTE 18 - PRIOR PERIOD ADJUSTMENTS

Governmental Activities

Capital Assets – Governmental Activities

Increase net position \$395,361.00.

To capitalize improvements acquired in prior years which were not capitalized for project CDBG 2009-Downtown Street Resurfacing.

Accumulated Depreciation – Governmental Activities

During 2016, the City implemented a new financial ERP system which required the recalculation of beginning balances of accumulated depreciation for all assets. Variances were corrected with an adjustment to beginning net position. The effects of the variances are listed below.

Decrease net position:

General Fixed Assets \$9,320,547.07

Motor Pool Internal Service Fund \$15,723.80

Business-Type Activities

WAVE Transit Pension Plan – WAVE Transit Fund

Increase net position \$1,034,147.

During the 2016 financial reporting process, it was determined that the initial calculations prepared by the actuary for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27), were incorrect.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

Accumulated Depreciation

During 2016, the City implemented a new financial ERP system which required the recalculation of beginning balances of accumulated depreciation for all assets. Variances were corrected with an adjustment to beginning net position. The effects on various funds are listed below.

Increase net position:

Civic Center \$366,537.19

Decrease net position:

Municipal Parking Garage \$285,661.85

Saenger Theater \$7,438.03

Azalea City Golf Course \$19,828.54

Mobile Convention Center \$292,036.04

NOTE 19 – SUBSEQUENT EVENTS

2016C General Obligation Warrants, Taxable

On December 29, 2016, the City issued the Taxable General Obligation Warrants, Series 2016C for \$17,735,000 with interest of 1.90 to 3.86 percent per annum. The Series 2016C Warrants were issued at a discount of \$53,205.00. Total proceeds were \$17,681,795.

The 2016C Warrants were issued for the purpose of advance refunding Taxable General Obligation Warrants, Series 2008C with stated maturities, or subject to mandatory redemption, in 2019 and thereafter, which are now outstanding in the aggregate principal amount of \$16,375,000. 2008 Warrants with stated maturities, or subject to mandatory redemption, prior to 2019 will not be refunded.

Simultaneously with the sale and issuance of the Series 2016C Warrants, an irrevocable trust fund was established for the benefit of the holders of the Refunded Warrants. The amount of \$17,565,866.35 was transferred to the Escrow Trustee to provide for the redemption and prepayment of the Series 2008C Warrants. Substantially all of such monies are required to be invested by the Escrow Trustee in United States Treasury obligations.

On February 15, 2018, the Series 2008C Warrants will be redeemed at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The total debt service related to the refunded Series 2008C Warrants would have been \$24,160,305. The Series 2016C Warrants have debt service requirements totaling \$22,652,953.08. The net effect of the issuance is a \$1,507,351.92 decrease in total debt service payments through the 2030 fiscal year. The issuance resulted in an economic gain of \$1,507,351.92 in gross savings, or \$1,426,614.34 in present value savings.

CITY OF MOBILE, ALABAMA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

2017A and 2017B General Obligation Warrants, Tax Exempt

On February 15, 2017 the City issued two General Obligation Warrants as follows:

Series 2017A Tax-Exempt General Obligation Warrants were issued for \$64,610,000 with interest of 3 to 5 percent per annum. The Series 2017A Warrants were issued at a premium of \$9,282,097.05. Total proceeds were \$73,892,097.05.

Series 2017B Tax-Exempt General Obligation Warrants were issued for \$4,430,000 with interest of 3 to 4 percent per annum. The Series 2017B Warrants were issued at a premium of \$290,332.35. Total proceeds were \$4,720,332.35.

Total sources of funds for the 2017A and 2017B issuances were \$78,612,429.40.

The Series 2017A and 2017B Warrants were issued for the purpose of refunding the following: Limited Obligation Tax Increment Warrants, Series 2002. On, March 17, 2017 the Series 2002 Warrants will be called at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The principal amount to be refunded is \$4,670,000.

General Obligation Warrants, Series 2008. On, February 15, 2018, the Series 2008 Warrants will be called at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The principal amount to be refunded is \$57,000,000.

General Obligation Refunding and Improvement Warrants, Series 2008B. On, February 15, 2018, the Series 2008 Warrants will be called at a redemption price of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption. The principal amount to be refunded is \$13,935,000.

Simultaneously with the sale and issuance of the Series 2017A and 2017B Warrants, a portion of the proceeds of the Warrants will be used to purchase United States Treasury Securities State and Local Government Series and United States Treasury Notes (restricted acquired obligations) which will be placed in an irrevocable trust together with initial cash deposit to be used solely to refund the warrants described above.

The initial cash deposit amount of \$3.38 was transferred to the Escrow Trustee on February 15, 2017 to provide for the redemption and prepayment of the Series 2002, 2008, and 2008B Warrants. Receipts from restricted acquired obligations together with the initial cash deposit will be used to pay at early redemption the principal and interest of the above mentioned warrants.

The net effect of the issuance of the Series 2017A and 2017B Warrants was a decrease in total debt service of \$7,364,282.50. The 2017A and 2017B warrants resulted in an economic gain of \$7,364,282.50 in gross savings, or \$6,048,912.88 in present value savings.

**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
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 182,175,827	\$ 182,175,827	\$ 177,030,713	\$ (5,145,114)
Licenses and permits	36,099,841	36,099,841	36,615,641	515,800
Intergovernmental	90,230	90,230	79,906	(10,324)
Charges for services	6,990,000	6,990,000	6,744,432	(245,568)
Fines and forfeitures	2,737,500	2,737,500	1,900,795	(836,705)
State and federal assistance	80,000	80,000	118,537	38,537
Investment income	60,000	60,000	123,953	63,953
Other revenue	50,000	50,000	609,081	559,081
Total revenues	228,283,398	228,283,398	223,223,058	(5,060,340)
EXPENDITURES				
Current:				
General government				
311	446,606	446,606	402,056	44,550
Archives	293,250	297,491	254,424	43,067
City clerk	558,586	559,400	485,594	73,806
City council	583,906	589,655	522,192	67,463
City council discretionary funds	350,000	255,548	255,165	383
City hall overhead	4,099,092	4,099,922	5,343,608	(1,243,686)
Communications and external affairs	411,891	411,891	326,893	84,998
Geographical information system	714,220	715,193	686,528	28,665
Information technology	2,377,302	2,679,071	2,696,542	(17,471)
Legal	1,345,839	1,345,986	1,153,692	192,294
Mail room	108,934	108,934	81,436	27,498
Mayor's office	624,159	625,434	550,644	74,790
Mayor's office discretionary funds	25,000	25,000	25,000	(0)
Telecommunications	605,890	605,890	493,951	111,939
Total General government	12,544,675	12,766,021	13,277,725	(511,704)
Culture and recreation				
Community activities	861,826	862,064	668,192	193,872
Community centers	2,473,503	2,477,920	1,951,502	526,418
Forestry	540,341	540,341	537,699	2,642
History museum	-	259	(216)	475
Landscape services	912,078	912,078	606,673	305,405
Mobile museum of art	2,114,017	2,121,204	1,752,881	368,323
Mobile regional senior community center	459,063	460,796	447,229	13,567
Mowing	2,089,214	2,089,214	1,782,617	306,597
Operations and cemeteries	2,026,702	2,050,815	2,121,704	(70,889)
Parks administration	198,469	198,469	221,062	(22,593)
Parks and recreation administration	154,440	159,440	138,290	21,150
Parks maintenance	1,182,835	1,266,627	1,472,217	(205,590)
Recreation administration	110,993	85,993	975	85,018
Recreation - athletics	884,491	884,988	865,591	19,398
Special activities	1,078,592	1,079,399	866,567	212,832
Total Culture and recreation	15,086,564	15,189,607	13,432,983	1,756,624
Economic Development				
Civic engagement	343,386	353,096	269,523	83,573
Mobile film office	183,918	183,918	177,146	6,772
Special events	479,861	516,020	457,451	58,569
Total Economic Development	1,007,165	1,053,034	904,120	148,914

Engineering, development & build				
Architectural engineering	1,554,118	1,555,226	1,334,688	220,538
Build mobile	118,552	118,552	56,731	61,821
Build mobile executive administration	305,050	305,050	78,700	226,350
Community and housing development	288,396	163,396	15,591	147,805
Engineering	2,343,886	2,347,568	2,128,657	218,911
Engineering and development	695,441	453,259	276,559	176,700
Historic development	321,622	323,277	231,295	91,982
Inspection services	1,364,496	1,364,496	1,253,432	111,064
Mechanical systems	1,875,303	1,877,671	1,633,771	243,900
Municipal enforcement	1,032,756	1,032,756	971,043	61,713
Permitting	488,535	488,535	433,161	55,374
Planning and zoning	967,533	967,533	871,489	96,044
Public buildings	2,358,787	2,359,873	2,080,478	279,395
Real estate	255,482	255,563	217,783	37,780
Real estate asset management	177,506	177,506	154,074	23,432
Urban development	-	9,239	(1,659)	10,898
Total Engineering, development & build	14,147,463	13,799,500	11,735,793	2,063,707
Public safety				
Animal shelter	842,663	849,777	787,191	62,586
Fire	28,933,898	29,091,531	29,401,915	(310,384)
Mobile metro jail	8,500,000	8,500,000	8,321,809	178,191
Municipal court	2,239,653	2,245,836	2,068,023	177,813
Police	43,267,950	43,045,729	42,148,073	897,656
Public safety administration	171,139	171,546	161,421	10,125
Safety and performance	359,589	361,914	311,233	50,681
Total Public safety	84,314,892	84,266,333	83,199,665	1,066,668
Finance				
Accounting	814,578	839,486	748,577	90,909
Finance administration	789,685	789,711	685,582	104,129
Human resources	355,513	356,237	319,000	37,237
Payroll	252,202	252,242	253,641	(1,399)
Police and fire pension administration	223,867	223,867	213,870	9,997
Procurement	657,963	659,915	626,390	33,525
Revenue	2,114,641	2,119,626	1,841,667	277,959
Treasury	373,592	373,815	341,289	32,526
Total Finance	5,582,041	5,614,899	5,030,016	584,883
Public works				
Asphalt street repair	696,239	725,956	640,714	85,242
Bates field landfill	31,880	31,880	39,481	(7,601)
Concrete and sidewalk repair	1,425,874	1,446,821	1,248,605	198,216
Dredge	690,773	692,264	613,297	78,967
Electrical	2,203,476	2,211,731	1,989,758	221,973
Equipment services	9,308,605	9,661,061	6,715,354	2,945,707
Flood control	2,173,677	2,131,649	1,865,377	266,272
Inventory control	376,330	376,330	347,099	29,231
Keep mobile beautiful	353,930	353,930	293,867	60,063
Public works executive administration	220,567	220,567	210,580	9,987
Public works administration	956,461	991,416	879,648	111,768
Right-of-way maintenance	637,033	640,061	538,533	101,528
Solid waste	3,886,806	3,934,498	3,610,457	324,041
Storm drain and heavy equipment	1,003,746	1,061,803	1,060,909	894
Street sweeping	510,832	511,066	531,587	(20,521)
Traffic engineering	1,470,214	1,470,338	1,155,723	314,615
Trash	2,883,997	3,510,614	3,224,391	286,223
Total Public works	28,830,440	29,971,985	24,965,380	5,006,605
Total Departmental	161,513,240	162,661,379	152,545,682	10,115,698

Non-departmental				
Reserve for retirement	2,375,000	2,375,000	1,369,785	1,005,215
Board of health	600,000	600,000	600,000	-
Juvenile court and youth center	3,100,000	3,100,000	3,048,628	51,372
Personnel board	1,348,547	1,348,547	1,360,585	(12,038)
Board of equalization	7,152	7,152	7,142	10
Emergency management	479,718	479,718	479,718	-
Mobile legislative delegation	4,490	4,490	3,409	1,081
Public library	6,831,022	6,831,022	6,831,022	-
Solid waste disposal authority	3,689,514	3,189,514	2,351,074	838,440
Employee education	50,000	50,000	50,000	-
Employees' pension	121,630	121,630	119,137	2,493
Police and firefighter's retirement	9,781,648	9,781,648	9,981,981	(200,333)
Retired employees insurance	3,650,000	3,650,000	4,922,381	(1,272,381)
Unemployment compensation	75,000	75,000	91,221	(16,221)
Worker's compensation	3,400,000	3,401,242	3,727,460	(326,218)
Athletic fund	154,000	154,000	46,649	107,351
Contingency reserve	105,000	105,000	394,686	(289,686)
Dues	373,748	373,748	373,150	598
Performance contracts/organizations	3,764,380	3,764,380	3,780,584	(16,204)
Property insurance	2,000,000	2,000,000	1,376,343	623,657
South Alabama regional planning	-	-	-	-
Miscellaneous	858,570	1,087,581	170,019	917,562
Total Non-departmental	<u>42,769,419</u>	<u>42,499,672</u>	<u>41,084,974</u>	<u>1,414,698</u>
Total current	<u>204,282,659</u>	<u>205,161,051</u>	<u>193,630,656</u>	<u>11,530,395</u>
Debt service:				
Interest	-	-	11,615	(11,615)
Principal retirement	-	-	75,000	(75,000)
Total debt service	<u>-</u>	<u>-</u>	<u>86,615</u>	<u>(86,615)</u>
Total expenditures	<u>204,282,659</u>	<u>205,161,051</u>	<u>193,717,271</u>	<u>11,443,780</u>
Excess (deficiency) of revenues over expenditures	<u>24,000,739</u>	<u>23,122,347</u>	<u>29,505,787</u>	<u>6,383,440</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	13,000	13,000	4,277	(8,723)
Transfers in	3,325,000	3,325,000	7,111,434	3,786,434
Transfers out	(31,378,882)	(42,438,124)	(44,014,048)	(1,575,924)
Total other financing sources (uses)	<u>(28,040,882)</u>	<u>(39,100,124)</u>	<u>(36,898,337)</u>	<u>2,201,787</u>
Net change in fund balances	<u>(4,040,143)</u>	<u>(15,977,777)</u>	<u>(7,392,550)</u>	<u>8,585,227</u>
Fund balances - beginning			41,119,819	
Fund balances - ending			<u>\$ 33,727,269</u>	

Adjustments necessary to convert the results of operations at the end of the year on the budget basis to the modified accrual basis are as follows:

Excess (deficiency) of revenues/other financing sources over expenditures/other financing uses	\$ (7,392,550)
Encumbrances outstanding at September :	964,058
Encumbrances outstanding at September :	<u>(1,238,624)</u>

Net change in fund balance per the statement of revenues, expenditures, and changes in fund balance \$ (7,667,115)

CITY OF MOBILE, ALABAMA
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended September 30, 2016

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, 2016:

GAAP expenditures	\$ 193,991,836
Encumbrances at:	
September 30, 2016	964,058
September 30, 2015	(1,238,624)
Budgetary expenditures	<u>\$ 193,717,271</u>

For the fiscal year ended September 30, 2016, general fund budgetary appropriations exceeded total expenditures by \$11,443,781.

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, 2016	\$ 33,727,269
Add encumbrances:	
Function:	
General government	45,382
Culture and recreation	36,135
Economic development	10,333
Engineering, development & build	24,427
Finance	10,857
Public safety	353,160
Public works	483,764
Total encumbrances	<u>964,058</u>
Fund balance - GAAP basis at September 30, 2016	<u>\$ 34,691,327</u>

NOTE 3 - BUDGET AMENDMENTS

The City makes various amendments to the adopted budget throughout the fiscal year. In Fiscal Year 2016, the most significant of those amendments was to authorize a transfer of \$10.2 million in surplus fund balance to the Capital Improvements Fund for, among other purposes, the construction of two fire stations and economic development.

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*

	2015	2014
Total pension liability		
Service cost	\$ 3,700,746	\$ 3,797,860
Interest	14,983,566	14,582,730
Changes of benefit terms		-
Differences between expected and actual experience	(1,994,817)	-
Changes of assumptions		-
Benefit Payments, including refunds of employee contributions	(13,800,512)	(12,939,756)
Net change in total pension liability	2,888,983	5,440,834
Total pension liability - beginning	194,194,836	188,754,002
Total pension liability - ending (a)	<u>\$ 197,083,819</u>	<u>\$ 194,194,836</u>
Plan fiduciary net position		
Contributions - employer	\$ 4,996,104	\$ 4,682,549
Contributions - member	2,362,148	2,266,801
Net investment income	1,659,058	15,642,317
Benefit payments, including refunds of employee contributions	(13,800,512)	(12,939,756)
Transfers among employers	50,472	46,811
Net change in plan fiduciary net position	(4,732,730)	9,698,721
Plan net position - beginning	143,038,689	133,339,968
Plan net position - ending (b)	<u>\$ 138,305,959</u>	<u>\$ 143,038,689</u>
Net pension liability (asset) - ending (a) - (b)	\$ 58,777,860	\$ 51,156,147
Plan fiduciary net position as a percentage of the total pension liability	70.18%	73.66%
Covered payroll	\$ 47,096,079	\$ 45,476,596
Net pension liability (asset) as a percentage of covered payroll	124.80%	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*

	2016	2015
Actuarially determined contribution**	\$ 4,791,994	\$ 4,994,771
Contributions in relation to the actuarially determined contribution*	<u>4,791,994</u>	<u>4,994,771</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	46,861,508	47,096,079
Contributions as a percentage of covered payroll	10.23%	10.61%

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

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

NOTES TO SCHEDULE

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 2016 were based on the September 30, 2013 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*

	2015	2014
Total pension liability		
Service cost	\$ 1,501,441	\$ 1,542,522
Interest	18,407,492	18,287,147
Changes of benefit terms	-	-
Demographic experience	1,341,073	-
Changes of assumptions	-	-
Benefit Payments, including refunds of employee contributions	(19,657,648)	(17,958,800)
Net change in total pension liability	1,592,358	1,870,869
Total pension liability - beginning	258,973,587	257,102,718
Total pension liability - ending (a)	<u>\$ 260,565,945</u>	<u>\$ 258,973,587</u>
Plan fiduciary net position		
Contributions - employer	\$ 16,354,458	\$ 14,950,855
Contributions - member	2,969,379	2,945,173
Net investment income	(6,881,722)	10,307,058
Benefit payments, including refunds of employee contributions	(19,657,648)	(18,186,135)
Administrative expenses	(4,989)	(110,549)
Net change in plan fiduciary net position	(7,220,522)	9,906,402
Plan net position - beginning	151,689,814	141,783,412
Plan net position - ending (b)	<u>\$ 144,469,292</u>	<u>\$ 151,689,814</u>
Net pension liability (asset) - ending (a) - (b)	\$ 116,096,653	\$ 107,283,773
Plan fiduciary net position as a percentage of the total pension liability	55.44%	58.57%
Covered payroll	\$ 35,887,574	\$ 36,010,184
Net pension liability (asset) as a percentage of covered payroll	323.50%	297.93%

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

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

	2016	2015	2014
Actuarially determined contribution**	\$ 19,701,945	\$ 16,354,458	\$ 14,950,855
Contributions in relation to the actuarially determined contribution*	<u>19,701,945</u>	<u>16,354,458</u>	<u>14,950,855</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	36,451,544	35,887,574	36,010,184
Contributions as a percentage of covered payroll	54.05%	45.57%	41.52%

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

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

NOTES TO SCHEDULE

Contributions for fiscal year 2016 were based on the October 1, 2015 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*

	2016	2015
Total pension liability		
Service cost	\$ 855,623	\$ 916,967
Interest	710,345	605,268
Changes of benefit terms		-
Differences between expected and actual experience	(760,649)	1,197,488
Changes of assumptions	26,156	(94,322)
Benefit Payments, including refunds of employee contributions	(340,857)	(316,249)
Net change in total pension liability	490,618	2,309,152
Total pension liability - beginning	14,326,862	12,017,710
Total pension liability - ending (a)	<u>\$ 14,817,480</u>	<u>\$ 14,326,862</u>
Plan fiduciary net position		
Contributions - employer	\$ 280,573	\$ 404,160
Contributions - member	227,928	218,400
Net investment income	173,650	228,476
Benefit payments, including refunds of employee contributions	(340,857)	(318,619)
Administrative expenses	(19,280)	(17,915)
Net change in plan fiduciary net position	322,014	514,502
Plan net position - beginning	10,556,852	10,042,350
Plan net position - ending (b)	<u>\$ 10,878,866</u>	<u>\$ 10,556,852</u>
Net pension liability (asset) - ending (a) - (b)	\$ 3,938,614	\$ 3,770,010
Plan fiduciary net position as a percentage of the total pension liability	73.42%	73.69%
Covered payroll*	\$ 3,624,022	\$ 3,891,061
Net pension liability (asset) as a percentage of covered payroll	108.68%	96.89%

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

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

	2016	2015	2014
Actuarially determined contribution**	\$ 280,573	\$ 404,160	\$ 785,105
Contributions in relation to the actuarially determined contribution*	<u>280,573</u>	<u>404,160</u>	<u>785,105</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	3,624,022	3,891,061	3,679,642
Contributions as a percentage of covered payroll	7.74%	10.39%	21.34%

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

NOTES TO SCHEDULE

Contributions for fiscal year 2016 were based on the July 1, 2015 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 percentage, 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	5.57%, net of pension plan investment expense, including inflation.
Mortality rates	RP-2000 Mortality Table

2013	2012	2011	2010	2009	2008	2007
\$ 580,620	\$ 1,319,178	\$ 861,901	\$ 695,577	\$ 745,342	\$ 300,000	\$ 300,000
580,620	1,319,178	861,901	695,577	745,342	300,000	300,000
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,650,777	3,681,811	3,671,711	3,452,194	3,468,543	3,280,678	2,733,052
15.90%	35.83%	23.47%	20.15%	21.49%	9.14%	10.98%

GOVERNMENTAL FUNDS - NON-MAJOR

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

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds - These funds are used to account for assets held for the repayment of principal and interest on the City's outstanding bond issues.

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

COMBINING FINANCIAL STATEMENTS

CITY OF MOBILE, ALABAMA
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
September 30, 2016

	Capital projects funds	Debt service funds	Special revenue funds	Total Nonmajor Governmental Funds
ASSETS				
Cash, equity in pooled cash and investments	\$ 6,798,467	\$ 131,208	\$ 18,519,824	\$ 25,449,499
Restricted cash - capital purchases	83,451	261	-	83,712
Receivables (net)	-	-	3,449,430	3,449,430
Total assets	<u>\$ 6,881,918</u>	<u>\$ 131,469</u>	<u>\$ 21,969,254</u>	<u>\$ 28,982,641</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 35,875	\$ -	\$ 1,252,826	\$ 1,288,701
Unearned revenue	-	-	582,544	582,544
Due to other funds	-	-	582,944	582,944
Escrowed funds liability	-	-	4,166	4,166
Total liabilities	<u>35,875</u>	<u>-</u>	<u>2,422,480</u>	<u>2,458,355</u>
FUND BALANCES (DEFICITS)				
Nonspendable				
Restricted				
Capital Projects	6,762,073	-	-	6,762,073
Debt Service	-	131,469	-	131,469
Grants	-	-	5,632,013	5,632,013
Law Enforcement	-	-	168,455	168,455
Road and Bridge Construction	-	-	186,373	186,373
Road and Bridge Repair	-	-	2,356,683	2,356,683
Committed				
Flood Management	83,970	-	-	83,970
Tax Increment Program	-	-	9,709,410	9,709,410
Assigned				
Economic Development	-	-	28,460	28,460
Municipal Court	-	-	1,465,380	1,465,380
Total fund balances (deficits)	<u>\$ 6,846,043</u>	<u>\$ 131,469</u>	<u>\$ 19,546,774</u>	<u>\$ 26,524,286</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,881,918</u>	<u>\$ 131,469</u>	<u>\$ 21,969,254</u>	<u>\$ 28,982,641</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Summary by Fund Type
For the Year Ended September 30, 2016

	Capital projects funds	Debt service funds	Special revenue funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 10,648,301	\$ -	\$ 7,749,451	\$ 18,397,752
Licenses and permits	3,344,317	-	-	3,344,317
Charges for services	123,892	-	6,800	130,692
Fines and forfeitures	-	-	1,201,928	1,201,928
State and federal assistance	1,699,318	-	10,621,377	12,320,695
Investment income	14,007	212	257	14,476
Other revenue	-	6,106	1,423	7,529
Total revenues	<u>15,829,835</u>	<u>6,318</u>	<u>19,581,236</u>	<u>35,417,389</u>
EXPENDITURES				
Current:				
General government	-	-	5,648,413	5,648,413
Engineering, development & build	-	-	1,718,568	1,718,568
Public safety	-	-	4,639,859	4,639,859
Public works	-	-	50,004	50,004
Non-departmental	-	-	2,597,298	2,597,298
Debt service:				
Administrative charges	62,082	61	-	62,143
Interest	-	12,066,005	100,178	12,166,183
Principal retirement	-	13,740,733	380,000	14,120,733
Interest Reimbursement	-	(248,425)	-	(248,425)
Capital outlay:				
Capital outlay	4,485,302	-	841,957	5,327,259
Total expenditures	<u>4,547,384</u>	<u>25,558,374</u>	<u>15,976,277</u>	<u>46,082,035</u>
Excess (deficiency) of revenues over expenditures	<u>11,282,451</u>	<u>(25,552,056)</u>	<u>3,604,959</u>	<u>(10,664,646)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	-	-	25,644	25,644
Capital-related debt issued	39,402,000	-	-	39,402,000
Payment to refunding bond escrow agent	(39,260,592)	-	-	(39,260,592)
Bond issuance costs	(141,408)	-	-	(141,408)
Transfers in	1,147,994	27,634,836	6,576,810	35,359,640
Transfers out	(27,059,661)	(2,334,140)	(6,206,151)	(35,599,952)
Total other financing sources (uses)	<u>(25,911,667)</u>	<u>25,300,696</u>	<u>396,303</u>	<u>(214,668)</u>
Net change in fund balances	(14,629,216)	(251,360)	4,001,262	(10,879,314)
Fund balances - beginning	21,475,259	382,829	15,545,512	37,403,600
Fund balances - ending	<u>\$ 6,846,043</u>	<u>\$ 131,469</u>	<u>\$ 19,546,774</u>	<u>\$ 26,524,286</u>

NON-MAJOR CAPITAL PROJECTS FUNDS

- Strategic Plan - This fund is used to provide for several special projects. The majority of this fund is financed by a portion of the gasoline tax and sales tax.
- Municipal Government Capital Improvements - This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- Flood Management - This fund is used to hold funds collected from developers to help defray the cost of future drainage in an area. This fund was established by ordinance passed by the City Council.
- 1996 General Obligation Capital Projects - This fund is used to provide for several projects; the renovation of Ladd Memorial Stadium, several drainage projects, street improvements, and water quality studies. This fund was financed by the 1996 General Obligation Capital Improvement Warrants.
- 1998 General Obligation Capital Projects - This fund is used to provide for several projects including modular buildings at Strickland Youth Center, and the construction and installation of certain improvements to the City's storm water drainage system.
- 1998 General Obligation Refunding and Capital Projects - This fund is used to provide for certain capital improvement projects, including addition to Public Library, Fine Arts Museum, GM&O Terminal renovations, Public Safety buildings, and City/County Misdemeanor facility.
- 2000 Capital Projects - This fund is used to provide for improvements to the City's parks and recreational facilities and for storm water drainage and sewer improvements.
- 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.
- 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.
- 2010 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.
- 2016 General Obligation Refunding Warrants – This fund is used to refund the 2006 General Obligation Refunding and Improvement Warrants.

CITY OF MOBILE, ALABAMA
Combining Balance Sheet
Nonmajor Capital projects funds
September 30, 2016

	Strategic Plan	Municipal Govt Capital Imprv	Flood Management Escrow	1996 G.O. Capital Projects	1998 G.O. Capital Projects	1998 G.O. Ref & Cap Projects	2000 Capital Projects
ASSETS							
Cash, equity in pooled cash and investments	\$ 35,875	\$ 6,229,427	\$ 83,970	\$ 510	\$ 72,575	\$ 37,800	\$ 539
Restricted cash - capital purchases	-	-	-	-	-	-	-
Total assets	<u>\$ 35,875</u>	<u>\$ 6,229,427</u>	<u>\$ 83,970</u>	<u>\$ 510</u>	<u>\$ 72,575</u>	<u>\$ 37,800</u>	<u>\$ 539</u>
LIABILITIES							
Accounts payable and accrued liabilities	\$ 35,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>35,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)							
Nonspendable							
Restricted							
Capital Projects	-	6,229,427	-	510	72,575	37,800	539
Committed							
Flood Management	-	-	83,970	-	-	-	-
Assigned							
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ 6,229,427</u>	<u>\$ 83,970</u>	<u>\$ 510</u>	<u>\$ 72,575</u>	<u>\$ 37,800</u>	<u>\$ 539</u>
Total liabilities and fund balances (deficits)	<u>\$ 35,875</u>	<u>\$ 6,229,427</u>	<u>\$ 83,970</u>	<u>\$ 510</u>	<u>\$ 72,575</u>	<u>\$ 37,800</u>	<u>\$ 539</u>

2002 L.O. Tax Increment	2006 G.O. Ref & Cap Projects	2008 G.O. Capital Projects	2008B G.O. Ref & Cap Proj	2009B G.O. Cap Proj	2009C G.O. Cap Proj - ARRA	2010 Small Issue G.O. Warrants	2011 G.O. Priv Pl Cap Imprv	2012 G.O. Priv Pl Cap Equipment	2016 G.O. Refunding Warrants	Total Nonmajor Capital projects funds
\$ -	\$ 119,876	\$ 48,044	\$ 160,333	\$ -	\$ -	\$ -	\$ -	\$ 9,518	\$ -	\$ 6,798,467
-	-	-	-	-	-	-	-	83,451	-	83,451
<u>\$ -</u>	<u>\$ 119,876</u>	<u>\$ 48,044</u>	<u>\$ 160,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,969</u>	<u>\$ -</u>	<u>\$ 6,881,918</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,875
-	-	-	-	-	-	-	-	-	-	35,875
-	119,876	48,044	160,333	-	-	-	-	92,969	-	6,762,073
-	-	-	-	-	-	-	-	-	-	83,970
<u>\$ -</u>	<u>\$ 119,876</u>	<u>\$ 48,044</u>	<u>\$ 160,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,969</u>	<u>\$ -</u>	<u>\$ 6,846,043</u>
<u>\$ -</u>	<u>\$ 119,876</u>	<u>\$ 48,044</u>	<u>\$ 160,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,969</u>	<u>\$ -</u>	<u>\$ 6,881,918</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital projects funds
For the Year Ended September 30, 2016

	Strategic Plan	Municipal Govt Capital Imprv	Flood Management Escrow	1996 G.O. Capital Projects	1998 G.O. Capital Projects	1998 G.O. Ref & Cap Projects	2000 Capital Projects
REVENUES							
Taxes	\$ 10,648,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	3,344,317	-	-	-	-	-	-
Charges for services	123,892	-	-	-	-	-	-
State and federal assistance	-	1,699,318	-	-	-	-	-
Investment income	8,252	3,780	42	66	1,032	262	-
Total revenues	<u>14,124,762</u>	<u>1,703,098</u>	<u>42</u>	<u>66</u>	<u>1,032</u>	<u>262</u>	<u>-</u>
EXPENDITURES							
Current:							
Debt service:							
Administrative charges	-	62,082	-	-	-	-	-
Capital outlay:							
Capital outlay	3,844,503	82,225	-	878	367,726	21,497	4,596
Total expenditures	<u>3,844,503</u>	<u>144,307</u>	<u>-</u>	<u>878</u>	<u>367,726</u>	<u>21,497</u>	<u>4,596</u>
Excess (deficiency) of revenues over expenditures	<u>10,280,259</u>	<u>1,558,791</u>	<u>42</u>	<u>(812)</u>	<u>(366,694)</u>	<u>(21,235)</u>	<u>(4,596)</u>
OTHER FINANCING SOURCES (USES)							
Capital-related debt issued	-	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-
Transfers in	-	1,147,994	-	-	-	-	-
Transfers out	(20,434,300)	(3,461,506)	-	(105,312)	(503,411)	(524,420)	(129,800)
Total other financing sources (uses)	<u>(20,434,300)</u>	<u>(2,313,512)</u>	<u>-</u>	<u>(105,312)</u>	<u>(503,411)</u>	<u>(524,420)</u>	<u>(129,800)</u>
Net change in fund balances	(10,154,041)	(754,721)	42	(106,124)	(870,105)	(545,655)	(134,396)
Fund balances - beginning	10,154,041	6,984,148	83,928	106,634	942,680	583,455	134,935
Fund balances - ending	<u>\$ -</u>	<u>\$ 6,229,427</u>	<u>\$ 83,970</u>	<u>\$ 510</u>	<u>\$ 72,575</u>	<u>\$ 37,800</u>	<u>\$ 539</u>

2002 L.O. Tax Increment	2006 G.O. Ref & Cap Projects	2008 G.O. Capital Projects	2008B G.O. Ref & Cap Proj	2009B G.O. Cap Proj	2009C G.O. Cap Proj - ARRA	2010 Small Issue G.O. Warrants	2011 G.O. Priv Pl Cap Imprv	2012 G.O. Priv Pl Cap Equipment	2016 G.O. Refunding Warrants	Total Nonmajor Capital projects funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,648,301
-	-	-	-	-	-	-	-	-	-	3,344,317
-	-	-	-	-	-	-	-	-	-	123,892
-	-	-	-	-	-	-	-	-	-	1,699,318
-	82	162	168	65	5	71	4	16	-	14,007
-	82	162	168	65	5	71	4	16	-	15,829,835
-	-	-	-	-	-	-	-	-	-	62,082
-	18,183	65,958	43,290	36,446	-	-	-	-	-	4,485,302
-	18,183	65,958	43,290	36,446	-	-	-	-	-	4,547,384
-	(18,101)	(65,796)	(43,122)	(36,381)	5	71	4	16	-	11,282,451
-	-	-	-	-	-	-	-	-	39,402,000	39,402,000
-	-	-	-	-	-	-	-	-	(39,260,592)	(39,260,592)
-	-	-	-	-	-	-	-	-	(141,408)	(141,408)
-	-	-	-	-	-	-	-	-	-	1,147,994
(133,526)	(378,438)	(1,017,860)	(123,178)	(84,361)	(5)	(142,968)	(20,496)	-	-	(27,059,661)
(133,526)	(378,438)	(1,017,860)	(123,178)	(84,361)	(5)	(142,968)	(20,496)	-	-	(25,911,667)
(133,526)	(396,539)	(1,083,656)	(166,300)	(120,742)	-	(142,897)	(20,492)	16	-	(14,629,216)
133,526	516,415	1,131,700	326,633	120,742	-	142,897	20,492	92,953	-	21,475,259
\$ -	\$ 119,876	\$ 48,044	\$ 160,333	\$ -	\$ -	\$ -	\$ -	\$ 92,969	\$ -	\$ 6,846,043

NON-MAJOR DEBT SERVICE FUNDS

- 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.
- 2010 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.
- 2016 General Obligation Refunding Warrants – This fund is used to service the debt outstanding on the General Obligation Refunding Warrants, Series 2016.

CITY OF MOBILE, ALABAMA
Combining Balance Sheet
Nonmajor Debt service funds
September 30, 2016

	Bank Serv Chgs-Var Issues	2002 L.O. Tax Increment Warrants	2006 G.O. Ref & Cap Warrants	2006 Priv Place Warrants	2008 G.O. Cap Imprv Warrants	2008B & C G.O. Ref & Cap Warrants
ASSETS						
Cash, equity in pooled cash and investments	\$ 122,952	\$ -	\$ -	\$ 3,029	\$ -	\$ -
Restricted cash - capital purchases	-	-	-	-	-	-
Total assets	<u>\$ 122,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,029</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES						
Total liabilities	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable						
Restricted						
Debt Service	122,952	-	-	3,029	-	-
Committed						
Assigned						
Total fund balances (deficits)	<u>\$ 122,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,029</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities and fund balances (deficits)	<u>\$ 122,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,029</u>	<u>\$ -</u>	<u>\$ -</u>

2009A G.O. Refunding Warrants	2009B G.O. BAB Cap Taxable Warrants	2009C G.O. ARRA Cap Taxable Warrants	2010 Small Issue G.O. Warrants	2011 G.O. Priv Place Warrants	2012 G.O. Priv Place Warrants	2016 G.O. Refunding Warrants	Total Nonmajor Debt service funds
\$ 2,900	\$ 811	\$ 630	\$ 886	\$ -	\$ -	\$ -	\$ 131,208
-	-	-	-	152	109	-	261
<u>\$ 2,900</u>	<u>\$ 811</u>	<u>\$ 630</u>	<u>\$ 886</u>	<u>\$ 152</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 131,469</u>
-	-	-	-	-	-	-	-
2,900	811	630	886	152	109	-	131,469
<u>\$ 2,900</u>	<u>\$ 811</u>	<u>\$ 630</u>	<u>\$ 886</u>	<u>\$ 152</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 131,469</u>
<u>\$ 2,900</u>	<u>\$ 811</u>	<u>\$ 630</u>	<u>\$ 886</u>	<u>\$ 152</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 131,469</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt service funds
For the Year Ended September 30, 2016

	Bank Serv Chgs-Var Issues	2002 L.O. Tax Increment Warrants	2006 G.O. Ref & Cap Warrants	2006 Priv Place Warrants	2008 G.O. Cap Imprv Warrants	2008B & C G.O. Ref & Cap Warrants
REVENUES						
Investment income	\$ 123	\$ -	\$ -	\$ 19	\$ -	\$ -
Other revenue	-	-	6,106	-	-	-
Total revenues	<u>123</u>	<u>-</u>	<u>6,106</u>	<u>19</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
Debt service:						
Administrative charges	-	-	-	40	-	-
Interest	-	309,100	987,580	12,938	2,492,900	3,247,594
Principal retirement	-	610,000	3,350,000	380,000	-	6,620,000
Interest Reimbursement	-	-	-	-	-	-
Capital outlay:						
Total expenditures	<u>-</u>	<u>919,100</u>	<u>4,337,580</u>	<u>392,978</u>	<u>2,492,900</u>	<u>9,867,594</u>
Excess (deficiency) of revenues over expenditures	<u>123</u>	<u>(919,100)</u>	<u>(4,331,474)</u>	<u>(392,959)</u>	<u>(2,492,900)</u>	<u>(9,867,594)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	80	1,052,626	5,351,475	392,938	2,492,900	9,867,594
Transfers out	-	(133,526)	(1,024,049)	-	-	-
Total other financing sources (uses)	<u>80</u>	<u>919,100</u>	<u>4,327,426</u>	<u>392,938</u>	<u>2,492,900</u>	<u>9,867,594</u>
Net change in fund balances	203	-	(4,048)	(21)	-	-
Fund balances - beginning	<u>122,749</u>	<u>-</u>	<u>4,048</u>	<u>3,050</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 122,952</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,029</u>	<u>\$ -</u>	<u>\$ -</u>

2009A G.O. Refunding Warrants	2009B G.O. BAB Cap Taxable Warrants	2009C G.O. ARRA Cap Taxable Warrants	2010 Small Issue G.O. Warrants	2011 G.O. Priv Place Warrants	2012 G.O. Priv Place Warrants	2016 G.O. Refunding Warrants	Total Nonmajor Debt service funds
\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 65	\$ -	\$ 212
-	-	-	-	-	-	-	6,106
-	-	-	5	-	65	-	6,318
-	-	-	-	14	7	-	61
2,741,700	1,020,150	391,266	-	312,832	28,350	521,595	12,066,005
60,000	-	-	-	1,690,000	1,030,733	-	13,740,733
-	(166,376)	(82,049)	-	-	-	-	(248,425)
<u>2,801,700</u>	<u>853,774</u>	<u>309,217</u>	<u>-</u>	<u>2,002,846</u>	<u>1,059,090</u>	<u>521,595</u>	<u>25,558,374</u>
<u>(2,801,700)</u>	<u>(853,774)</u>	<u>(309,217)</u>	<u>5</u>	<u>(2,002,846)</u>	<u>(1,059,025)</u>	<u>(521,595)</u>	<u>(25,552,056)</u>
2,801,700	1,025,308	391,270	142,968	2,023,327	1,068,601	1,024,049	27,634,836
-	(171,534)	(164,101)	(308,462)	(20,496)	(9,518)	(502,454)	(2,334,140)
<u>2,801,700</u>	<u>853,774</u>	<u>227,169</u>	<u>(165,494)</u>	<u>2,002,831</u>	<u>1,059,083</u>	<u>521,595</u>	<u>25,300,696</u>
-	-	(82,048)	(165,489)	(15)	58	-	(251,360)
2,900	811	82,678	166,375	167	51	-	382,829
<u>\$ 2,900</u>	<u>\$ 811</u>	<u>\$ 630</u>	<u>\$ 886</u>	<u>\$ 152</u>	<u>\$ 109</u>	<u>\$ -</u>	<u>\$ 131,469</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
Nonmajor Special revenue funds
September 30, 2016

	Tax Increment Fund	4-Cent Maintenance	5-Cent Roadway Maintenance	7-Cent Roadway Maintenance	Fuel Inspection Fees
ASSETS					
Cash, equity in pooled cash and investments	\$ 9,750,645	\$ 2,027,476	\$ 125,017	\$ -	\$ -
Receivables (net)	-	124,361	61,356	214,744	6,254
Total assets	<u>\$ 9,750,645</u>	<u>\$ 2,151,837</u>	<u>\$ 186,373</u>	<u>\$ 214,744</u>	<u>\$ 6,254</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 41,235	\$ -	\$ -	\$ 16,152	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Escrowed funds liability	-	-	-	-	-
Total liabilities	<u>41,235</u>	<u>-</u>	<u>-</u>	<u>16,152</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable					
Restricted					
Grants	-	-	-	-	-
Law Enforcement	-	-	-	-	-
Road and Bridge Construction	-	-	186,373	-	-
Road and Bridge Repair	-	2,151,837	-	198,592	6,254
Committed					
Tax Increment Program	9,709,410	-	-	-	-
Assigned					
Economic Development	-	-	-	-	-
Municipal Court	-	-	-	-	-
Total fund balances (deficits)	<u>\$ 9,709,410</u>	<u>\$ 2,151,837</u>	<u>\$ 186,373</u>	<u>\$ 198,592</u>	<u>\$ 6,254</u>
Total liabilities and fund balances (deficits)	<u>\$ 9,750,645</u>	<u>\$ 2,151,837</u>	<u>\$ 186,373</u>	<u>\$ 214,744</u>	<u>\$ 6,254</u>

Economic Development Escrow	Drug Enforcement Fund	Court Referral Officers	Municipal Court Judicial Admin	General Activities Grants	Public Safety Grants	Housing and Urban Development Grants	Total Nonmajor Special revenue funds
\$ 28,460	\$ 209,127	\$ 46,670	\$ 1,371,175	\$ 4,127,381	\$ 833,873	\$ -	\$ 18,519,824
-	3,325	31,791	-	1,336,140	798,541	872,918	3,449,430
<u>\$ 28,460</u>	<u>\$ 212,452</u>	<u>\$ 78,461</u>	<u>\$ 1,371,175</u>	<u>\$ 5,463,521</u>	<u>\$ 1,632,414</u>	<u>\$ 872,918</u>	<u>\$ 21,969,254</u>
\$ -	\$ 40,672	\$ (15,814)	\$ -	\$ 642,953	\$ 290,246	\$ 237,382	\$ 1,252,826
-	3,325	70	-	547,332	31,817	-	582,544
-	-	-	-	-	-	582,944	582,944
-	-	-	-	-	-	4,166	4,166
<u>-</u>	<u>43,997</u>	<u>(15,744)</u>	<u>-</u>	<u>1,190,285</u>	<u>322,063</u>	<u>824,492</u>	<u>2,422,480</u>
-	-	-	-	4,273,236	1,310,351	48,426	5,632,013
-	168,455	-	-	-	-	-	168,455
-	-	-	-	-	-	-	186,373
-	-	-	-	-	-	-	2,356,683
-	-	-	-	-	-	-	9,709,410
28,460	-	-	-	-	-	-	28,460
-	-	94,205	1,371,175	-	-	-	1,465,380
<u>\$ 28,460</u>	<u>\$ 168,455</u>	<u>\$ 94,205</u>	<u>\$ 1,371,175</u>	<u>\$ 4,273,236</u>	<u>\$ 1,310,351</u>	<u>\$ 48,426</u>	<u>\$ 19,546,774</u>
<u>\$ 28,460</u>	<u>\$ 212,452</u>	<u>\$ 78,461</u>	<u>\$ 1,371,175</u>	<u>\$ 5,463,521</u>	<u>\$ 1,632,414</u>	<u>\$ 872,918</u>	<u>\$ 21,969,254</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special revenue funds
For the Year Ended September 30, 2016

	Tax Increment Fund	4-Cent Maintenance	5-Cent Roadway Maintenance	7-Cent Roadway Maintenance	Fuel Inspection Fees
REVENUES					
Taxes	\$ 3,255,947	\$ 1,370,892	\$ 675,638	\$ 2,364,732	\$ 82,242
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
State and federal assistance	-	-	-	-	-
Investment income	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenues	<u>3,255,947</u>	<u>1,370,892</u>	<u>675,638</u>	<u>2,364,732</u>	<u>82,242</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Engineering, development & build	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Non-departmental	-	-	-	2,597,298	-
Debt service:					
Interest	-	-	-	-	-
Principal retirement	-	-	-	-	-
Capital outlay:					
Capital outlay	825,831	16,126	-	-	-
Total expenditures	<u>825,831</u>	<u>16,126</u>	<u>-</u>	<u>2,597,298</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>2,430,116</u>	<u>1,354,766</u>	<u>675,638</u>	<u>(232,566)</u>	<u>82,242</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from disposal of assets	-	-	-	-	-
Transfers in	-	-	-	902,567	-
Transfers out	(3,085,848)	(514,187)	(600,000)	(613,181)	(83,092)
Total other financing sources (uses)	<u>(3,085,848)</u>	<u>(514,187)</u>	<u>(600,000)</u>	<u>289,386</u>	<u>(83,092)</u>
Net change in fund balances	(655,732)	840,579	75,638	56,820	(850)
Fund balances - beginning	10,365,142	1,311,258	110,735	141,772	7,104
Fund balances - ending	<u>\$ 9,709,410</u>	<u>\$ 2,151,837</u>	<u>\$ 186,373</u>	<u>\$ 198,592</u>	<u>\$ 6,254</u>

Economic Development Escrow	Drug Enforcement Fund	Court Referral Officers	Municipal Court Judicial Admin	General Activities Grants	Public Safety Grants	Housing and Urban Development Grants	Total Nonmajor Special revenue funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,749,451
-	-	-	-	-	6,800	-	6,800
-	154,083	580,310	220,247	-	247,288	-	1,201,928
-	-	305,474	-	2,395,142	3,008,414	4,912,347	10,621,377
15	41	-	-	-	201	-	257
1,402	-	-	-	-	21	-	1,423
<u>1,417</u>	<u>154,124</u>	<u>885,784</u>	<u>220,247</u>	<u>2,395,142</u>	<u>3,262,724</u>	<u>4,912,347</u>	<u>19,581,236</u>
-	-	-	-	594,756	-	5,053,657	5,648,413
-	-	-	-	1,718,568	-	-	1,718,568
-	322,128	982,936	6,343	-	3,328,452	-	4,639,859
-	-	-	-	50,004	-	-	50,004
-	-	-	-	-	-	-	2,597,298
-	-	-	-	-	-	100,178	100,178
-	-	-	-	-	-	380,000	380,000
-	-	-	-	-	-	-	841,957
-	<u>322,128</u>	<u>982,936</u>	<u>6,343</u>	<u>2,363,328</u>	<u>3,328,452</u>	<u>5,533,835</u>	<u>15,976,277</u>
<u>1,417</u>	<u>(168,004)</u>	<u>(97,152)</u>	<u>213,904</u>	<u>31,814</u>	<u>(65,728)</u>	<u>(621,488)</u>	<u>3,604,959</u>
-	-	-	-	-	25,644	-	25,644
-	-	-	-	4,039,400	539,258	1,095,585	6,576,810
-	-	-	-	(61,625)	(289,302)	(958,916)	(6,206,151)
-	-	-	-	<u>3,977,775</u>	<u>275,600</u>	<u>136,669</u>	<u>396,303</u>
1,417	(168,004)	(97,152)	213,904	4,009,589	209,872	(484,819)	4,001,262
27,043	336,459	191,357	1,157,271	263,647	1,100,479	533,245	15,545,512
<u>\$ 28,460</u>	<u>\$ 168,455</u>	<u>\$ 94,205</u>	<u>\$ 1,371,175</u>	<u>\$ 4,273,236</u>	<u>\$ 1,310,351</u>	<u>\$ 48,426</u>	<u>\$ 19,546,774</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
Nonmajor Enterprise funds
September 30, 2016

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Nonmajor Enterprise funds
ASSETS					
Current assets:					
Cash, equity in pooled cash and investments	\$ 714,914	\$ 600	\$ 1,100	\$ 753,599	\$ 1,470,213
Receivables (net)	11,644	-	-	-	11,644
Inventories	9,849	-	62,855	98,430	171,134
Other assets	1,613	-	-	-	1,613
Total current assets	<u>738,020</u>	<u>600</u>	<u>63,955</u>	<u>852,029</u>	<u>1,654,604</u>
Noncurrent assets:					
Non-depreciable capital assets	-	-	1,457,640	-	1,457,640
Depreciable capital assets, net	2,653,204	58,975	1,739,592	-	4,451,771
Total noncurrent assets	<u>2,653,204</u>	<u>58,975</u>	<u>3,197,232</u>	<u>-</u>	<u>5,909,411</u>
Total assets	<u>3,391,224</u>	<u>59,575</u>	<u>3,261,187</u>	<u>852,029</u>	<u>7,564,015</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>3,391,224</u>	<u>59,575</u>	<u>3,261,187</u>	<u>852,029</u>	<u>7,564,015</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	157,665	30,115	51,965	300	240,045
Unearned revenue	525,207	-	-	-	525,207
Total current liabilities	<u>682,872</u>	<u>30,115</u>	<u>51,965</u>	<u>300</u>	<u>765,252</u>
Noncurrent liabilities:					
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	<u>682,872</u>	<u>30,115</u>	<u>51,965</u>	<u>300</u>	<u>765,252</u>
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	<u>682,872</u>	<u>30,115</u>	<u>51,965</u>	<u>300</u>	<u>765,252</u>
NET POSITION					
Net investment in capital assets	2,653,204	58,975	3,197,232	-	5,909,411
Unrestricted	55,148	(29,515)	11,990	851,729	889,352
Total net position	<u>\$ 2,708,352</u>	<u>\$ 29,460</u>	<u>\$ 3,209,222</u>	<u>\$ 851,729</u>	<u>\$ 6,798,763</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Enterprise funds
For the Year Ended September 30, 2016

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total Enterprise funds
OPERATING REVENUES					
Charges for services	\$ 256,400	\$ 226,391	\$ 1,132,995	\$ -	\$ 1,615,786
Facility rent	191,009	-	-	-	191,009
Sales revenue	-	3,500	142,409	100,278	246,187
Concessions	54,817	28,832	-	-	83,649
Other revenue	64,505	1,984	-	-	66,489
Total operating revenues	<u>566,731</u>	<u>260,707</u>	<u>1,275,404</u>	<u>100,278</u>	<u>2,203,120</u>
OPERATING EXPENSES					
Personnel services	348,858	481,669	829,377	-	1,659,904
Commodities	32,270	42,736	219,100	-	294,106
Utilities	148,745	70,312	82,550	-	301,607
Professional and technical	104,833	142,489	5,428	5,100	257,850
Maintenance and repairs	3,953	690	15,949	-	20,592
Printing and reproduction	584	303	1,932	-	2,819
Insurance payments	18,215	-	62,521	-	80,736
Cost of goods sold	-	-	118,519	5,768	124,287
Other charges	35,054	21,679	101,986	599	159,318
Depreciation	189,054	1,945	126,756	-	317,755
Capital outlay	-	-	16,593	-	16,593
Total operating expenses	<u>881,566</u>	<u>761,823</u>	<u>1,580,711</u>	<u>11,467</u>	<u>3,235,567</u>
Operating income (loss)	<u>(314,835)</u>	<u>(501,116)</u>	<u>(305,307)</u>	<u>88,811</u>	<u>(1,032,447)</u>
NONOPERATING REVENUES (EXPENSES)					
State and federal assistance	-	-	1,403	-	1,403
Gain (loss) from disposal of assets	-	-	(25,169)	-	(25,169)
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(23,766)</u>	<u>-</u>	<u>(23,766)</u>
Income (loss) before contributions and transfers	<u>(314,835)</u>	<u>(501,116)</u>	<u>(329,073)</u>	<u>88,811</u>	<u>(1,056,213)</u>
Transfers in	134,596	503,716	359,539	-	997,851
Transfer of capital assets	-	-	(7,677)	-	(7,677)
Change in net position	<u>(180,239)</u>	<u>2,600</u>	<u>22,789</u>	<u>88,811</u>	<u>(66,039)</u>
Total net position - beginning	2,896,029	26,860	3,206,262	762,918	6,892,069
Adjustments to beginning net position	(7,438)	-	(19,829)	-	(27,267)
Total net position - ending	<u>\$ 2,708,352</u>	<u>\$ 29,460</u>	<u>\$ 3,209,222</u>	<u>\$ 851,729</u>	<u>\$ 6,798,763</u>

CITY OF MOBILE, ALABAMA
Statement of Cash Flows
Enterprise funds
For the Year Ended September 30, 2016

	Saenger Theater	Mobile Tennis Center	Azalea City Golf Course	Neighborhood Renewal Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers and users	\$ 256,400	\$ 226,391	\$ 1,132,995	\$ 100,278	\$ 1,716,064
Cash received from sales revenue	-	-	142,409	-	142,409
Cash received from facility rent	191,959	3,500	-	-	195,459
Cash received from concessions	54,817	28,832	-	-	83,649
Cash received from miscellaneous	389,325	4,959	-	-	394,284
Cash payments for operating expenses	(387,566)	(286,706)	(645,711)	(62,271)	(1,382,254)
Cash payments for internal services	-	(32,124)	(70,368)	-	(102,492)
Cash payments to employees for services	(348,893)	(448,568)	(772,392)	-	(1,569,853)
Net cash provided (used) by operating activities	<u>156,042</u>	<u>(503,716)</u>	<u>(213,067)</u>	<u>38,007</u>	<u>(522,734)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Non-capital grants and contributions	-	-	1,403	-	1,403
Transfers in from other funds	134,596	503,716	359,539	-	997,851
Net cash provided (used) by noncapital financing activities	<u>134,596</u>	<u>503,716</u>	<u>360,942</u>	<u>-</u>	<u>999,254</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	(136,994)	-	(136,994)
Proceeds from sale of capital assets	-	-	(10,881)	-	(10,881)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(147,875)</u>	<u>-</u>	<u>(147,875)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	290,638	-	-	38,007	328,645
Balances - beginning of year	424,276	600	1,100	715,592	1,141,568
Balances - end of the year	<u>\$ 714,914</u>	<u>\$ 600</u>	<u>\$ 1,100</u>	<u>\$ 753,599</u>	<u>\$ 1,470,213</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income	\$ (314,835)	\$ (501,116)	\$ (305,307)	\$ 88,811	\$ (1,032,447)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	189,054	1,945	126,756	-	317,755
Changes in assets and liabilities:					
Accounts Payable - Supplier	(43,915)	(9,602)	(34,753)	(174)	(88,444)
Accounts Receivable	950	-	-	-	950
Inventory and prepaid expenses	3	-	8,564	(50,630)	(42,063)
Salaries & Benefits Payable	(35)	5,057	(8,327)	-	(3,305)
Advance collections	324,820	-	-	-	324,820
Net cash provided (used) by operating activities	<u>\$ 156,042</u>	<u>\$ (503,716)</u>	<u>\$ (213,067)</u>	<u>\$ 38,007</u>	<u>\$ (522,734)</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
Nonmajor Internal service funds
September 30, 2016

	Motor Pool	Employee Health Plan	Liability Insurance	Total Nonmajor Internal service funds
ASSETS				
Current assets:				
Cash, equity in pooled cash and investments	\$ 2,911,712	\$ -	\$ 1,252,167	\$ 4,163,879
Receivables (net)	8,453	315,814	-	324,267
Total current assets	<u>2,920,165</u>	<u>315,814</u>	<u>1,252,167</u>	<u>4,488,146</u>
Noncurrent assets:				
Depreciable capital assets, net	25,538,150	-	-	25,538,150
Total noncurrent assets	<u>25,538,150</u>	<u>-</u>	<u>-</u>	<u>25,538,150</u>
Total assets	<u>28,458,315</u>	<u>315,814</u>	<u>1,252,167</u>	<u>30,026,296</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>28,458,315</u>	<u>315,814</u>	<u>1,252,167</u>	<u>30,026,296</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	678,747	430,867	126,163	1,235,777
Capital lease obligations	247,908	-	-	247,908
Insurance claims payable	-	2,265,800	-	2,265,800
Total current liabilities	<u>926,655</u>	<u>2,696,667</u>	<u>126,163</u>	<u>3,749,485</u>
Noncurrent liabilities:				
Self-insured legal liability	-	-	1,847,500	1,847,500
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,847,500</u>	<u>1,847,500</u>
Total liabilities	<u>926,655</u>	<u>2,696,667</u>	<u>1,973,663</u>	<u>5,596,985</u>
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	<u>926,655</u>	<u>2,696,667</u>	<u>1,973,663</u>	<u>5,596,985</u>
NET POSITION				
Net investment in capital assets	25,290,243	-	-	25,290,243
Unrestricted	2,241,417	(2,380,853)	(721,496)	(860,932)
Total net position	<u>\$ 27,531,660</u>	<u>\$ (2,380,853)</u>	<u>\$ (721,496)</u>	<u>\$ 24,429,311</u>

CITY OF MOBILE, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Internal service funds
For the Year Ended September 30, 2016

	Motor Pool	Employee Health Plan	Liability Insurance	Total Internal service funds
OPERATING REVENUES				
Charges for services	\$ 5,451,753	\$ 20,682,693	\$ -	\$ 26,134,446
Retiree drug subsidy	-	194,411	-	194,411
Total operating revenues	<u>5,451,753</u>	<u>20,877,104</u>	<u>-</u>	<u>26,328,857</u>
OPERATING EXPENSES				
Personnel services	129,436	-	-	129,436
Commodities	2,770,959	-	-	2,770,959
Utilities	37,828	-	-	37,828
Professional and technical	-	91,615	1,772,270	1,863,885
Maintenance and repairs	9,751	-	-	9,751
Printing and reproduction	-	4,710	-	4,710
Insurance payments	-	27,189,686	-	27,189,686
Increase (decrease) in provision for self-insurance loss	-	(186,000)	-	(186,000)
Other charges	19,117	226,318	1,366,574	1,612,009
Depreciation	3,968,328	-	-	3,968,328
Total operating expenses	<u>6,935,419</u>	<u>27,326,329</u>	<u>3,138,844</u>	<u>37,400,592</u>
Operating income (loss)	<u>(1,483,666)</u>	<u>(6,449,225)</u>	<u>(3,138,844)</u>	<u>(11,071,735)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest and fee payments	(9,889)	-	-	(9,889)
Damaged vehicles reimbursement	73,392	-	-	73,392
Gain (loss) from disposal of assets	(238,429)	-	-	(238,429)
Total nonoperating revenues (expenses)	<u>(174,926)</u>	<u>-</u>	<u>-</u>	<u>(174,926)</u>
Income (loss) before contributions and transfers	(1,658,592)	(6,449,225)	(3,138,844)	(11,246,661)
Capital grants and contributions	19,496,458	-	-	19,496,458
Transfers in	-	6,523,172	2,800,000	9,323,172
Change in net position	<u>17,837,866</u>	<u>73,947</u>	<u>(338,844)</u>	<u>17,572,969</u>
Total net position - beginning	9,709,518	(2,454,800)	(382,652)	6,872,066
Adjustments to beginning net position	(15,724)	-	-	(15,724)
Total net position - ending	<u>\$ 27,531,660</u>	<u>\$ (2,380,853)</u>	<u>\$ (721,496)</u>	<u>\$ 24,429,311</u>

CITY OF MOBILE, ALABAMA
Statement of Cash Flows
Internal service funds
For the Year Ended September 30, 2016

	Motor Pool	Employee Health Plan	Liability Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers and users	\$ -	\$ 1,122,455	\$ -	\$ 1,122,455
Cash received from internal billings	5,451,237	14,052,824	-	19,504,061
Cash received from employee contributions	-	5,507,414	-	5,507,414
Cash payments for operating expenses	(2,265,243)	(322,643)	(2,463,070)	(5,050,956)
Cash payments for insurance claims	-	(27,077,633)	-	(27,077,633)
Cash payments to employees for services	(128,220)	-	-	(128,220)
Net cash provided (used) by operating activities	<u>3,057,774</u>	<u>(6,717,583)</u>	<u>(2,463,070)</u>	<u>(6,122,879)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in from other funds	-	6,523,172	2,800,000	9,323,172
Retiree drug subsidy	-	194,411	-	194,411
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>6,717,583</u>	<u>2,800,000</u>	<u>9,517,583</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest payments	(9,889)	-	-	(9,889)
Acquisition of capital assets	(2,896,109)	-	-	(2,896,109)
Proceeds from sale of capital assets	613,682	-	-	613,682
Reimbursement for damaged vehicles	73,392	-	-	73,392
Payments on capital leases	(241,359)	-	-	(241,359)
Net cash provided (used) by capital and related financing activities	<u>(2,460,283)</u>	<u>-</u>	<u>-</u>	<u>(2,460,283)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net cash provided (used) by investing activities	-	-	-	-
Net increase (decrease) in cash and cash equivalents	597,491	-	336,930	934,421
Balances - beginning of year	2,314,221	-	915,237	3,229,458
Balances - end of the year	<u>\$ 2,911,712</u>	<u>\$ -</u>	<u>\$ 1,252,167</u>	<u>\$ 4,163,879</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating Income	\$ (1,483,666)	\$ (6,449,225)	\$ (3,138,844)	\$ (11,071,735)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	3,968,328	-	-	3,968,328
Non-capital financing cash flow included in operating income	-	(194,411)	-	(194,411)
Changes in assets and liabilities:				
Accounts Payable - Supplier	572,412	427,867	-	1,000,279
Accounts Receivable	(516)	(315,814)	-	(316,330)
Self-insurance liability	-	(186,000)	590,450	404,450
Bad Debt	-	-	85,324	85,324
Salaries & Benefits Payable	1,216	-	-	1,216
Net cash provided (used) by operating activities	<u>\$ 3,057,774</u>	<u>\$ (6,717,583)</u>	<u>\$ (2,463,070)</u>	<u>\$ (6,122,879)</u>

SUPPLEMENTARY INFORMATION

Other Supplementary Information

General Fund
Capital Assets
Long-Term Debt

OTHER SUPPLEMENTARY INFORMATION

CITY OF MOBILE, ALABAMA
General Fund
Schedule of Revenues and Other Financing Sources (Uses)
Budget and Actual (Budgetary Basis)
For the Year Ended September 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Taxes				
Property				
Real estate	\$ 13,515,826	\$ 13,515,826	\$ 14,351,319	\$ 835,493
Motor vehicle	1,778,199	1,778,199	1,634,237	(143,962)
Sales and use				
Sales tax - City	139,408,013	139,408,013	132,905,027	(6,502,986)
Sales tax - Police Jurisdiction	8,100,325	8,100,325	8,241,212	140,887
Sellers use tax	-	-	72,303	72,303
Lease/rental - City	5,409,897	5,409,897	5,617,391	207,494
Lease/rental - Police Jurisdiction	300,000	300,000	279,771	(20,229)
Room tax - City	3,661,722	3,661,722	3,932,115	270,393
Room tax - Police Jurisdiction	10,500	10,500	12,307	1,807
Motor vehicle rental - City	1,202,000	1,202,000	1,206,762	4,762
Motor vehicle rental - Police Jurisdiction	82,000	82,000	14,035	(67,965)
Selective sales and use				
Motor fuel				
Regular - City	2,225,000	2,225,000	2,439,889	214,889
Regular - Police Jurisdiction	670,000	670,000	672,405	2,405
County equalization	680,000	680,000	425,465	(254,535)
Alcoholic beverages				
Liquor - City	510,000	510,000	600,586	90,586
Liquor - Police Jurisdiction	24,367	24,367	25,894	1,527
Liquor - ABC Board	210,000	210,000	223,431	13,431
Table Wine	200,000	200,000	192,015	(7,985)
Beer	1,140,000	1,140,000	1,112,566	(27,434)
Other				
Cigarette stamp tax	1,800,000	1,800,000	1,701,496	(98,504)
Other tobacco tax - City	450,000	450,000	424,950	(25,050)
Other tobacco tax - Police Jurisdiction	44,000	44,000	27,936	(16,064)
Business privilege tax	280,778	280,778	282,884	2,106
Other tax revenue	473,200	473,200	634,718	161,518
Total taxes	<u>182,175,827</u>	<u>182,175,827</u>	<u>177,030,714</u>	<u>(5,145,113)</u>
Licenses and permits				
Business licenses - City	33,277,841	33,277,841	33,705,229	427,388
Business licenses - Police Jurisdiction	2,125,000	2,125,000	2,127,918	2,918
Motor vehicle licenses	675,000	675,000	644,251	(30,749)
Dog licenses	22,000	22,000	16,619	(5,382)
Alarm ordinance permits	-	-	121,625	121,625
Total licenses and permits	<u>36,099,841</u>	<u>36,099,841</u>	<u>36,615,642</u>	<u>515,800</u>
Intergovernmental				
Alcoholic Beverage Control Board	85,000	85,000	72,286	(12,714)
Mobile County Racing Commission	5,230	5,230	7,620	2,390
Total intergovernmental	<u>90,230</u>	<u>90,230</u>	<u>79,906</u>	<u>(10,324)</u>
Charges for services				
Health				
Lot cleaning	12,000	12,000	16,879	4,879
Building demolition fee	16,000	16,000	27,577	11,577
Animal shelter	23,000	23,000	23,788	788

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
Public safety				
Inspection	1,500,000	1,500,000	1,416,042	(83,958)
Fire plan review fee	34,000	34,000	60,372	26,372
Police and fire	535,000	535,000	524,945	(10,055)
Engineering	450,000	450,000	453,839	3,839
Parking meter and management fees	250,000	250,000	249,950	(50)
County sales tax collection fee	600,000	600,000	589,620	(10,380)
Property rental	100,000	100,000	68,098	(31,902)
Franchise fees - miscellaneous	3,050,000	3,050,000	3,076,252	26,252
Parks and recreation fees	420,000	420,000	234,609	(185,391)
Vacation of ROW fee	-	-	100	100
Other	-	-	2,360	2,360
Total charges for services	<u>6,990,000</u>	<u>6,990,000</u>	<u>6,744,431</u>	<u>(245,569)</u>
Fines and forfeitures				
Municipal offense fines	48,000	48,000	27,367	(20,633)
Police fines	977,500	977,500	538,445	(439,055)
Driver's education	350,000	350,000	240,488	(109,513)
Bond forfeitures	6,000	6,000	5,300	(700)
Court costs	300,000	300,000	255,574	(44,426)
DA Restitution Unit collection fees	100,000	100,000	66,968	(33,032)
Corrections fund	900,000	900,000	640,494	(259,506)
Alarm ordinance fines	-	-	16,815	16,815
Municipal court administrative fee	56,000	56,000	109,345	53,345
Total fines and forfeitures	<u>2,737,500</u>	<u>2,737,500</u>	<u>1,900,796</u>	<u>(836,705)</u>
State and federal assistance	<u>80,000</u>	<u>80,000</u>	<u>118,537</u>	<u>38,537</u>
Investment income				
Investment of idle funds	60,000	60,000	115,904	55,904
Interest on receivables	-	-	3	3
Dividend income	-	-	8,046	8,046
Total investment income	<u>60,000</u>	<u>60,000</u>	<u>123,953</u>	<u>63,953</u>
Other revenue				
Athletic fund	-	-	43,808	43,808
Miscellaneous	50,000	50,000	565,273	515,273
Total other revenue	<u>50,000</u>	<u>50,000</u>	<u>609,081</u>	<u>559,081</u>
Total revenues	<u>\$ 228,283,398</u>	<u>\$ 228,283,398</u>	<u>\$ 223,223,060</u>	<u>\$ (5,060,340)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	\$ 13,000	\$ 13,000	\$ 4,277	(8,723)
Operating transfers in				
From 5-cent Gasoline Tax Special Revenue Fund	600,000	600,000	600,000	-
From 7-cent Gasoline Tax Special Revenue Fund	145,000	145,000	613,181	468,181
From Fuel Inspection Fees Special Revenue Fund	80,000	80,000	83,092	3,092
From Strategic Plan Fund	2,500,000	2,500,000	2,500,000	-
From WAVE Transit	-	-	3,315,161	3,315,161
Total operating transfers in	<u>3,325,000</u>	<u>3,325,000</u>	<u>7,111,434</u>	<u>3,786,434</u>
Operating transfers out				
To Capital Improvement Fund	(7,660,000)	(18,594,242)	(18,594,242)	-
To 7-Cent Roadway Maintenance Fund	(650,000)	(650,000)	(902,567)	(252,567)
To Grant Administration Funds	(550,000)	(675,000)	(500,000)	175,000
To Civic Center Enterprise Fund	(261,772)	(261,772)	(1,121,554)	(859,782)
To Convention Center Enterprise Fund	(367,000)	(367,000)	(367,000)	-
To WAVE Transit Enterprise Fund	(5,523,308)	(5,523,308)	(8,838,470)	(3,315,162)
To Cruise Terminal Enterprise Fund	(447,595)	(447,595)	(605,598)	(158,003)
To Emergency Medical Services Enterprise Fund	(4,195,707)	(4,195,707)	(2,763,593)	1,432,114
To Tennis Center Enterprise Fund	(545,295)	(545,295)	(503,716)	41,579
To Saenger Theater Enterprise Fund	(158,413)	(158,413)	(134,596)	23,817
To Azalea City Golf Course Enterprise Fund	(219,792)	(219,792)	(359,539)	(139,747)
To Employee Health Plan Internal Service Fund	(8,000,000)	(8,000,000)	(6,523,172)	1,476,828
To Liability Insurance Internal Service Fund	(2,800,000)	(2,800,000)	(2,800,000)	0
Total operating transfers out	<u>(31,378,882)</u>	<u>(42,438,124)</u>	<u>(44,014,047)</u>	<u>(1,575,923)</u>
Total other financing sources (uses)	<u>\$ (28,040,882)</u>	<u>\$ (39,100,124)</u>	<u>\$ (36,898,336)</u>	<u>\$ 2,201,788</u>

CITY OF MOBILE, ALABAMA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL ACTIVITIES
SCHEDULE BY FUNCTION
September 30, 2016

	Land	Improvements	Buildings	Equipment	Infrastructure	Total
General government	\$ 27,451,679	\$ 70,086,692	\$ 106,655,363	\$ 18,119,999	\$ 542,948,766	\$ 765,262,499
Culture and recreation	-	35,952,600	27,714,684	3,864,589	-	67,531,872
Economic development	-	-	-	109,634	-	109,634
Engineering, development and build	-	336,425	187,764	3,348,543	-	3,872,733
Finance department	-	-	-	5,043,195	-	5,043,195
Public safety	-	7,576,260	9,243,149	42,358,415	-	59,177,825
Public works	-	1,893,155	2,127,712	36,064,465	-	40,085,332
Total governmental capital assets allocated to functions	<u>27,451,679</u>	<u>115,845,132</u>	<u>145,928,672</u>	<u>108,908,840</u>	<u>542,948,766</u>	<u>941,083,090</u>
Construction in progress						13,332,478
Infrastructure in progress						<u>26,170,099</u>
Total governmental activities capital assets						980,585,667
Less accumulated depreciation						<u>313,909,557</u>
Net governmental activities capital assets						<u>\$ 666,676,110</u>

CITY OF MOBILE, ALABAMA
SCHEDULE OF BONDS, WARRANTS AND NOTES PAYABLE
For the year ended September 30, 2016

	Interest Rates Percent	Interest Payment Dates	Issue Dates	Final Maturity Date	Serial Payments
2002 Limited Obligation Tax Increment Warrants	3.7-5.5%	2/15-8/15	5/15/02	2/15/23	Semi-annual interest payments with annual principal payments ranging from \$390,000 to \$885,000
2006 General Obligation Refunding and Improvement Warrants	4.38-5.0%	2/15-8/15	7/1/06	2/15/30	Semi-annual interest payments with annual principal payments ranging from \$1,000,000 to \$8,750,000
2006 General Obligation Private Placement Warrants	4.5%	2/15-8/15	10/2/06	8/15/16	Semi-annual interest payments with semi-annual principal payments ranging from \$225,000 to \$380,000
2008 General Obligation Warrants	4.0-5.0%	2/15-8/15	1/22/08	2/15/30	Semi-annual interest payments with annual principal payments ranging from \$1,905,000 to \$8,950,000
2008B General Obligation Refunding and Improvement Warrants	4.0-4.66%	2/15-8/15	7/24/08	2/15/20	Semi-annual interest payments with annual principal payments ranging from \$3,160,000 to \$11,285,000
2008C (AMT) General Obligation Improvement Warrants	4.0-4.83%	2/15-8/15	7/24/08	2/15/30	Semi-annual interest payments with annual principal payments ranging from \$715,000 to \$845,000
2009A General Obligation Refunding Warrants	3.0-4.5%	2/15-8/15	12/9/09	2/15/28	Semi-annual interest payments with annual principal payments ranging from \$60,000 to \$7,730,000
2009B General Obligation Build America Warrants (Taxable)	6.085%	2/15-8/15	12/9/09	2/15/30	Semi-annual interest payments with annual principal payments ranging from \$3,320,000 to \$9,380,000
2009C General Obligation Recovery Zone Economic Development Warrants	6.085%	2/15-8/15	12/9/09	2/15/30	Semi-annual interest payments with a lump sum principal payment in the amount of \$6,430,000
2011 General Obligation Private Placement Warrants	2.84%	2/15-8/15	7/20/11	2/15/26	Semi-annual interest payments with annual principal payments ranging from \$640,000 to 2,040,000
2012 General Obligation Private Placement Warrant	1.53%	2/15-8/15	12/4/12	8/15/17	Semi-annual interest payments with semi- annual principal payments ranging from \$494,261 to 525,499
2016 General Obligation Refunding Warrant	4.5-5.0%	2/15-8/15	2/11/16	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$29,979.25 to 521,595
Note payable to Bank of New York Mellon (Fort Conde)	5.36%	2/1-8/1	6/30/04	8/1/22	Semi-annual interest payments with annual principal payments ranging from \$40,000 to \$115,000
Note payable to Bank of New York Mellon (Harmon Park)	3.22%	2/1-8/1	4/28/99	8/1/17	Semi-annual interest payments with annual principal payments ranging from \$30,000 To \$135,000
Note payable to Bank of New York Mellon (E.D. Center)	3.56%	2/1-8/1	4/28/99	8/1/18	Semi-annual interest payments with annual principal payments ranging from \$30,000 To \$140,000
Note payable to Bank of New York Mellon (Library)	2.70%	2/1-8/1	9/14/06	8/1/25	Semi-annual interest payments with annual principal payments ranging from \$105,000 To \$200,000

Total

Original Amount of Issue	Balance September 30, 2015	Year Ended September 30, 2016 Issued	Year Ended September 30, 2016 Retirements	Balance September 30, 2016	Interest for Year Ended September 2016
10,655,000	5,925,000	-	610,000	5,315,000	309,100
63,410,000	42,465,000	-	42,465,000	-	987,580
3,100,000	380,000	-	380,000	-	12,938
57,000,000	57,000,000	-	-	57,000,000	2,492,900
69,295,000	49,895,000	-	5,775,000	44,120,000	2,230,644
22,095,000	19,050,000	-	845,000	18,205,000	1,016,951
56,380,000	55,910,000	-	60,000	55,850,000	2,741,700
16,765,000	16,765,000	-	-	16,765,000	1,020,150
6,430,000	6,430,000	-	-	6,430,000	391,266
13,715,000	11,675,000	-	1,690,000	9,985,000	312,832
5,100,000	2,077,701	-	1,030,737	1,046,964	28,347
39,402,000	-	39,402,000	-	39,402,000	524,595
1,275,000	660,000	-	75,000	585,000	11,615
1,410,000	260,000	-	125,000	135,000	3,604
1,440,000	390,000	-	120,000	270,000	5,944
2,695,000	1,640,000	-	135,000	1,505,000	90,630
<u>\$ 370,167,000</u>	<u>\$ 270,522,701</u>	<u>\$ 39,402,000</u>	<u>\$ 53,310,737</u>	<u>\$ 256,613,964</u>	<u>\$ 12,180,796</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.

<u>Contents</u>	<u>Page</u>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and wellbeing have changed over time.</i>	130
Revenue Capacity	
<i>These schedules contain information to help the reader assess the government's local resources.</i>	142
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	151
Demographic and Economic Information	
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Operating Information	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	162

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

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

	Fiscal Year			
	2016	2015	2014	2013
Governmental activities				
Net investment in capital assets	\$ 417,251,471	\$ 401,397,005	\$ 372,032,993	\$ 366,741,756
Restricted	24,152,958	21,295,974	95,217,446	93,283,087
Unrestricted	(278,066,055)	(282,832,642)	(161,252,000)	(157,937,778)
Total governmental net position	<u>\$ 163,338,374</u>	<u>\$ 139,860,337</u>	<u>\$ 305,998,439</u>	<u>\$ 302,087,065</u>
 Business-type activities				
Net investment in capital assets	\$ 90,229,705	\$ 92,885,644	\$ 97,964,060	\$ 101,563,121
Unrestricted	458,089	(1,914,572)	6,820,494	10,284,211
Total business-type net position	<u>\$ 90,687,794</u>	<u>\$ 90,971,072</u>	<u>\$ 104,784,554</u>	<u>\$ 111,847,332</u>
 Primary governmental				
Net investment in capital assets	\$ 507,481,176	\$ 494,282,649	\$ 469,997,053	\$ 468,304,877
Restricted	24,152,958	21,295,974	95,217,446	93,283,087
Unrestricted	(277,607,966)	(284,747,214)	(154,431,506)	(147,653,567)
Total primary governmental net position	<u>\$ 254,026,168</u>	<u>\$ 230,831,409</u>	<u>\$ 410,782,993</u>	<u>\$ 413,934,397</u>

Fiscal Year					
2012	2011	2010	2009	2008	2007
\$ 360,178,198	\$ 350,323,247	\$ 352,295,866	\$ 360,784,525	\$ 165,220,265	\$ 268,805,699
97,600,533	95,803,612	92,363,209	82,012,164	163,913,530	67,707,443
(126,055,943)	(90,121,806)	(81,290,372)	(62,583,863)	2,166,159	10,736,409
<u>\$ 331,722,788</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>
\$ 101,478,517	\$ 102,867,788	\$ 105,870,417	\$ 104,970,172	\$ 108,695,419	\$ 92,821,853
4,634,952	6,145,132	5,217,216	(1,392,389)	(1,354,221)	(3,287,345)
<u>\$ 106,113,469</u>	<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>
\$ 461,656,715	\$ 453,191,035	\$ 458,166,283	\$ 465,754,697	\$ 273,915,684	\$ 361,627,552
97,600,533	95,803,612	92,363,209	82,012,164	163,913,530	67,707,443
(121,420,991)	(83,976,674)	(76,073,156)	(63,976,252)	811,938	7,449,064
<u>\$ 437,836,257</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>

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

	Fiscal Year			
	2016	2015	2014	2013
Expenses				
Governmental activities:				
General government	\$ 71,077,484	\$ 71,599,115	\$ 78,626,293	\$ 89,601,242
Culture and recreation	24,346,459	25,423,325	24,192,649	24,345,756
Economic development	1,058,324	1,339,289	1,175,960	1,271,271
Engineering, development & build	15,562,782	-	-	-
Finance	5,792,949	5,905,306	5,886,971	5,313,958
Public safety	108,777,473	102,625,577	115,054,082	116,799,647
Public works	32,182,584	39,454,462	41,782,266	41,980,768
Nondepartmental	-	-	-	-
Interest on long-term debt	12,523,734	13,222,630	14,123,164	14,531,680
Total governmental activities expenses	<u>271,321,789</u>	<u>259,569,704</u>	<u>280,841,385</u>	<u>293,844,322</u>
Business-type activities:				
Azalea City Golf Course	1,602,676	1,573,881	1,533,543	1,545,563
Civic Center	3,794,184	3,675,513	3,581,709	3,562,838
Convention Center	9,078,055	8,543,558	9,674,772	8,525,656
Cruise Terminal	1,092,752	1,028,171	1,143,905	1,303,494
Emergency Medical Services	5,796,418	5,392,697	7,477,075	6,795,760
Mobile Tennis Center	761,823	781,819	707,450	639,725
Neighborhood Renewal Program	11,467	14,334	18,987	1,408
Parking Garage	237,596	239,667	285,324	228,298
Saenger Theater	881,566	843,474	889,736	259,127
Wave Transit System	12,169,978	11,857,903	12,134,216	11,551,094
Total business-type activities expenses	<u>35,426,515</u>	<u>33,951,017</u>	<u>37,446,717</u>	<u>34,412,963</u>
Total primary government expenses	<u>\$ 306,748,304</u>	<u>\$ 293,520,721</u>	<u>\$ 318,288,102</u>	<u>\$ 328,257,285</u>
Program revenues				
Governmental activities:				
Charges for services				
General government	50,160,158	50,060,635	51,222,299	48,203,217
Culture and recreation	302,707	525,844	437,059	525,468
Engineering, development & build	1,601,395	-	-	-
Public safety	4,505,318	5,141,753	5,841,687	6,282,468
Public works	-	562,397	430,550	654,746
Operating grants and contributions	9,029,824	6,158,691	6,937,239	9,032,116
Capital grants and contributions	3,518,998	19,279,163	2,525,315	5,105,011
Total governmental activities program revenues	<u>69,118,400</u>	<u>81,728,483</u>	<u>67,394,149</u>	<u>69,803,026</u>
Business-type activities:				
Charges for services				
Azalea City Golf Course	1,275,404	1,304,713	1,344,965	1,339,025
Civic Center	2,367,738	2,028,805	2,031,222	1,960,052
Convention Center	2,588,337	2,122,764	2,204,743	1,969,680
Cruise Terminal	141,063	346,635	206,892	771,780
Emergency Medical Services	3,882,158	4,227,342	2,189,244	2,149,941
Mobile Tennis Center	260,707	270,386	261,450	214,030
Affordable Homes Program	-	-	-	-
Neighborhood Renewal Program	100,278	28,287	53,884	-
Parking Garage	402,268	405,092	400,957	410,482
Saenger Theater	566,731	530,969	542,724	200,270
Wave Transit System	1,048,474	1,164,788	1,136,104	1,115,896
Operating grants and contributions	3,308,904	3,502,088	3,412,216	2,910,578
Capital grants and contributions	1,157,458	488,423	848,317	1,275,691
Total business-type activities program revenues	<u>17,099,520</u>	<u>16,420,292</u>	<u>14,632,718</u>	<u>14,317,425</u>
Total primary government program revenues	<u>\$ 86,217,920</u>	<u>\$ 98,148,775</u>	<u>\$ 82,026,867</u>	<u>\$ 84,120,451</u>
Net (Expense) Revenue				
Government activities	\$ (202,203,389)	\$ (177,841,221)	\$ (213,447,236)	\$ (224,041,296)
Business-type activities	(18,326,995)	(17,530,725)	(22,813,999)	(20,095,538)
Total primary government net expense	<u>\$ (220,530,384)</u>	<u>\$ (195,371,946)</u>	<u>\$ (236,261,235)</u>	<u>\$ (244,136,834)</u>

Fiscal Year

	2012	2011	2010	2009	2008	2007
\$	74,952,084	\$ 82,670,334	\$ 84,138,439	\$ 98,695,339	\$ 49,310,958	\$ 25,688,828
	23,928,393	25,262,720	19,665,980	20,373,562	22,191,802	15,418,136
	975,841	1,299,046	2,802,701	1,429,622	984,354	1,011,217
	-	-	-	-	-	-
	5,325,800	5,509,037	5,791,514	6,823,212	5,273,774	5,363,060
	109,210,514	108,344,311	101,844,933	107,158,818	84,761,044	79,092,490
	42,860,205	43,316,969	44,867,891	45,892,056	40,955,090	34,964,378
	-	-	-	-	-	40,980,936
	14,880,418	15,119,170	14,120,058	15,717,193	36,120,233	9,879,154
	272,133,255	281,521,587	273,231,516	296,089,802	239,597,255	212,398,199
	1,428,306	1,619,823	1,452,509	1,518,478	1,302,813	1,371,130
	3,523,551	3,758,785	4,506,235	3,685,566	4,134,371	3,833,788
	8,415,212	9,800,672	8,977,037	10,981,125	9,921,621	9,240,980
	1,045,826	3,689,985	527,408	415,494	-	-
	6,385,225	6,113,101	5,430,599	5,478,439	5,632,700	4,473,192
	602,193	612,999	560,212	509,708	542,698	546,246
	25,141	16,710	5,143	7,875	16,295	10,864
	280,776	251,674	275,939	270,307	264,875	243,425
	-	-	-	-	-	-
	12,369,217	11,579,865	10,620,087	10,812,366	10,244,202	9,445,274
	34,075,447	37,443,614	32,355,169	33,679,358	32,059,575	29,164,899
\$	306,208,702	\$ 318,965,201	\$ 305,586,685	\$ 329,769,160	\$ 271,656,830	\$ 241,563,098
	48,142,712	49,664,462	49,218,621	13,394,552	9,056,023	9,357,220
	458,196	412,487	453,870	537,176	516,332	488,084
	-	-	-	-	-	-
	5,652,106	5,769,616	5,931,428	41,261,597	41,289,992	43,238,905
	296,647	306,793	325,592	267,731	277,672	261,901
	5,984,128	5,595,180	12,691,226	1,938,788	5,189,084	4,611,096
	14,496,855	6,957,112	4,520,212	4,647,220	3,180,406	2,849,792
	75,030,644	68,705,650	73,140,949	62,047,064	59,509,509	60,806,998
	1,348,748	1,341,283	1,340,499	1,509,422	1,423,508	1,436,369
	1,938,375	2,188,484	2,094,485	1,754,181	2,200,886	1,886,225
	1,902,004	3,231,603	4,766,976	3,576,172	3,169,704	1,626,680
	291,867	5,709,263	2,579,507	1,058,523	202,671	-
	2,927,822	2,794,810	2,487,710	2,425,990	2,299,286	1,935,848
	211,361	214,112	161,321	78,687	76,195	71,577
	-	71,967	-	-	-	-
	-	-	-	-	-	-
	414,799	417,518	408,137	411,804	475,082	315,206
	-	-	-	-	-	-
	984,645	1,021,023	1,086,131	1,027,542	1,099,053	1,001,989
	2,429,300	354,918	7,789,433	3,330,363	3,667,452	189,500
	4,142,259	4,233,881	-	-	82,935	2,463,690
	16,591,180	21,578,862	22,714,199	15,172,684	14,696,772	10,927,084
\$	91,621,824	\$ 90,284,512	\$ 95,855,148	\$ 77,219,748	\$ 74,206,281	\$ 71,734,082
\$	(197,102,611)	\$ (212,815,937)	\$ (200,090,567)	\$ (234,042,738)	\$ (180,087,746)	\$ (151,591,201)
	(17,484,267)	(15,864,752)	(9,640,970)	(18,506,674)	(17,362,803)	(18,237,815)
\$	(214,586,878)	\$ (228,680,689)	\$ (209,731,537)	\$ (252,549,412)	\$ (197,450,549)	\$ (169,829,016)

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

	Fiscal Year			
	2016	2015	2014	2013
General Revenues and Other Changes in Net Position				
Governmental activities:				
Real and personal property tax	19,241,503	18,293,200	17,130,837	16,364,039
Sales tax	179,817,467	178,536,073	171,549,434	163,725,091
Gasoline tax	10,471,152	10,113,784	9,474,098	9,499,092
Room tax	5,916,535	5,653,761	5,389,031	5,182,775
Beer and liquor tax	2,154,493	2,100,653	2,025,855	2,078,693
Rental and leasing tax	9,465,186	9,220,699	8,497,843	8,015,194
Cigarette stamp tax	1,701,496	1,743,039	1,815,029	1,993,093
Other tobacco tax	452,886	480,735	442,344	432,831
Financial excise tax	560,580	382,673	399,417	363,317
Other tax revenue	357,022	418,363	366,789	87,364
Grants and contributions not restricted to a specific program	-	-	348,437	-
Investment earnings	135,751	63,943	72,025	94,013
Other	9,633,119	6,901,008	7,500,929	1,766,581
Capital contributions	-	-	-	-
Transfers	(5,284,854)	(3,885,039)	(4,969,603)	(15,212,065)
Total governmental activities	<u>234,622,336</u>	<u>230,022,892</u>	<u>220,042,465</u>	<u>194,390,018</u>
Business-type activities:				
Sales tax	9,995,087	9,660,595	8,985,838	8,894,386
Room tax	1,965,763	1,879,914	1,790,951	1,722,185
Investment earnings	1,954	1,690	4,829	763
Other	340	-	-	-
Transfers	5,284,854	3,885,039	4,969,603	15,212,065
Total business-type activities	<u>17,247,998</u>	<u>15,427,238</u>	<u>15,751,221</u>	<u>25,829,399</u>
Total primary government	<u>\$ 251,870,334</u>	<u>\$ 245,450,130</u>	<u>\$ 235,793,686</u>	<u>\$ 220,219,417</u>
Change in Net Position				
Government activities	\$ 32,418,947	\$ 52,181,671	\$ 6,595,229	\$ (29,651,278)
Business-type activities	(1,078,997)	(2,103,487)	(7,062,778)	5,733,861
Total primary government	<u>\$ 31,339,950</u>	<u>\$ 50,078,184</u>	<u>\$ (467,549)</u>	<u>\$ (23,917,417)</u>

Fiscal Year

2012	2011	2010	2009	2008	2007
16,262,921	16,093,899	16,077,830	15,969,310	14,938,843	13,200,779
133,215,345	163,405,226	141,825,022	132,218,742	140,470,973	135,345,733
9,680,455	10,115,711	10,213,140	7,735,285	7,775,814	10,020,374
5,003,180	5,092,514	6,040,106	4,795,120	5,239,745	4,689,885
2,031,634	2,005,816	2,196,467	2,137,149	2,027,597	1,933,147
6,309,404	6,080,474	5,699,115	4,104,708	4,430,951	6,638,181
2,200,090	2,234,211	2,370,001	2,253,663	2,188,771	2,229,154
411,392	459,774	462,814	455,907	434,014	444,534
147,964	77,098	79,224	1,320,726	4,264,065	1,286,414
71,835	114,016	105,055	4,554,032	-	149,249
-	-	-	-	-	-
283,034	337,496	301,434	1,009,662	3,150,149	4,658,748
1,409,680	3,122,939	2,239,320	6,298,450	5,550,454	5,086,335
-	-	2,417,423	105,130,798	-	4,693,831
(4,206,588)	(3,686,887)	(6,780,507)	(5,027,942)	(26,333,227)	(7,812,027)
<u>172,820,346</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>
8,715,107	8,395,672	8,378,986	7,974,021	7,354,647	6,285,253
1,662,898	1,685,196	1,997,710	1,568,826	1,586,408	1,405,841
223	4,576	3,321	16,563	59,405	34,180
-	17,708	(9,704)	155,907	(164,194)	-
4,206,588	3,686,887	6,780,507	5,027,942	26,333,227	7,812,027
<u>14,584,816</u>	<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>\$ 187,405,162</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>
\$ (24,282,265)	\$ (7,363,650)	\$ (16,844,123)	\$ 48,912,872	\$ (15,949,597)	\$ 30,973,136
(2,899,451)	(2,074,713)	7,509,850	(3,763,415)	17,806,690	(2,700,514)
<u>\$ (27,181,716)</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>

CITY OF MOBILE, ALABAMA
Governmental Activities Tax Revenue by Source
Last 10 Fiscal Years
(accrual basis of accounting)

Fiscal Year	Property Taxes	Sales Tax	Motor Fuels Tax	Room Tax	Alcoholic Beverage Tax
2016	\$ 19,241,503	\$ 179,817,467	\$ 10,471,152	\$ 5,916,535	\$ 2,154,493
2015	18,293,200	178,536,073	10,113,784	5,653,761	2,100,653
2014	17,130,837	171,549,434	9,474,098	5,389,031	2,025,855
2013	16,364,039	163,725,091	9,499,092	5,182,775	2,078,693
2012	16,262,921	133,215,345	9,680,455	5,003,180	2,031,634
2011	16,093,899	163,405,226	10,115,711	5,092,514	2,005,816
2010	16,077,830	141,825,022	10,213,140	6,040,106	2,196,467
2009	15,969,310	132,218,742	7,735,285	4,795,120	2,137,149
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

<u>Rental and Leasing Tax</u>	<u>Tobacco Tax</u>	<u>Financial Excise Tax</u>	<u>Other Taxes</u>	<u>Total</u>
\$ 9,465,186	\$ 2,154,382	\$ 560,580	\$ 357,022	\$ 230,138,320
9,220,699	2,223,774	382,673	418,363	226,942,980
8,497,843	2,257,373	399,417	366,789	217,090,677
8,015,194	2,425,924	363,317	87,364	207,741,489
6,309,404	2,611,482	147,964	71,835	175,334,220
6,080,474	2,693,985	77,098	114,016	205,678,739
5,699,115	2,832,815	79,224	105,055	185,068,774
4,104,708	2,709,570	1,320,726	4,554,032	175,544,642
4,430,951	2,622,785	4,264,065	-	181,770,773
6,638,181	2,673,688	1,286,414	149,249	175,937,450

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

	Fiscal Year			
	2016	2015	2014	2013
General Fund				
Reserved				
Economic Development	\$ -	\$ -	\$ -	\$ -
General Fund Encumbrances	-	-	-	-
Grants	-	-	-	-
Law Enforcement	-	-	-	-
Long-term receivables	-	-	-	-
Unreserved, reported in				
General Fund	-	-	-	-
Nonspendable				
Inventory	2,781,282	2,602,208	2,301,354	2,241,159
Long-term receivables	-	-	-	-
Prepaid items	10,000	10,000	10,000	10,000
Restricted				
Grants	-	-	-	1,993,528
Law Enforcement	-	-	-	475,460
Assigned				
Athletic Fund	64,832	67,643	51,475	67,165
Designated and Donated Funds	1,117,574	1,018,844	931,962	871,274
General Fund Encumbrances	964,058	1,238,624	1,008,876	924,907
Municipal Court	-	-	-	970,725
Unassigned	29,753,581	37,421,124	14,926,335	(4,296,200)
Total general fund	<u>34,691,327</u>	<u>42,358,443</u>	<u>19,230,002</u>	<u>3,258,018</u>
All other governmental funds				
Reserved				
Economic Development	-	-	-	-
Encumbrances	-	-	-	-
Road and Bridge Construction	-	-	-	-
Road and Bridge Repair	-	-	-	-
Unreserved, reported in				
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Restricted				
Capital Projects	6,762,074	11,237,290	13,874,911	17,425,661
Debt Service	131,469	382,829	719,022	221,605
Grants	5,632,013	1,897,365	1,930,590	-
Law Enforcement	168,455	336,459	384,466	-
Road and Bridge Construction	186,373	110,735	56,852	291,265
Road and Bridge Repair	2,356,683	1,460,134	1,058,928	582,849
Committed				
Capital Improvements Fund	-	-	-	-
Flood Management	83,970	83,928	83,886	83,844
Strategic Plan Fund	-	-	-	-
Tax Increment Program	9,709,410	10,365,142	8,497,657	7,078,953
Assigned				
Capital Improvements Fund	59,340,935	33,049,858	34,231,012	35,653,503
Economic Development	28,460	27,043	31,777	37,390
Municipal Court	1,465,380	1,348,629	1,250,286	-
Strategic Plan Fund	-	10,154,041	9,026,591	8,577,907
Unassigned	-	-	(11,221)	(6,593)
Total other governmental funds	<u>85,865,222</u>	<u>70,453,453</u>	<u>71,134,757</u>	<u>69,946,384</u>
Total governmental funds	<u>\$ 120,556,549</u>	<u>\$ 112,811,896</u>	<u>\$ 90,364,759</u>	<u>\$ 73,204,402</u>

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

Fiscal Year						
2012	2011	2010	2009	2008	2007	
\$ -	\$ -	\$ -	\$ -	\$ 85,726	\$ -	
-	-	823,219	1,034,392	1,220,923	794,815	
-	-	2,472,910	2,467,570	2,735,850	1,903,911	
-	-	779,310	670,839	-	526,345	
-	-	1,360,000	1,580,000	1,790,000	1,980,000	
-	-	8,444,256	(1,266,959)	11,035,656	12,993,274	
2,389,694	2,244,640	-	-	-	-	
865,000	1,125,000	-	-	-	-	
10,000	10,000	-	-	-	-	
2,169,963	3,826,585	-	-	-	-	
678,883	720,801	-	-	-	-	
55,037	78,452	-	-	-	-	
918,911	1,038,806	-	-	-	-	
875,537	898,836	-	-	-	-	
505,817	788,521	-	-	-	-	
11,371,036	24,722,193	-	-	-	-	
<u>19,839,878</u>	<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>	
-	-	4,379,895	3,164,397	2,397,080	3,090,393	
-	-	8,215,670	7,006,389	7,228,440	7,274,268	
-	-	166,524	103,166	531,902	487,351	
-	-	1,933,945	608,929	352,619	770,546	
-	-	64,892,359	59,856,507	92,514,133	56,428,126	
-	-	3,494,130	3,367,695	3,338,317	2,688,293	
21,696,088	32,088,514	-	-	-	-	
4,516,268	3,986,450	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
264,644	230,890	-	-	-	-	
2,860,505	2,240,173	-	-	-	-	
3,672,116	-	-	-	-	-	
83,802	83,760	-	-	-	-	
81,402	-	-	-	-	-	
7,269,987	5,662,283	-	-	-	-	
22,312,616	23,539,946	-	-	-	-	
36,028	34,268	-	-	-	-	
-	-	-	-	-	-	
6,422,154	6,893,258	-	-	-	-	
-	(6,599)	-	-	-	-	
<u>69,215,610</u>	<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>\$ 89,055,488</u>	<u>\$ 110,206,777</u>	<u>\$ 96,962,218</u>	<u>\$ 78,592,925</u>	<u>\$ 123,230,646</u>	<u>\$ 88,937,322</u>	

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

	Fiscal Year			
	2016	2015	2014	2013
REVENUES				
Taxes	\$ 230,138,319	\$ 226,942,982	\$ 217,090,677	\$ 207,741,489
Licenses and permits	39,959,958	39,165,570	39,525,926	36,532,107
Intergovernmental	79,906	102,817	65,645	137,740
Charges for services	6,875,123	7,398,861	8,466,724	8,723,683
Fines and forfeitures	3,102,723	3,777,807	4,386,729	4,548,189
State and federal assistance	12,439,232	8,475,079	9,149,146	13,594,457
Assessments	-	-	3,944	-
Investment income	138,428	63,943	72,025	94,013
Other revenue	9,718,967	8,541,969	7,559,519	1,987,282
Total revenues	<u>302,452,656</u>	<u>294,469,028</u>	<u>286,320,335</u>	<u>273,358,960</u>
EXPENDITURES				
Current:				
General government	18,941,345	21,472,111	21,625,859	16,795,637
Culture and recreation	13,499,894	14,495,544	13,321,383	13,475,345
Economic development	939,655	1,175,456	854,155	832,668
Engineering, development & build	13,456,972	-	-	-
Finance	5,052,016	5,149,172	5,028,125	4,542,960
Public safety	87,812,807	84,996,189	82,499,697	83,692,248
Public works	25,173,163	33,094,011	34,013,827	32,913,792
Non-departmental	43,683,515	40,008,437	46,861,160	57,085,851
Debt service:				
Administrative charges	71,203	90,122	-	-
Interest	12,204,124	13,309,190	13,533,770	13,934,349
Principal retirement	14,935,138	14,479,688	12,132,976	11,952,149
Interest Reimbursement	(248,425)	(746,147)	-	-
Capital outlay:				
Capital outlay	44,608,499	29,059,563	23,893,432	33,359,798
Total expenditures	<u>280,129,906</u>	<u>256,583,336</u>	<u>253,764,384</u>	<u>268,584,797</u>
Excess (deficiency) of revenues over expenditures	<u>22,322,750</u>	<u>37,885,692</u>	<u>32,555,951</u>	<u>4,774,163</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from disposal of assets	29,921	50,384	7,124	18,121
Capital-related debt issued	39,402,000	-	-	5,100,000
Payment to refunding bond escrow agent	(39,260,592)	-	-	-
Bond issuance costs	(141,408)	-	-	(10,529)
Premiums (discounts) on bonds issued	-	-	-	-
Insurance recoveries	-	-	-	-
Transfers in	85,940,777	39,374,477	54,390,241	39,264,957
Transfers out	(100,548,803)	(54,863,410)	(69,792,959)	(61,044,043)
Total other financing sources (uses)	<u>(14,578,105)</u>	<u>(15,438,549)</u>	<u>(15,395,594)</u>	<u>(16,671,494)</u>
Net change in fund balances	7,744,645	22,447,143	17,160,357	(11,897,331)
Fund balances - beginning	112,811,902	90,364,759	73,204,402	89,055,488
Adjustments to beginning net position	-	-	-	(3,953,755)
Fund balances - ending	<u>\$ 120,556,547</u>	<u>\$ 112,811,902</u>	<u>\$ 90,364,759</u>	<u>\$ 73,204,402</u>
Debt service as a percentage of noncapital expenditures	11.06%	11.58%	10.99%	10.68%

Fiscal Year					
2012	2011	2010	2009	2008	2007
\$ 175,115,820	\$ 207,431,270	\$ 186,728,761	\$ 174,810,707	\$ 181,770,773	\$ 174,536,999
36,427,112	35,853,964	35,887,762	37,000,838	36,321,711	34,637,574
443,642	245,581	199,992	1,548,996	539,578	1,730,873
8,260,051	8,559,708	8,184,608	8,167,239	9,850,027	9,764,293
4,365,667	4,468,316	4,724,902	4,691,317	4,968,281	4,547,176
20,151,236	12,530,527	17,168,956	6,502,302	8,306,569	7,460,888
-	526	-	-	-	-
283,035	324,573	301,811	1,056,562	3,150,147	4,786,183
1,418,460	7,297,106	2,244,211	5,608,303	4,575,337	4,652,330
<u>246,465,023</u>	<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>
16,672,894	17,319,848	17,244,146	18,919,217	16,774,235	15,156,729
13,396,491	14,293,565	14,696,416	15,154,032	13,191,508	12,830,294
801,029	943,489	946,081	1,008,755	903,138	996,402
-	-	-	-	-	-
4,672,001	4,703,808	4,829,821	5,010,643	4,597,974	4,395,742
79,899,320	78,453,950	79,674,151	86,342,817	84,463,292	75,746,232
34,990,667	36,523,540	36,745,281	37,334,095	36,655,722	33,982,373
59,413,866	51,280,489	58,242,547	40,363,981	46,884,800	46,938,096
-	-	-	-	-	-
14,268,697	14,692,483	13,478,392	14,440,851	36,120,233	9,637,487
8,749,175	7,301,694	7,104,607	12,020,851	46,944,636	12,556,427
-	-	-	-	-	-
<u>21,907,267</u>	<u>32,327,433</u>	<u>22,269,823</u>	<u>45,338,810</u>	<u>46,840,177</u>	<u>36,810,657</u>
<u>254,771,407</u>	<u>257,840,299</u>	<u>255,231,265</u>	<u>275,934,052</u>	<u>333,375,715</u>	<u>249,050,439</u>
<u>(8,306,384)</u>	<u>18,871,272</u>	<u>209,738</u>	<u>(36,547,788)</u>	<u>(83,893,292)</u>	<u>(6,934,123)</u>
13,123	16,822	3,331	75,602	2,233	2,652
-	15,334,069	84,775,000	569,000	148,390,000	3,930,000
-	(10,657,242)	(58,207,259)	-	-	-
-	(57,750)	(643,350)	-	-	-
-	-	2,287,511	-	-	-
-	1,559	2,113	-	448,534	564,370
30,456,574	28,985,202	32,058,663	32,984,026	56,126,848	41,185,247
<u>(43,314,602)</u>	<u>(39,249,373)</u>	<u>(42,116,454)</u>	<u>(41,718,561)</u>	<u>(86,780,999)</u>	<u>(53,102,723)</u>
<u>(12,844,905)</u>	<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>
(21,151,289)	13,244,559	18,369,293	(44,637,721)	34,293,324	(14,354,577)
110,206,777	96,962,218	78,592,925	123,230,646	88,937,322	103,291,899
-	-	-	-	-	-
<u>\$ 89,055,488</u>	<u>\$ 110,206,777</u>	<u>\$ 96,962,218</u>	<u>\$ 78,592,925</u>	<u>\$ 123,230,646</u>	<u>\$ 88,937,322</u>
10.31%	9.80%	8.82%	11.48%	28.99%	10.61%

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

<u>Fiscal Year</u>	<u>Value of Taxable Sales - General Sales Tax (in millions)</u>	<u>Direct Tax Rate - General Sales Tax</u>
2016	\$ 3,582	5.0%
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%

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

Fiscal Year	City of Mobile					City of Mobile Police Jurisdiction ²			
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery
2016	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%
2015	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%
2014	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%
2013	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%
2012	4.00%	2.00%	2.00%	2.00%	4.00%	2.00%	1.00%	1.00%	1.00%
2011	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%
2010	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%
2009	4.00%	2.00%	2.00%	2.00%	4.00%	2.00%	1.00%	1.00%	1.00%
2008	4.00%	2.00%	2.00%	2.00%	4.00%	2.00%	1.00%	1.00%	1.00%
2007	4.00%	2.00%	2.00%	2.00%	4.00%	2.00%	1.00%	1.00%	1.00%

Source: Alabama Department of Revenue

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

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

Overlapping Rates

Mobile County						Total Direct and Overlapping Rates				
			Farm	Manuf.				Farm	Manuf.	
Vending	General	Auto	Machinery	Machinery	Vending	General	Auto	Machinery	Machinery	Vending
2.50%	1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
2.50%	1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
2.50%	1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
2.50%	1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
2.00%	1.00%	0.50%	1.00%	1.00%	1.00%	5.00%	2.50%	3.00%	3.00%	5.00%
2.50%	1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
2.50%	1.00%	0.50%	1.00%	1.00%	1.00%	6.00%	2.75%	3.25%	3.25%	6.00%
2.00%	1.00%	0.50%	1.00%	1.00%	1.00%	5.00%	2.50%	3.00%	3.00%	5.00%
2.00%	1.00%	0.50%	1.00%	1.00%	1.00%	5.00%	2.50%	3.00%	3.00%	5.00%
2.00%	1.00%	0.50%	1.00%	1.00%	1.00%	5.00%	2.50%	3.00%	3.00%	5.00%

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

Taxpayer	2016		2007	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Wal-Mart #866	1	2.54%	3	1.51%
Wal-Mart #853	2	2.22%	4	1.47%
Wal-Mart #991	3	1.88%	1	2.17%
Sams Wholesale Club	4	1.69%	2	1.98%
Costco Wholesale	5	1.37%		
Lowe's #549	6	1.06%		
Lowe's Home Center	7	1.02%		
Lowe's #212	8	1.01%	5	1.09%
Target	9	0.85%		
Dillard's	10	0.83%	6	1.01%
Best Buy #340			7	0.97%
Walmart Supercenter #5174			8	0.95%
Academy Sports & Outdoors			9	0.75%
Springhill Automotive			10	0.74%
Totals		14.47%		12.64%

Source: City of Mobile Revenue Department

CITY OF MOBILE, ALABAMA
Assessed Value and Estimated Actual Value of Taxable Property
Last 10 Fiscal Years

Fiscal Year Ended September 30	Real Property		Personal Property	
	Residential Property	Commercial Property	Motor Vehicles	Other
2016	585,088,500	1,521,698,920	294,187,320	415,461,340
2015	549,530,640	1,325,990,140	273,833,900	415,303,220
2014	560,883,060	1,296,432,480	264,068,220	403,555,900
2013	573,073,000	1,186,268,840	246,207,860	377,729,020
2012	595,089,140	1,162,088,560	246,543,060	337,826,540
2011	617,121,080	1,161,670,420	242,401,100	325,864,220
2010	633,841,820	1,165,905,120	206,483,760	335,177,320
2009	643,869,600	1,180,581,160	231,378,520	325,416,280
2008	628,768,700	1,131,989,640	243,601,600	308,008,300
2007	587,342,300	874,409,560	265,979,820	245,266,880

Source: Mobile County Revenue Commissioner

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

¹ Includes tax-exempt property.

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value ¹ as a Percentage of Actual Value
68,384,340	2,748,051,740	7 mills	13,296,813,733	21.18%
63,448,440	2,501,209,460	7 mills	12,386,604,367	20.71%
64,934,380	2,460,005,280	7 mills	12,248,615,700	20.61%
65,237,120	2,318,041,600	7 mills	11,558,176,033	20.62%
65,707,640	2,275,839,660	7 mills	11,745,392,267	19.94%
69,067,800	2,277,989,020	7 mills	11,852,034,147	19.80%
68,216,780	2,273,191,240	7 mills	12,058,815,266	19.42%
67,818,840	2,313,426,720	7 mills	12,420,469,867	19.17%
66,816,900	2,245,551,340	7 mills	12,191,259,500	18.97%
68,678,920	1,904,319,640	7 mills	12,012,219,333	16.42%

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

Fiscal Year	Overlapping Rates			Total Direct & Overlapping Rates
	City of Mobile	County of Mobile	Mobile County School District	
	Total City Millage	Total County Millage	Total School Millage	
2016	7	16	29.5	52.5
2015	7	16	29.5	52.5
2014	7	16	29.5	52.5
2013	7	16	29.5	52.5
2012	7	16	29.5	52.5
2011	7	16	29.5	52.5
2010	7	16	29.5	52.5
2009	7	16	29.5	52.5
2008	7	16	29.5	52.5
2007	7	16	29.5	52.5

Source: Mobile County Revenue Commissioner

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

A twelve (12) mill property tax increase for schools was approved by the voters in 2001.

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

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Alabama Power Company	\$ 68,906,720	1	2.51%	\$ 242,159,980	1	5.19%
Kimberly-Clark Corporation	42,162,920	2	1.53%	27,074,840	8	6.35%
UOP LLC	37,890,800	3	1.38%			
RPI Bel Air Mall LLC	20,367,220	4	0.74%			
Mobile Gas Servie Corporation	19,467,120	5	0.71%	31,488,000	7	5.74%
Shell Chemical Company	16,415,740	6	0.60%			
Campus Crest at Mobile	13,727,100	7	0.50%			
Bell South Communications	13,546,100	8	0.49%	42,847,200	4	5.85%
Somerby of Mobile, LLC	12,257,960	9	0.45%			
Delaney Investments Inc.	11,854,400	10	0.43%			
Gulfstream Natural Gas				57,492,000	2	4.85%
IPSCO Steel (AL) Inc				43,788,360	3	3.15%
Florida Gas Transmission Co				40,622,100	5	4.85%
Degussa Corporation				33,426,460	6	4.33%
Exxon Corporation				18,430,420	9	4.86%
AT&T Mobility				16,458,400	10	6.06%
Totals	<u>\$ 256,596,080</u>		<u>9.34%</u>	<u>\$ 553,787,760</u>		<u>5.07%</u>

Source: Mobile County Revenue Commissioner

Note: Principal property taxpayers presented for 2016 are those property taxpayers in the City of Mobile. Principal property taxpayers presented for 2007 are those for the County as a whole as the information for the City-only taxpayers was not available for that year.

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

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Collection in Subsequent Years	Total Collection to Date Amount	Percentage of Levy
2016	\$ 14,964,480	\$ 10,218,795	68.29	\$ 2,677,700	\$ 12,896,495	86.18
2015	13,956,359	12,438,912	89.13	1,501,950	13,940,862	99.89
2014	13,686,098	11,036,067	80.64	2,060,535	13,096,602	95.69
2013	12,891,691	8,770,478	68.03	2,745,152	11,515,630	89.33
2012	12,999,487	8,826,780	67.90	3,486,486	12,313,266	94.72
2011	13,024,255	12,302,822	94.46	-	12,302,822	94.46
2010	13,177,824	12,504,204	94.89	-	12,504,204	94.89
2009	13,614,847	12,854,087	94.41	-	12,854,087	94.41
2008	13,136,355	12,810,663	97.52	-	12,810,663	97.52
2007	12,430,360	12,193,226	98.09	-	12,193,226	98.09

Source: Mobile County Revenue Commissioner

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

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Limited Obligation Bonds	Notes Payable	Capital Leases
2016	251,195,546	4,670,000	2,495,000	492,519
2015	270,283,046	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

* Data not available

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

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

Business Type Activities	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
Capital Leases			
-	258,853,065	*	*
-	280,631,329	1.87%	676
-	284,926,389	2.09%	686
184,751	296,913,641	2.18%	717
362,090	314,604,380	2.32%	760
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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value ¹ of Property	Per Capita ²
2016	\$ 251,195,546	\$ 131,469	\$ 251,064,077	1.89%	*
2015	270,283,046	382,829	269,900,217	2.18%	650
2014	272,617,145	719,022	271,898,123	2.22%	655
2013	282,547,567	221,605	282,325,962	2.44%	682
2012	298,261,879	4,516,268	293,745,611	2.50%	710
2011	298,290,945	3,986,450	294,304,495	2.48%	712
2010	300,138,191	3,494,130	296,644,061	2.46%	718
2009	275,867,172	3,367,694	272,499,478	2.19%	670
2008	283,890,000	3,338,316	280,551,684	2.30%	690
2007	178,646,500	2,688,196	175,958,304	1.46%	437

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

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

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

* Data not available

CITY OF MOBILE, ALABAMA
Direct and Overlapping Government Debt
as of September 30, 2016

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property taxes: County Subtotal, overlapping debt	\$ 481,991,374	46%	<u>\$ 221,716,032</u> 221,716,032
City of Mobile direct debt	258,721,596	100%	<u>258,721,596</u>
Total direct and overlapping debt			<u><u>\$ 480,437,628</u></u>

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

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

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

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

	Fiscal Year		
	2016	2015	2014
Debt Limit	\$ 563,287,216	\$ 512,931,580	\$ 504,987,932
Less: Total net debt applicable to limit	<u>217,182,815</u>	<u>222,506,693</u>	<u>235,615,896</u>
Legal debt margin	<u>\$ 346,104,401</u>	<u>\$ 290,424,887</u>	<u>\$ 269,372,036</u>
Total net debt applicable to the limit as a percentage of debt limit	38.6%	43.4%	46.7%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed value of real property, September 30, 2016	\$ 2,106,787,420
Assessed value of personal property, September 30, 2016	<u>709,648,660</u>
Total assessed value	2,816,436,080
Debt Limit (20% of total assessed value)	563,287,216
Less: Total net debt applicable to limit	<u>217,182,815</u>
Legal debt margin	<u>\$ 346,104,401</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						
2013	2012	2011	2010	2009	2008	2007
\$ 476,702,224	\$ 468,309,460	\$ 469,411,364	\$ 468,281,604	\$ 476,249,112	\$ 462,473,648	\$ 394,599,712
243,221,226	249,936,851	260,122,205	255,534,378	229,861,239	239,875,431	171,439,425
<u>\$ 233,480,998</u>	<u>\$ 218,372,609</u>	<u>\$ 209,289,159</u>	<u>\$ 212,747,226</u>	<u>\$ 246,387,873</u>	<u>\$ 222,598,217</u>	<u>\$ 223,160,287</u>
51.0%	53.4%	55.4%	54.6%	48.3%	51.9%	43.4%

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

Limited Obligation Tax Increment Financing Plan						
Year	Tax		Debt Service			
	Increment		Principal	Interest		
2016	\$	3,255,947	\$	610,000	\$	309,100
2015		3,206,435		580,000		341,825
2014		3,391,681		545,000		372,763
2013		2,487,111		520,000		400,230
2012		2,532,414		500,000		424,460
2011		2,548,928		475,000		447,135
2010		2,172,723		455,000		468,184
2009		2,133,818		440,000		487,878
2008		1,778,031		420,000		506,163
2007		1,416,398		405,000		522,876

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

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

Fiscal Year	Population	Personal Income		Median Age	Education Level in Years of Formal Schooling	Public School Enrollment	Unemployment Rate
		(amounts expressed in millions)	Per Capita Personal Income				
2016	*	*	*	37.0	High School Graduate	59,550	6.9%
2015	415,395	14,983	35,348	37.1	High School Graduate	59,031	7.2%
2014	415,123	13,601	32,631	37.0	High School Graduate	59,216	7.5%
2013	414,079	13,599	32,843	37.0	High School Graduate	59,582	7.4%
2012	413,936	13,565	32,771	37.2	High School Graduate	59,821	8.7%
2011	413,462	13,500	32,651	37.1	High School Graduate	60,946	10.4%
2010	412,992	13,200	31,962	36.0	2 years of college	67,230	10.8%
2009	406,928	11,512	28,290	36.1	High School Graduate	63,914	9.9%
2008	406,309	12,330	30,346	35.9	High School Graduate	63,657	4.7%
2007	403,000	11,540	28,635	35.3	High School Graduate	65,614	3.7%

* 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

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

Taxpayer	2016			2007		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Mobile County Public School System	7,500	1	4.40%	8,134	1	4.48%
USA School and Medical Facilities	6,000	2	3.50%	5,000	3	2.76%
Infirmary Health Systems	5,000	3	2.90%	6,450	2	3.56%
Austal USA	4,000	4	2.40%	1,100	10	0.61%
City of Mobile	2,100	5	1.20%	2,410	5	1.33%
CPSI	1,950	6	1.10%			
County of Mobile	1,650	7	1.00%	1,588	7	0.88%
AM/NS Calvert	1,600	8	0.90%			
Providence	1,500	9	0.90%	2,200	6	1.21%
Alorica	1,200	10	0.01%			
Wal Mart				3,000	4	1.65%
Spring Hill Medical Center				1,365	8	0.75%
ST Aerospace Mobile				1,300	9	0.72%
Totals	<u>32,500</u>		<u>18.31%</u>	<u>32,547</u>		<u>17.95%</u>

Source: Mobile Chamber of Commerce

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

Function	Full-time Equivalent Employees as of September 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	100	185	203	223	195	197	190	197	189	196
Culture and recreation	336	378	485	414	383	306	303	317	294	325
Economic development	14	12	13	12	12	13	14	13	12	13
Engineering, development, and build	210	-	-	-	-	-	-	-	-	-
Finance	85	93	96	91	91	96	93	91	88	91
Public safety	1,242	1,333	1,399	1,288	1,546	1,374	1,327	1,312	1,307	1,273
Public works	423	540	541	569	564	581	576	575	553	585
Cruise Terminal	4	-	-	-	-	-	-	-	-	-
Firemedics	73	71	93	73	74	71	71	66	61	59
Golf course	19	20	26	22	26	21	20	28	28	17
Motor Pool	3	3	3	3	2	3	3	3	3	3
Tennis center	12	12	17	10	13	8	10	10	10	7
Total	2,521	2,647	2,876	2,705	2,906	2,670	2,607	2,612	2,545	2,569

Source: City Payroll Department

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

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Streets and Highways										
Paved	1,268.1	1,267.7	1,267.7	1,267.7	1,267.2	1,264.4	1,263.3	1,262.5	1,261.5	1,179.7
Unimproved	18.9	18.9	18.9	19.6	19.8	21.8	21.8	21.8	20.9	15.8
Traffic Signals	316	317	316	316	315	453	431	452	452	398
Street Lights	5,200	5,200	5,200	5,200	5,200	5,200	4,922	4,922	4,922	4,922
Public Safety										
Police Precincts and Mini-Precincts	6	6	7	8	8	9	8	9	10	10
Fire Stations	20	20	21	21	21	20	20	20	20	19
Culture and Recreation										
Parks	69	68	68**	92	93	95	91	91	89	68
Parks Acreage	1,294	1,294	1,294	1,754	1,754	1,754	1,740	1,740	1,740	1,740**
Swimming Pools	6	6	6	6	6	5	7	7	7	6
Wading Pools	9	9	9	6	5	*	*	*	*	*
Spray Grounds	5	4	3	3	3	*	*	*	*	*
Tennis Courts	93	93	93	93	97	92	97	97	97	97
Community Centers	18	14	14	14	15	15	17	17	17	16
Senior Centers	3	3	3	4	*	*	*	*	*	*
Motor Pool										
Sanitation Collection Trucks	30	35	36	37	38	37	36	48	34	31

* Information not available

** Method for reporting has changed.

Source: Various City Departments

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

Function	2016	2015	2014	2013
General Government				
Urban Development				
Service request orders	17,311	13,534	18,806	17,043
Municipal offense tickets	1,344	1,516	1,634	2,221
Inspections/investigations	50,387	62,057	65,763	63,407
Plan reviews	2,087	5,196	7,453	8,043
Plan reviews - Right of Way	2,444	2,489	2,587	2,574
Notice of violations	9,448	5,911	6,445	6,913
Permits	12,075	12,388	13,433	13,018
Certificate of occupancy	314	378	330	267
PC/BOA applications	340	411	516	454
Tree commission applications	15	31	21	15
Complete nuisance abatement cases	84	125	77	44
Complete weed abatement cases	622	340	320	340
Removal of trees	524	369	395	395
Trimming removal	4,114	4,560	4,307	5,691
Stump removal	204	181	102	125
Human Resources				
Medical claims	207	234	221	262
Indemnity claims	31	35	31	42
Total claims	238	269	252	304
Mobile 311				
Calls	96,805	96,450	110,776	115,594
SROs created	57,886	54,313	56,559	60,512
Information Technology				
Buildings with computer equipment	194	190	185	184
Miles of fiber	185	850	825	825
Wireless sites	29	25	22	18
Computer user accounts	3,436	3,250	3,222	3,000
Email accounts	1,932	2,400	2,369	2,458
Voicemail accounts	1,482	1,466	1,461	1,541
Computers/printers supported	3,375	3,098	3,098	3,163
Servers supported	95	99	99	95
800Mhz subscribers	N/A	N/A	N/A	N/A
City phone extensions	2,802	2,724	2,756	2,730
Broadband Data Cards	70	72	63	88
Software Applications Supported	430	426	426	420
MIT Help Desk Cases	9,552	9,195	10,126	10,016
Number of Employees Trained	-	-	-	-
Cell Phones	485	393	372	385
Telecom Help Desk Requests	1,284	1,759	1,473	1,809

2012	2011	2010	2009	2008	2007
16,819	14,546	14,901	12,374	10,525	12,264
2,557	1,875	2,023	1,722	1,883	1,811
63,213	82,961	76,510	72,530**	48,626	57,494
5,363	4,303	3,315	5,191	6,094	3,576
2,401	2,628	2,293	2,850	3,238	3,815
6,112	7,152	7,974	6,292	6,735	5,820
12,782	13,640	16,384	11,787	13,808	16,940
367	643	458	560	507	793
587	451	483	700	1,282	1,260
18	17	25	27	16	29
49	151	63	39	26	35
320	680	540	660	410	480
458	467	415	371	499	294
5,611	4,556	7,612	4,557	1,813	806
222	196	238	221	366	381
251	274	211	254	243**	298
37	49	54	28	31**	34
288	323	265	282	274**	332
115,398	109,681	116,030	110,655	110,168	100,234
60,916	59,725	64,147	60,345	55,644	51,725
181	180	180	175	170	166
825	825	920	820	810	800
30	27	22	20	25	35
2,934	2,850	2,750	2,680	2,850	2,821
2,320	2,050	2,200	2,203	2,050	1,810
1,547	1,738	1,735	1,584	1,545	1,285
2,537	2,450	2,600	2,496	2,450	2,397
115	75	90	90	75	60
N/A	1,906	1,906	1,906	1,906	1,906
2,724	2,426	2,267	2,544	2,442	2,475
89	110	103	102	97	86
409	409	408	391	375	342
10,270	9,450	3,917	5,331	5,209	5,040
-	75	599	889	510	620
365	333	331	340	307	244
2,028	2,132	1,995	2,302	2,952	2,674

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

Function	2016	2015	2014	2013
Economic Development				
Mobile Historic Development Commission				
Applications reviewed	382	400	412	430
Certificates issued	349	393	410	344
Applications heard by review board	27	58	64	86
Applications denied	3	7	2	12
Public Safety				
Mobile Police Department				
Crime Incidents:				
Murder (or Non-Neg Manslaughter)	44	23	26	29
Murder Domestic	*	1	4	0
Negligent Manslaughter	*	0	2	0
Forcible Rape	78	136	146**	29
Carjacking	*	10	12	17
Robbery	459	427	431	452
Aggravated Assault	1,165	1,225	1,136	1,272
Burglary	2,621	2,275	2,878	2,828
Larceny	8,834	8,367	8,824	9,384
Vehicle Theft	850	623	727	742
Arson	*	47	56	42
Simple Assault	*	2,067	2,134	2,140
Sex Offenses	*	131	120	123
Narcotic Laws	*	1,429	2,148	3,897
Weapons Offence	*	230	274	440
Forgery-Counterfeiting	*	315	226	325
D.U.I.	*	422	448	405
All Other Offenses	*	26,888	26,606	29,750
Total Tickets				
Following too close	65	51	79	66
Run red light	820	904	1,654	1,585
Run stop sign	473	802	1,156	1,248
Speeding	7,320	8,589	12,551	11,854
Speeding in school zone	24	319	557	512
Mobile Fire Rescue Department				
Total calls answered	38,832	35,619	33,486	31,906
Inspections	812	1,064	1,339	5,731
Plans reviewed	771	317	698	792
Permits issued	846	414	415	1,037

2012

2011

2010

2009

2008

2007

449	471	469	433	584	597
374	448	440	391	543	526
75	93	111	158	226	226
6	5	11	16	7	24
27	25	20	27	35	34
3	7	2	2	3	6
1	0	0	0	0	2
52	43	52	30	22	30
23	24	60	73	68	59
526	622	686	775	833	639
879	999	1,035	301	311	370
3,119	3,844	3,882	3,493	3,182	3,416
9,213	9,030	9,889	9,555	9,707	9,749
611	783	1,267	972	1,192	1,278
61	53	58	56	78	89
2,349	3,818	1,171	5,639	5,822	5,929
174	138	234	233	275	266
3,077	2,333	3,388	3,096	3,059	3,115
458	382	398	400	383	354
337	401	395	382	652	623
388	459	570	478	589	565
31,953	31,748	35,262	31,223	33,085	33,885
105	66	101	129	118	57
1,623	1,766	2,221	2,105	2,765	2,165
1,592	1,336	2,143	1,971	2,251	1,097
11,774	9,807	11,472	12,774	15,500	12,234
415	320	325	255	218	183
31,529	32,858	35,713	34,248	31,712	30,579
4,010	9,762	7,177	695	641	872
432	889	806	1,619	3,854	871
372	963	555	1,331	1,265	1,191

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

Function	2016	2015	2014	2013
Mobile Municipal Court				
Total cases processed	38,079	43,216	106,076	65,659
Domestic violence cases	1,130	1,305	2,704	1,520
Environmental cases	1,765	2,246	4,092	2,720
Traffic cases	29,365	33,644	67,096	52,622
Criminal cases	5,495	5,632	12,714	8,797
Public works				
Flood control				
Debris removed (cubic yards)	9,620	10,153	6,582	5,642
Work on ditches (miles)	19	16	13	17
Administration				
Disciplinary actions processed	209	208	171	191
Claims/reports processed	171	153	122	189
Concrete and sidewalk repair				
Concrete poured	1,330	1,341	1,743	3,198
Repairs	480	378	595	500
Replacements	1	2	3	5
Right-of-way maintenance				
Material hauled (cubic yards)	19,952	16,765	27,609	28,985
Material used (cubic yards)	5,503	4,304	14,265	17,700
Repairs	179	54	156	157
Asphalt street repair				
Asphalt used (tons)	860	727	1,112	1,071
Repairs	13,325	14,382	18,096	16,725
Street Sweeping				
Miles sweeper swept	10,372	11,324	19,252	31,003
Debris removed (cubic yards)	13,715	14,460	17,944	19,142
Water used (gallons)	208,620	144,123	211,500	242,500
Dredge				
Material dredged/removed (cubic yards)	32,456	17,272	23,147	29,508
Storm drain and heavy equipment				
Drains cleaned	3,885	1,686	3,884	2,797
Material hauled (cubic yards)	615	1,275	2,730	7,824
Solid waste				
Waste removal (tons)	57,976	55,413	53,125	52,615
Other waste removal (tons)	436	414	318	305
Special events (tons)	400	350	345	330
Carcass removal	1,158	1,200	3,650	3,617
Trash division				
Trash picked up	199,331	192,281	164,200	171,260
Pay pile loads	1,104	778	680	542
Environmental Response Crew				

2012	2011	2010	2009	2008	2007
70,406	71,996	72,230	67,571	76,578	69,951
1,670	1,590	1,642	1,485	1,567	1,698
4,061	3,709	3,977	3,285	4,311	2,614
55,030	56,149	56,823	52,590	61,096	56,363
9,645	10,548	9,788	10,211	9,604	9,276
6,000	6,645	240	1,720	180	940
18	13	28	30	36	32
225	379	385	320	102	152
118	111	103	147	117	100
1,575	2,452	2,919	4,114	5,305	3,238
451	650	520	1,193	886	1,049
10	8	39	507	526	540
33,200	23,568	37,880	55,341	40,572	47,654
13,165	5,590	9,220	9,450	8,845	9,930
277	214	207	244	320	261
1,233	1,088	1,466	2,402	2,376	3,152
21,711	14,451	19,087	18,925	17,801	21,332
26,336	15,902	17,400	16,400	17,623	18,319
16,947	15,716	14,807	14,304	17,460	17,697
269,640	220,750	276,397	299,604	369,640	467,000
7,920	13,745	24,344	15,035	25,130	49,650
3,423	4,186	4,224	5,387	4,455	3,506
3,481	4,176	15,744	16,188	5,472	11,488
54,269	54,513	56,306	55,972	56,647	58,235
291	110	93	68	57	227
315	240	199	245	242	160
3,610	3,947	4,986	5,525	6,925	7,588
173,820	189,960	191,300	201,900	231,900	264,602
349	570	600	526	896	977

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

Function	2016	2015	2014	2013
Collections (gallons)	1,447	1,772	1,499	1,215
Cleaned (feet)	5,251	6,478	25,928	29,666
Culture and Recreation				
Mobile Public Library				
Items circulated	1,659,247	1,670,662	1,702,092	1,798,526
Customer visits	1,375,573	1,410,099	1,447,113	1,439,398

* Data not available

** Method for reporting has changed.

Source: Various City Departments

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
2,954	734	1,240	805	1,442	1,338
27,852	28,080	35,665	34,805	19,555	19,707
1,899,180	1,871,251	1,979,929	2,121,584	1,975,446	1,830,942
1,369,945	1,417,588	1,441,980	1,469,049	1,369,611	1,264,125