



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025



**WILLIAM S. STIMPSON**  
**DONNA G. BRYARS**

**MAYOR**  
**COMPTROLLER**



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# PART I: INTRODUCTORY SECTION



# PART I: INTRODUCTORY SECTION





May 22, 2026

TO THE CITIZENS AND CITY COUNCIL OF  
THE CITY OF MOBILE, ALABAMA:

Enclosed is the Annual Comprehensive Financial Report (ACFR) of the City of Mobile, Alabama (the City) for the fiscal year ended September 30, 2025. The purpose of the ACFR is to give detailed information about the City's financial position and activities 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 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 of 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. It 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 190.4 square miles, including 150.1 and 40.3 square miles of land and water, respectively. The current population of the City is estimated at 206,830. Mobile is now the second largest city in Alabama.

The City of Mobile, Alabama was incorporated on January 20, 1814, under the provisions of Act 1911, No. 281, page 330; Code 1940. The City operates under a Mayor and seven-member Council form of government, with the council members elected by district. Responsibility for day-to-day operations 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, including police and fire protection, the construction and maintenance of streets and infrastructure, and recreational activities and cultural events. The Mobile Public Library and the Solid Waste Disposal Authority have met the criteria to be included in the report as discretely presented component units and are separately presented in the report.



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



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

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



Mayor and City Council as of 09/30/2025

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

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

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds.



The comparison between the project-length basis budget-to-actual expenditures for the year is not meaningful and, therefore, is not presented. The level of budgetary control is at the departmental level within an individual fund for legal and administrative control. Unencumbered amounts lapse at year-end in the General Fund.



Mayor and City Council as of 11/03/2025

*Pictured above: Josh Woods (District 6), Dr. Samantha Ingram (District 2), Ben Reynolds (District 4), C.J. Small (District 3), Spiro Cheriogotis (Mayor), Gina Gregory (District 7), Cory Penn (District 1), Beau Fleming (District 5).*



## FINANCIAL PERFORMANCE AND CITY ECONOMY

Mobile continues to have a diverse economy which provides growth and opportunities for our citizens. The city's strategic location on the Gulf Coast, along with its growing port and unique infrastructure development, has contributed to this thriving economy.

Notable ongoing economic projects including the development of Mobile International Airport, the recently completed deepening and widening of Mobile's federal shipping channel, and commercial expansions at major employers like Austal USA and Airbus Americas. The City of Mobile is also constructing a new entertainment arena. Set to be completed in early 2027, it is expected to have a positive impact on tourism, downtown development, and the city's economy.

In fiscal year 2025, the General Fund's tax revenues surpassed projections by \$2 million. Notably, business license revenues reached \$56.2 million, exceeding the budget by \$3.2 million. Due to the decrease in interest rates, investment income was reduced by \$3 million from the previous year.

Tourism continues to play a vital role in our economy, attracting over 3.9 million visitors in 2025. In 2023, Mobile welcomed the Carnival Spirit under a five-year berthing agreement. In 2027, Carnival will resume year-round sailing out of Mobile with the Carnival Valor, a newer, larger ship than the Spirit. Organizations like Visit Mobile and the City of Mobile Events Department are instrumental in supporting and promoting local tourism. In 2025, Amtrak launched the Mardi Gras Service, a twice-daily passenger rail service between New Orleans and Mobile. In its first six months of operation, the Mardi Gras Service has welcomed 70,500 riders aboard, exceeding initial expectations, and is projected to continue growing.

General Fund actual expenditures for 2025 totaled \$302.2 million, below the amended budget of \$333.5 million. All operating departments effectively managed spending, partly due to staffing challenges. These fiscal prudence measures have helped maintain our strong surplus position and uphold our Aa rating from Moody's and AA rating from Standard & Poor's.

In 2025, Mobile implemented several economic initiatives aimed to foster growth, enhance workforce development, and diversify its economic base. This includes the infrastructure investment in the Port of Mobile to enhance capacity and efficiency and improvements in road and rail infrastructure to facilitate better connectivity for businesses and support economic growth.

Mobile saw inflation begin to moderate with supply chains recovering and energy prices stabilizing. The annual inflation rate dropped to around 3-4%, reflecting a more balanced economic environment.

As we progress through the fifth month of fiscal year 2026, the economy continues to have moderate growth with stable inflation. Revenues have exceeded budget forecasts, and expenditure remains below planned levels. The General Fund surplus has grown through January, thanks to positive variances.

Looking ahead, our outlook for the remainder of the fiscal year is positive. We are optimistic that the current fiscal year will conclude favorably, surpassing budget expectations.



**Alabama Port Authority**

As Alabama’s only deep-water seaport, the Port of Mobile is critical to the economic viability of the city and the entire state of Alabama. It is also the gateway to a growing network of coastal and inland logistics assets managed by the Alabama Port Authority. This multimodal service platform, Mobile America Express (MAX), connects global trade to inland markets at the Port of Mobile and via rail lines, inland waterways, interstate highways, and air cargo.



Since 2019, marine cargo activity at the Alabama Port Authority’s public and private terminals delivered \$415 billion in total economic value to the state. Annually, the Port support one in seven jobs statewide. As the second-fastest-growing U.S. port of entry over the last decade, the Port of Mobile is expanding its role in domestic and international trade and generating economic impact that supports industries and communities across Alabama.

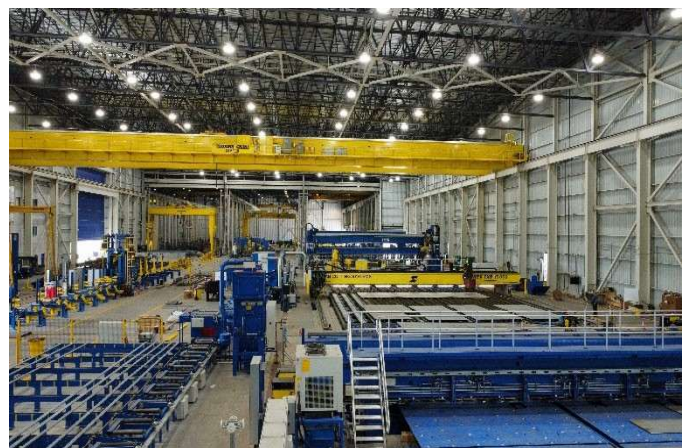


With continued infrastructure investment, Mobile’s port operations are growing. In October 2025, the Mobile Ship Channel reached its authorized 50-foot depth, making the Port of Mobile the deepest container port in the Gulf, enabling deeper-draft vessel operations with faster access to open water. The Alabama Port Authority is also in the fourth phase of a container terminal expansion that will double capacity to more than 1 million TEUs annually, with a fifth expansion planned that will grow capacity to over 2.5 million TEUs.

To support the growth of the container terminal in Mobile, the Alabama Port Authority is also investing in new inland assets, including an intermodal container transfer facility in Montgomery and plans for intermodal rail service to North Alabama.

**Austal USA**

Shipbuilding has been a cornerstone of Mobile’s economy for more than a century, and Austal USA remains one of its most significant contributors. Since opening its Mobile shipyard in 1999, the company has specialized in aluminum ship construction using module manufacturing and assembly-line efficiencies. Over the past two decades, Austal USA has delivered dozens of





vessels to the U. S. Navy, including Littoral Combat Ships and Expeditionary Fast Transport vessels, helping establish Mobile as a national center for advanced naval shipbuilding

Today, Austal USA employs more than 3,000 people in Mobile and continues to expand its workforce as new contracts and capabilities come online. In recent years, the company has diversified beyond aluminum ship construction with the development of a state-of-the-art steel panel line facility. The new steel production line supports major federal contracts, including the U.S. Navy’s Towing, Salvage and Rescue Ships (T-ATS), the Auxiliary Floating Dry Dock Medium (AFDM), Landing Ship Utility (LSU) vessels, Ocean Surveillance (T-AGOS), and the U.S. Coast Guard’s Offshore Patrol Cutter program — contracts collectively valued in the billions of dollars and expected to sustain shipbuilding activity in Mobile for years to come.

Austal USA has also expanded into submarine module construction. In partnership with General Dynamics Electric Boat, the company is developing a submarine module production facility in Mobile to support the U.S. Navy’s Columbia- and Virginia-class submarine programs. This investment further strengthens Mobile’s role in national defense manufacturing and positions the shipyard as a critical supplier within the Navy’s submarine industrial base.



In addition to traditional shipbuilding, Austal USA continues to invest in advanced manufacturing, autonomy, and unmanned maritime systems. The company has partnered with Saildrone, Inc. as the exclusive builder of Surveyor-class vehicles and collaborates with major defense contractors on the development of autonomous and additive manufacturing capabilities.



## SSAB

SSAB is one of North America's leading producers of steel plate and coil, with two major company divisions located in the Mobile area. SSAB Americas maintains its North American headquarters in Mobile, with employees based both in downtown Mobile and at its steel production facility in Axis, Alabama. SSAB Special Steels operates the Axis mill, one of the most advanced electric arc furnace (EAF) steel mills in the world.



SSAB Americans employs 700 people in the Mobile area and plays a significant role in the regional manufacturing economy. The company specializes in high-strength and premium steel products used in the energy, construction, agriculture, heavy transportation, defense, and infrastructure sectors. Steel produced at the Axis facility is used in applications across the country, including railcars, bridges, stadiums, heavy equipment, wind towers, and naval vessels.

The Axis mill operates using electric arc furnace technology, making it one of Alabama's largest recyclers of steel scrap. SSAB's U.S. production is based almost entirely on recycled material, and its products are 100 percent recyclable. The company has positioned sustainability as a central focus of its long-term strategy, with global initiatives aimed at reducing carbon emissions and advancing fossil-free steel production technologies.

In recent years, SSAB has continued expanding its production capabilities in Axis, including the addition of a quenched and tempered (Q&T) line to enhance its ability to produce high-strength commercial and defense-grade steel. The facility also plays an important role in supporting domestic shipbuilding. SSAB entered into a key supply agreement with Austal USA to provide high-quality steel plate for the U.S. Navy's Towing, Salvage, and Rescue Ships (T-ATS) and other steel-hulled vessels constructed in Mobile. In 2025, SSAB announced a \$74 million expansion at its facility in Axis that will include a new building equipped with a state-of-the-art furnace and infrastructure improvements.

## Airbus USA

Airbus has become one of the most transformative economic drivers in Mobile over the past decade. Today, the company operates multiple business units in the region, including Airbus U.S. Manufacturing at Mobile Aeroplex at Brookley, the Airbus Engineering Center Mobile, and Airbus U.S.



Space & Defense at the Mobile Regional Airport. Together, these operations make Mobile one of Airbus' most import industrial hubs outside of Europe.

Airbus began assembling commercial aircraft in Mobile in 2015 with its first A320 Family final assembly line. In 2019, the company expanded its footprint with the addition of a second final assembly line dedicated to the A220 program. Since then, Airbus has continued to grow its physical and workforce presence at Brookley. The company has invested hundreds of millions of dollars in facility expansions, including additional production space and expanded aircraft in delivery and support facilities. In 2025,

Airbus inaugurated its second A320 final assembly line in Mobile. Since 2015, the team in Mobile has delivered more than 600 aircraft to customers in the United States and Latin America.



Today, Airbus employs more than 2,600 people across its 2.5 million square feet of facility space in Mobile, and its footprint is expected to grow as the A320 and A220 families continue to see strong customer demand. Mobile is one of the largest commercial jetliner manufacturing centers in the United States today and is positioned to become the fourth-largest hub of aerospace production in the world as a result of continued investments made by Airbus and its network of suppliers.

With continued production growth, expanding defense operations, and long-term global demand for single-aisle aircraft, Airbus remains one of the most significant contributors to economic growth in the City of Mobile and throughout the region.

### **South Alabama Logistics Park (SALP)**

The South Alabama Logistics Park (SALP) is a new economic development project that began in 2021. Its goal was to build multiple sites on 1,300 acres of land to attract new businesses to the Mobile area with multiple local, national, and international firms.

The SALP site would allow businesses to take advantage of the City's access to North-South and East-West interstate transportation, its five Class 1 railroads and the Port of Mobile. The project has made significant progress toward its goal of attracting new business to the region and becoming one of the key distribution points in the Mobile area.

As of October 2025, SALP has six tenants open and operating on the premises, with further development underway to accommodate future expansions.

DC Safety, an automotive supply company, is fully operational and employs roughly 50 individuals at its facility. It is also expanding into a neighboring space and expects to hire additional employees.



Chadwell Supply, which services multi-family housing complexes, is also open and operational, with another 50 jobs at its facility.

Averitt Express, a logistics company, has also opened their new facility, which expands on their presence in the Mobile area. That state-of-the-art facility is also home to another 50 employees.

Simpson Strong-Tie, is one of the world’s largest manufacturers of structural construction products, including steel connectors, fasteners, and anchors. Its initial \$7.5 million investment at SALP expanded operations to Mobile and created more than a dozen new jobs.

VEYER, is a 3PL logistics provider offering fulfillment, distribution, warehousing, transportation, and final-mile delivery services to Fortune 500 and eCommerce companies. As the newest facility on the property, VEYER brought an additional 18 jobs to SALP in 2024. The company has also announced plans to reroute its supply lines for its new facility through the Port of Mobile — a sign of Mobile’s growing reputation as an unrivaled logistics hub in the Southeast.

In total, 685,000 square feet of warehousing space is built and accounted for, with 500,000 square feet of that space open and operational. This significant investment and progress represent less than 10 % of the long-term projected size of the park.

Overall, progress is on schedule and serving the high demand for modern warehousing and logistics space in the Mobile area. SALP is well on its way to meeting its goal of becoming a world class distribution center serving the Southeast, Mid Atlantic and Midwest States.



## EDUCATION AND CULTURE

Mobile is home to the University of South Alabama which is currently educating nearly 14,000 students in more than 125 academic programs. Founded in 1963, USA’s 1,200-acre campus has been transformed over the past decade with new facilities. USA’s health care facilities provide economic stability to Mobile through USA Health’s employment of approximately 3,900 clinical and nonclinical staff. USA Health is also a training ground for future physicians and healthcare professionals. Mobile area colleges and universities also include Spring Hill College, Bishop State Community College, University of Mobile, and others.



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



### Mobile Museum of Art

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

As one of Mobile’s leading cultural institutions, the museum brings world-class art the Gulf Coast while also serving as a hub for education and creativity through its public programs, exhibitions, and community events.

### National Maritime Museum of the Gulf

The National Maritime Museum of the Gulf is the only museum in the world dedicated to the rich history and traditions of America’s Gulf Coast (formerly known as the Gulf of Mexico). With more than 80 immersive exhibits and interactive experiences, the museum offers something for maritime enthusiasts of every age and highlights the history, ecology, and cultures that have shaped the Gulf Coast.



Visitors enjoy immersive experiences across a wide array of maritime topics, including early settlements and trade routes, marine commerce and shipbuilding, ship navigation and communication, offshore oil and gas platforms, and more. In 2026, the museum will open an exhibit dedicated to the music and legacy of Mobile native Jimmy Buffett. In 2027, a new exhibit will highlight the unrivaled natural beauty and biodiversity of the Mobile-Tensaw River Delta.

Mobile is also home to the historic Saenger Theatre, Mobile Opera, Mobile Symphony, Mobile Ballet, the History Museum of Mobile, the Gulf Coast Exploreum Science Center, the USS Alabama Battleship Memorial Park (pictured below), and many other cultural and historical attractions and organizations.



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*USS Alabama Battleship  
Memorial Park*

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



### Africatown Heritage House

In 2023, the Mobile County Commission opened the Africatown Heritage House, which houses "Clotilda: The Exhibition." With support from the City of Mobile and the History Museum of Mobile, this unique museum highlights the history of the *Clotilda*, the last known slave ship to arrive in the United States, and the community of Africatown, founded by 110 formerly enslaved people the ship brought to the shores of Mobile Bay in 1860.

Since its opening, *Clotilda: The Exhibition* has drawn international attention and acclaim. The museum was ranked among the **Top 10 Best New Museums in the United States** by *USA Today* readers and has also been recognized on *USA Today*'s list of top history museums. These honors highlight its growing national significance and its role in preserving and sharing the story of Africatown.

With additional projects underway in the community — including the City of Mobile's Africatown Welcome Center, which is set to open in 2026 — this historic community is poised to become an increasingly important part of Mobile's tourism landscape.

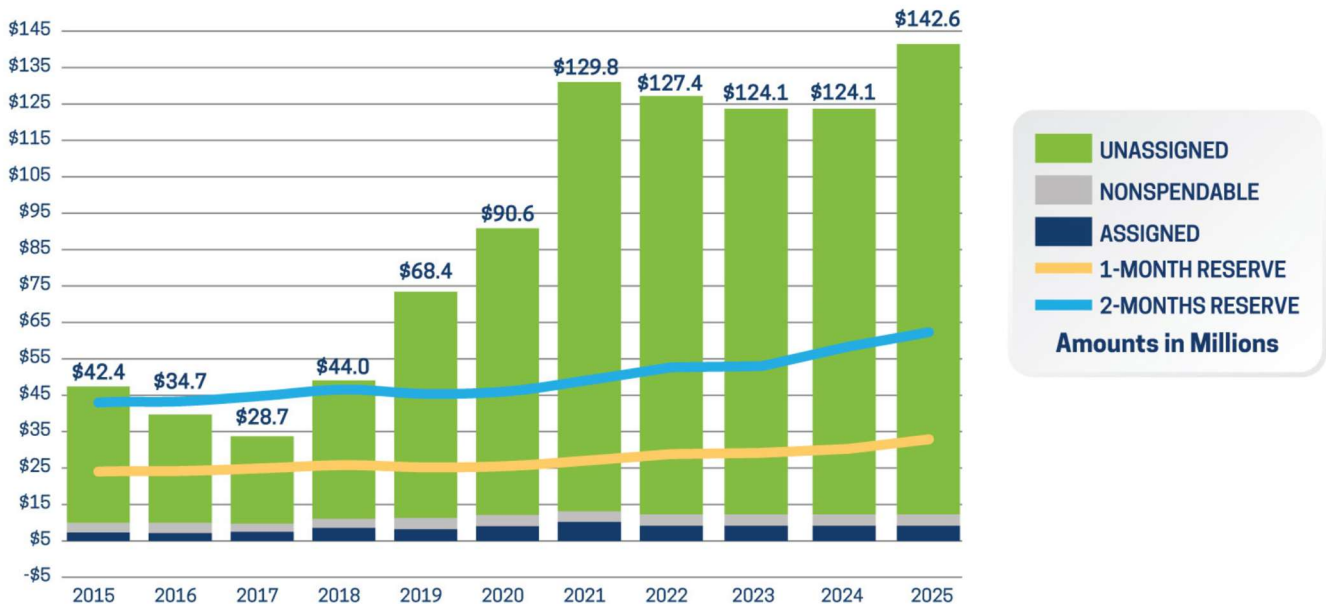


### RELEVANT FINANCIAL POLICIES

In order to ensure future stability in its credit ratings, the City administration adopted a reserve policy for its General Fund in order to maintain a two-month minimum reserve. This policy is intended to provide resources that might be necessary to meet unexpected financial pressures due to natural or manmade disasters or recessionary decreases in consumer-based tax revenues. On January 2, 2025, the total reserve fund balance policy was strengthened by amending the municipal code to formally establish the reserve fund by ordinance. This will prevent the reserve from falling below the 16.66% without a resolution recommended by the mayor and approved by the city council.

The City's reserve policy requires the funding of an unassigned fund balance equal to 16.66% of budgeted General Fund revenues for the immediately preceding fiscal year. The balance indicated by this policy for fiscal year 2025 is approximately \$58.2 million.

### GENERAL FUND - FUND BALANCE FY 2015 - 2025



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

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

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



These internal controls are subject to periodic evaluation by the City and are maintained by our Grants Management team, a division of City Accounting and Finance.

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

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

The City is self-insured for claims and judgments, general liability, and general automobile liability. These liabilities were estimated to be approximately \$414,514. This liability was accounted for in the Liability Insurance Internal Service Fund. Claim settlement and loss expenses are accrued in this fund for estimated reported claims. Past experience indicates that incurred but not reported claims, in aggregate, do not represent a material amount and, therefore, have not been accrued at year-end.

The City is self-insured for workers' compensation claims, up to \$750,000 per accident/claim, to include medical expenses and indemnity payments to the injured worker. The City is fully insured over the \$750,000 self-insured retention, through the Municipal Workers Compensation Fund (MWCF). The City contracts with a third-party administrator for claims administration that occurred prior to participation in MWCF on January 1, 2017. These liabilities were estimated to be approximately \$13.9 million at September 30, 2025, and are accounted for in the Government-wide financial statements.

The liability for employee health insurance claims of approximately \$2 million is reported in the Employee Health Plan Fund (Internal Service Fund).

The cost of providing benefits to City retirees is a significant commitment of current and future resources. The City pays 100% of benefit costs after employee contributions and plan earnings. The City has met all its obligations and incorporated the effect of expected benefit cost increases in making annual budget decisions.

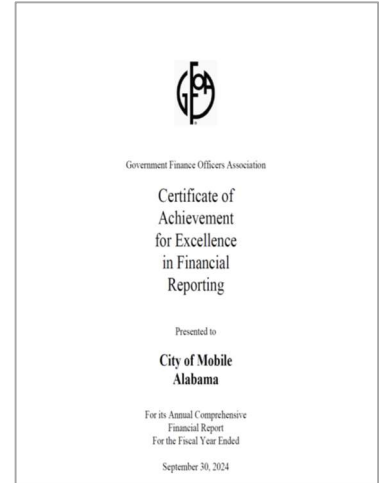
The City of Mobile enters into economic development incentive agreements periodically aimed at fostering a robust, diverse, and sustainable regional economy. This program involves an agreement where the government relinquishes certain tax revenues in exchange for commitments from the participating entity to undertake specific actions that will promote economic development or benefit the community and its residents. Tax abatements are designed to enhance local conditions and stimulate economic growth that may not occur otherwise; they serve as a vital tool for redevelopment efforts. The primary goal of these abatements is to encourage the revitalization of distressed areas. Potential advantages include creating additional short- and long-term employment opportunities for local residents, attracting new businesses or enhancing existing ones, and drawing in new residents, which can generate increased tax revenue.



Additionally, they can create a tax revenue stream from previously vacant or underdeveloped properties, improve safety and commercial activity, and boost the value of nearby properties.

**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, 2024, annual comprehensive financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.



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

Sincerely,

Donna G. Bryars  
Deputy Director of Finance





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

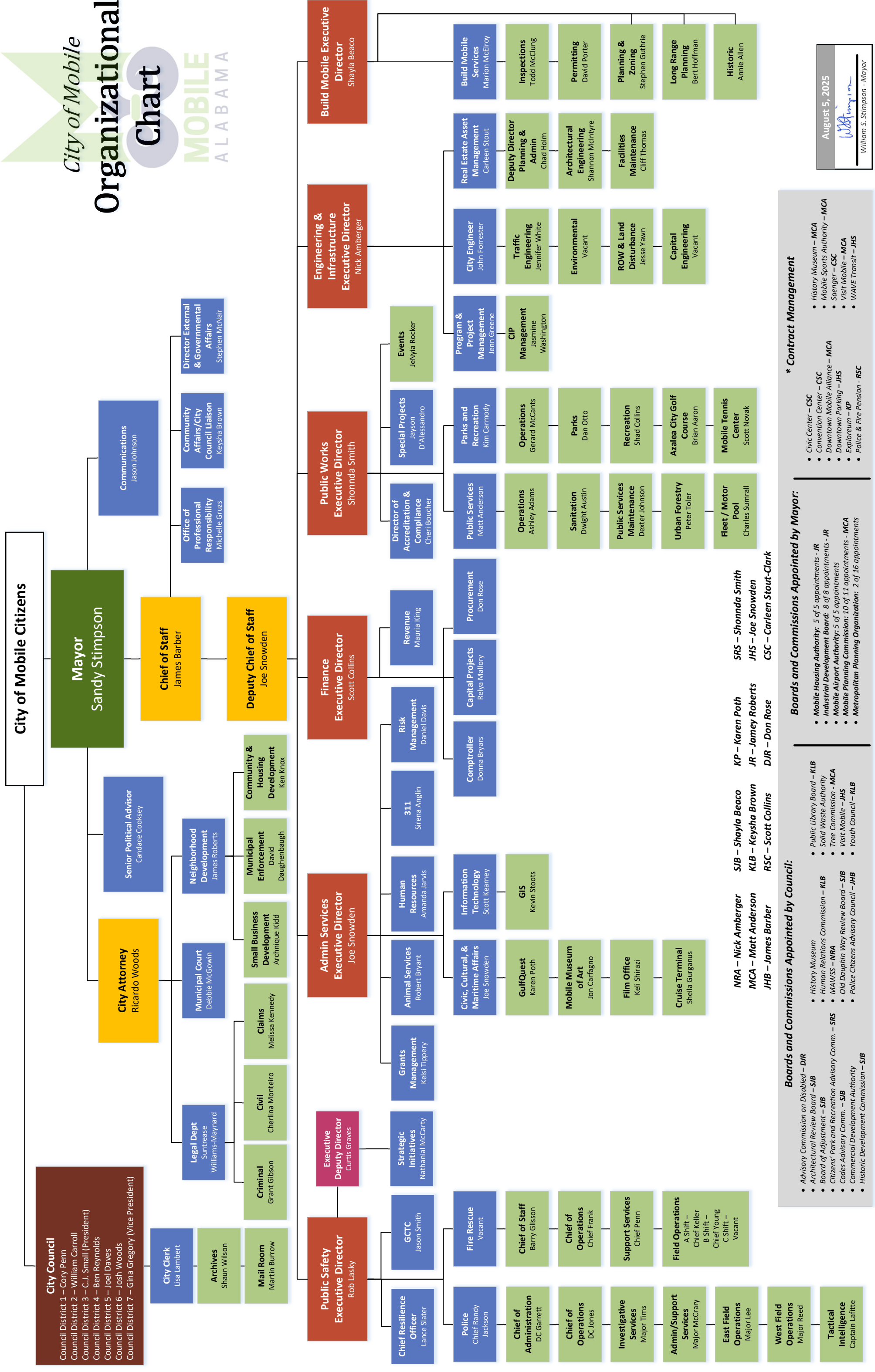
**City of Mobile  
Alabama**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

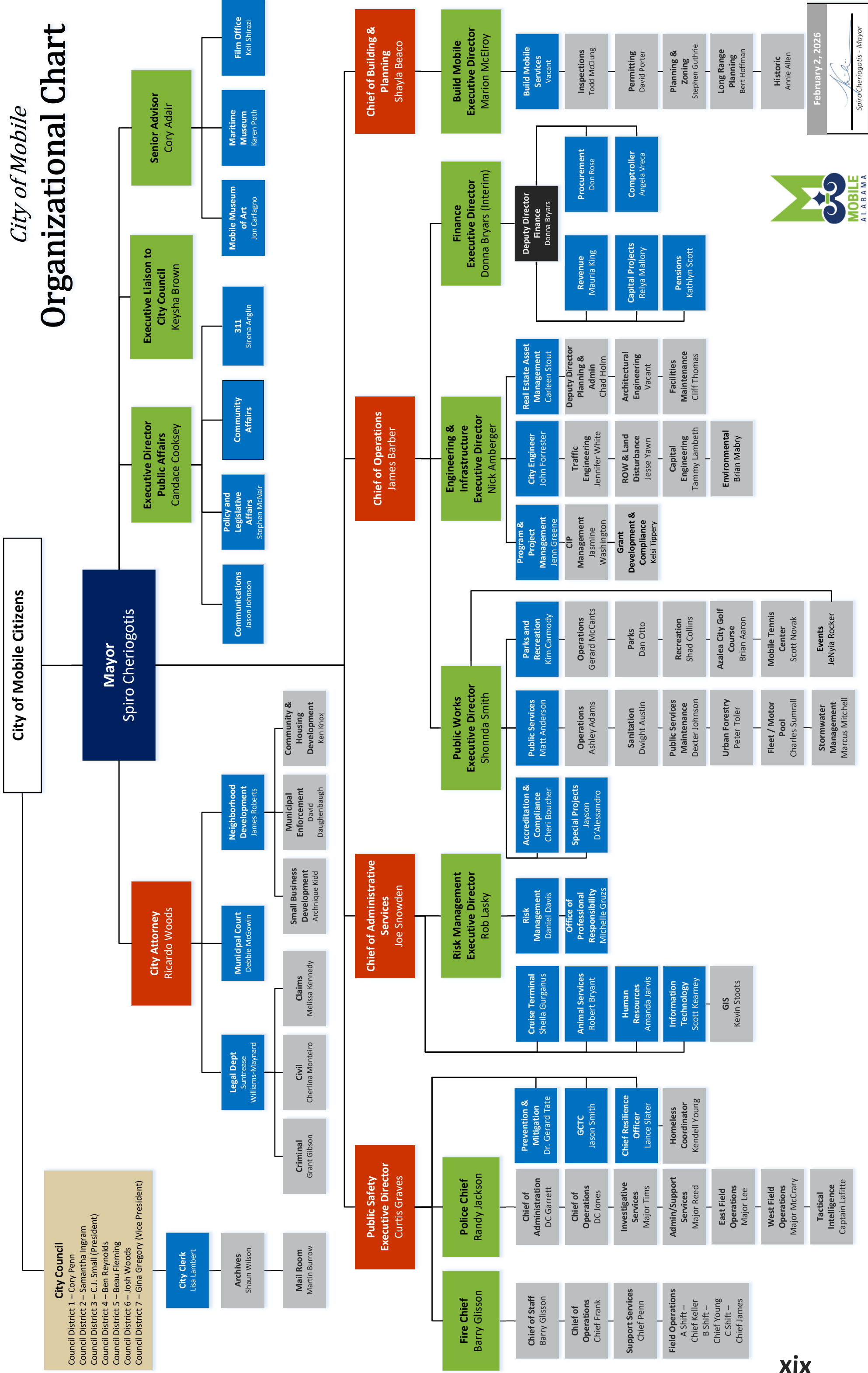
*Christopher P. Morill*

Executive Director/CEO

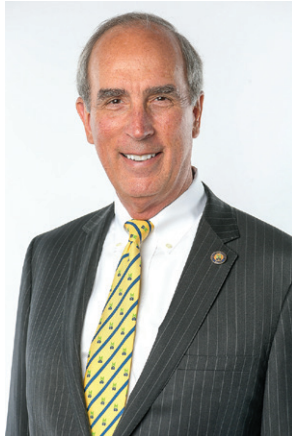


- Boards and Commissions Appointed by Council:**
- Advisory Commission on Disabled – DIR
  - Architectural Review Board – SJB
  - Board of Adjustment – SJB
  - Citizens' Park and Recreation Advisory Comm. – SRS
  - Codes Advisory Comm. – SJB
  - Commercial Development Authority
  - Historic Development Commission – SJB
  - History Museum
  - Human Relations Commission – KLB
  - MAWSS – NRA
  - Old Dauphin Way Review Board – SJB
  - Police Citizens Advisory Council – JHB
  - Public Library Board – KLB
  - Solid Waste Authority
  - Tree Commission – MCA
  - Visit Mobile – JHS
  - Youth Council – KLB
- Boards and Commissions Appointed by Mayor:**
- Mobile Housing Authority: 5 of 5 appointments - JR
  - Industrial Development Board: 8 of 8 appointments - JR
  - Mobile Airport Authority: 5 of 5 appointments
  - Mobile Planning Commission: 10 of 11 appointments - MCA
  - Metropolitan Planning Organization: 2 of 16 appointments
  - Civic Center – CSC
  - Convention Center – CSC
  - Downtown Mobile Alliance – MCA
  - Downtown Parking – JHS
  - Exploreum – KP
  - Police & Fire Pension – RSC
  - History Museum – MCA
  - Mobile Sports Authority – MCA
  - Soeniger – CSC
  - Visit Mobile – MCA
  - WAVE Transit – JHS

# City of Mobile Organizational Chart



February 2, 2026  
SpiroCheriogotis - Mayor



**William S. Stimpson**  
Mayor

**MOBILE CITY COUNCIL**



**C.J. Small**  
District 3, President



**Gina Gregory**  
District 7, Vice President



**Cory Penn**  
District 1



**William Carroll**  
District 2



**Ben Reynolds**  
District 4



**Joel Daves**  
District 5



**Josh Woods**  
District 6

**PRINCIPAL OFFICIALS FY 2025**



**Spiro Cheriogotis**  
Mayor

# MOBILE CITY COUNCIL



**C.J. Small**  
District 3 | President



**Gina Gregory**  
District 7 | Vice President



**Cory Penn**  
District 1



**Dr. Samantha Ingram**  
District 2



**Ben Reynolds**  
District 4



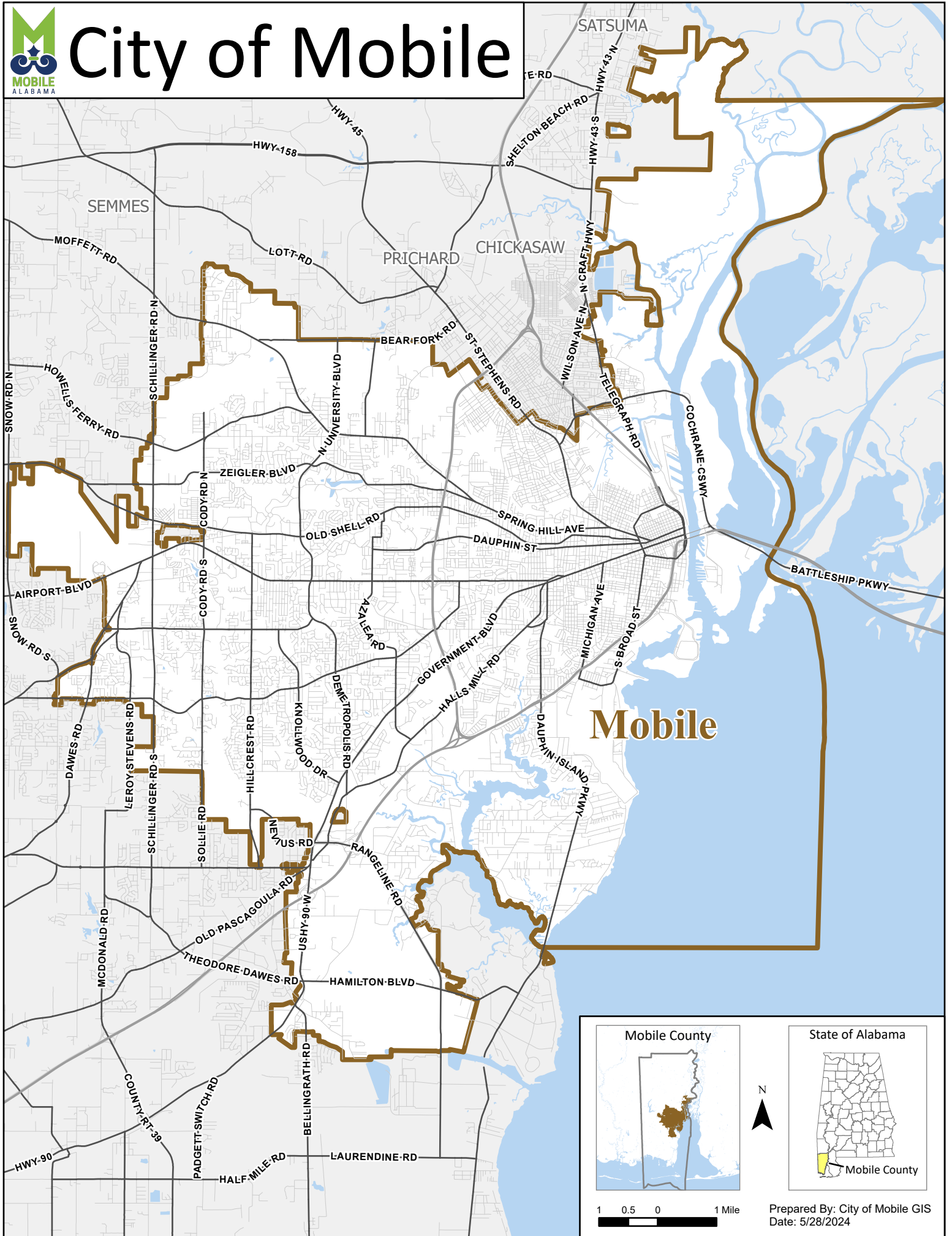
**Beau Fleming**  
District 5



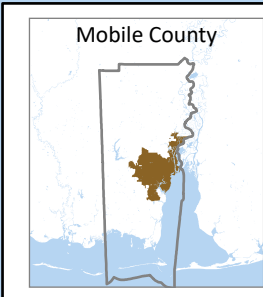
**Josh Woods**  
District 6



# City of Mobile



## Mobile



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Prepared By: City of Mobile GIS  
Date: 5/28/2024



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# PART II: FINANCIAL SECTION



# PART II: FINANCIAL SECTION





# SmithDukes

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the 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, 2025, 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.

In our opinion, based on our audit and the report of the other auditor, the accompanying financial statements 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, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of WAVE Transit, which represent 1.35 percent of the assets, 1.90 percent of the net position, and 0.72 percent of the revenues of the City. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for WAVE Transit, is based solely on the reports of the other auditor.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller general of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Mobile, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Mobile's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Mobile's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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.

***Supplementary 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 Combining Financial Statements and Other Supplementary Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditor. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we will issue our report 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 at a future date. 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 & Buckleaw, L.L.P.*

Mobile, Alabama  
May 22, 2026



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# MANAGEMENT'S DISCUSSION AND ANALYSIS



# MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Mobile's Annual Comprehensive Financial Report (ACFR) presents city management's discussion and analysis of the City's financial performance during the fiscal year that ended on September 30, 2025 and a comparison to the prior year. Please read this in conjunction with the City's financial statements, which follow this section, and the additional information furnished in the letter of transmittal, which can be found in the introductory section of the ACFR.

Table of Contents

Financial Highlights.....4
Understanding the Financial Statements.....5
Major Revenues and Expenses .....9
Condensed Financial Information.....11
Individual Fund Analysis.....17
General Fund Budgetary Highlights .....19
Capital Asset and Long-term Debt Activity.....19
Contacting the City .....20

FINANCIAL HIGHLIGHTS

NET POSITION

The assets and deferred outflows of the City of Mobile exceeded its liabilities and deferred inflows at the close of the fiscal year by \$1,143.6 million (net position). Of this amount, the City had \$780.9 million in net investment in capital assets, \$284.7 million in restricted net position, and \$78.0 million in unrestricted net position.

CHANGE IN NET POSITION

The City's total net position increased \$80.5 million, or 7.6% over the prior year. Net position of governmental activities increased \$74.0 million, or 7.5%, and net position of business-type activities increased \$6.5 million, or 8.5%. This change in net position was due to an increase in charges for services and overall general revenues. Specifically, business license revenue increased \$3.1 million and taxes increased \$8.4 million over the prior year. Each of these can be attributed to a combination of inflation and overall growth within the city. Also, the City Council approved amending a portion of the city's schedule of license ordinance.

GOVERNMENTAL FUNDS

At the close of the current fiscal year, the City's governmental funds reported a combined fund balance of \$568.0 million. This was an increase of \$208.2 million or 57.9% from the prior year.

This increase is from the proceeds received for the issuance of debt of \$222.5 million for the construction of the new Mobile Arena.

Total governmental fund revenues increased \$6.0 million (1.3%) while total expenditures increased \$47.6 million (10.5%) from the prior year. At the end of the current fiscal year, the total fund balance for the General Fund was \$142.7 million, which is an increase of 15% from FY24.

MAJOR REVENUE SOURCES

Sales and use tax, the City's single largest revenue source, increased \$4.3 million or 1.6% from the prior year primarily due to economic growth over the prior year.

OTHER SIGNIFICANT EVENTS

In 2026, the construction of the Mobile Arena is still in progress with the completion to take place in 2027. This will bring new economic opportunities and entertainment options to the community. Additionally, in November of 2025, the city elected a new Mayor, Spiro Cheriogotis and two new City Council members, Samantha Ingram, District 2 and Beau Fleming, District 5.



## UNDERSTANDING THE FINANCIAL STATEMENTS

Three questions are the focal points of the financial data in this report:

1. **Near-term financing:** Will the government be able to pay its bills (both expected and unexpected) on time?
2. **Financial position:** Is the government's financial health improving or deteriorating?
3. **Economic condition:** Is it likely that today's financial position will improve or deteriorate?

To assist the reader in answering these questions, the City's financial statements consist of four parts: management's discussion and analysis (this section), the basic financial statements, the narrative notes to the financial statements and the required supplementary information. The basic financial statements include two types of statements that present different views of the City's finances: government-wide and fund statements.

### GOVERNMENT-WIDE STATEMENTS

The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.

These statements are designed to provide a broad overview of the City's finances, in a manner similar to a private-sector business. All of the City's activities are reported in the government-wide statements.

### FUND STATEMENTS

The remaining statements are fund financial statements that focus on individual elements of the City government, reporting the City's operations in more detail than the government-wide statements.

The fund statements focus on accountability of resources versus the government-wide financial statements' focus on the ability to meet financial obligations. The fund statements include governmental and proprietary funds.

**GOVERNMENTAL FUND** statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.

Governmental funds focus primarily on the sources, uses and balances of current financial resources and often have a budgetary focus. Thus, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or less financial resources that can be spent in the near future to finance the City's programs.

**PROPRIETARY FUND** statements offer short and long-term financial information about the activities the government operates like businesses such as the Transit System.

Proprietary funds focus on the determination of financial position, operating income, changes in net position (or cost recovery), and cash flows. The proprietary fund category includes enterprise and internal service funds. **ENTERPRISE FUNDS** are used in situations where a fund provides services primarily to external customers. **INTERNAL SERVICE FUNDS** are designed to function on a cost-reimbursement basis primarily providing benefits to other funds, departments or agencies of the City.

### NOTES

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

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



ANNUAL COMPREHENSIVE FINANCIAL REPORT			
INTRODUCTORY SECTION			
FINANCIAL SECTION			
FINANCIAL SECTION	Management's Discussion and Analysis (MD&A)		
	<i>Summary</i> ←		→ <i>Detail</i>
	Government-wide Financial Statements	Fund Financial Statements	
	Statement of net position	Governmental Funds	Proprietary Funds
		Balance sheet	Statement of net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balances	Statement of revenues, expenses, and changes in fund net position
			Statement of cash flows
	Notes to the financial statements		
	Required supplementary information other than the MD&A		
	Information on individual nonmajor funds and other supplementary information		
STATISTICAL SECTION			

**GOVERNMENT-WIDE STATEMENTS**

The Statement of Net Position and the Statement of Activities, (pages 21-23) provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

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

These statements report the City's net position and changes in it. You can think of the City's net position (the difference between assets and deferred outflows less liabilities and deferred inflows) as one way to measure the City's financial health, or financial

position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's tax bases and the condition of the City's drainage systems and roads, to assess the overall health of the City.

In the government-wide statements, we divide the City into three kinds of activities: governmental, business-type, and component units.

**GOVERNMENTAL ACTIVITIES**

Most of the City's basic services are reported here, including police, fire, public works, parks and recreation departments and general administration. Sales taxes, business license fees, property taxes, franchise fees, and state and federal grants finance most of these activities. Governmental activities include all governmental funds and internal service funds.



**BUSINESS-TYPE ACTIVITIES**

The City charges a fee to customers to help cover all or most of the cost of certain services provided. Business-type activities include all of the City's enterprise funds.

**COMPONENT UNITS**

The City includes two separate legal entities in its report: Mobile Public Library and the Solid Waste Disposal Authority. More comprehensive information about these component units can be found in Note 2.

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**FUND STATEMENTS**

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Fund financial statements start on page 24. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. The fund financial statements provide detailed information about the most significant funds – not the City as a whole.

Some funds are required to be established by State law and by bond covenants. However, the City Council established many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Justice and the U.S. Department of Housing and Urban Development). Major funds are separately reported while all others are combined into a single, aggregated presentation.

Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report. The City's two types 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 in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be

converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a separate reconciliation following each fund's respective financial statement.

**PROPRIETARY FUNDS**

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



NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-

wide and fund financial statements. The notes to the financial statements start on page 34.

REQUIRED SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budget.

A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with the budget starting on page 100.

GOVERNMENT-WIDE STATEMENTS		FUND STATEMENTS	
		GOVERNMENTAL FUNDS	PROPRIETARY FUNDS
<b>SCOPE</b>	Entire City government and the City's component units	The activities of the City that are not proprietary, such as police, fire, and public works	Activities the City operates similar to private businesses such as Transit System, Civic Center, Convention Center, and Saenger Theatre
<b>REQUIRED FINANCIAL STATEMENTS</b>	1. Statement of net position 2. Statement of activities	1. Balance sheet 2. Statement of revenues, expenditures, and changes in fund balance	1. Statement of net position 2. Statement of revenues, expenses, and changes in net position 3. Statement of cash flows
<b>ACCOUNTING BASIS AND MEASUREMENT FOCUS</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<b>TYPE OF ASSET/ LIABILITY</b>	All assets, deferred inflows, liabilities, and deferred outflows, both financial and capital, short-term and long-term	Only assets and deferred outflows expected to be used up and liabilities and deferred inflows that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets, deferred outflows, liabilities, and deferred inflows, both financial and capital, short-term and long-term
<b>TYPE OF INFLOW/ OUTFLOW</b>	All revenue and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year and expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenue and expenses during the year, regardless of when cash is received or paid



**MAJOR REVENUES AND EXPENSES**

The subsequent section “Condensed Financial Information” contains high-level summaries of City financial activities. This section contains explanations of the various categories of revenues and expenses reported in the condensed Statement of Activities.

**GOVERNMENT-WIDE REVENUES**

**GENERAL REVENUES**

Tax revenue is the largest portion of revenue reported by the City. The majority of the tax revenue is deposited into the General Fund, the City’s largest operating fund. Significant tax revenue is also reported in the Capital Improvement Fund and is utilized to fund the City’s capital improvements and enhancements. Tax revenue is also reported in the Convention Center Fund.

General revenues also include investment earnings, transfers between activities, and other miscellaneous revenues not related to specific programs.

**PROGRAM REVENUES**

Program revenues include three categories of revenues: charges for services, operating grants and contributions and capital grants and contributions.

**CHARGES FOR SERVICES**

Charges for services in governmental activities includes licenses, permits, inspections, franchise fees, public safety fines and fees, certain parking and lease revenues, and recreation fees.

Business-type charges for services include the user fees reported in enterprise funds related to facility rentals, ticket sales, parking fees, sales revenue, and other miscellaneous revenues.

**OPERATING GRANTS AND CONTRIBUTIONS**

Operating grants and contributions include the revenue from federal, state, and other grants which are not restricted for capital uses.

**CAPITAL GRANTS AND CONTRIBUTIONS**

Grant revenue is reported as a “capital grant” only if it is restricted solely to the acquisition, construction, or improvement of the City’s capital assets. Otherwise, the grant revenue is reported as an “operating grant.” This category of revenue also includes donations of capital assets including adopted streets.

**GOVERNMENT-WIDE EXPENSES**

**GOVERNMENTAL ACTIVITIES**

**GENERAL GOVERNMENT**

General government expenses relate to centralized functions affecting most departments of the City. These services provide an administrative support system through which the goals and objectives of other City programs are attained. The Mayor’s office, City Council, City Clerk, Information Technology, and Legal are some of the departments that provide these services.

**CULTURE AND RECREATION**

Culture and recreation programs focus resources on recreational and cultural amenities, ensuring that citizens and visitors can explore the cultural traditions, art and history of the City and take advantage of outdoor recreational opportunities. City museums, parks and community centers are some of the departments included.



**ECONOMIC DEVELOPMENT**

Economic development programs invest public resources to create opportunities and outreach for citizens. Community Engagement, the Film Office, and Special Events are some of the departments included.

**ENGINEERING, DEVELOPMENT AND BUILD MOBILE**

Engineering, Development and Build Mobile includes programs which are responsible for the operational support for engineering, architectural engineering, real-estate management, neighborhood development, and for ensuring the fair and equitable administration of codes, ordinances and plans.

**FINANCE**

The Finance function's responsibilities include the management of an adequate system of internal controls and accounting systems, accounts payable, accounts receivable, tax and license collections, budgeting, and pension management.

**PUBLIC SAFETY**

The purpose of the Public Safety function is to improve the safety of all citizens through community partnerships, crime prevention and the protection of life, health, and property. Municipal Court is also included in this function.

**PUBLIC WORKS**

Public Works is responsible for street repair, landfills, the municipal garage, litter and recycling, solid waste, traffic engineering, and trash collection.

**INTEREST ON LONG-TERM DEBT**

Interest expense is the result of City incurred debt used to finance its capital programs. Most long-term financing of the City was provided by the issuance of general obligation debt.

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**BUSINESS-TYPE ACTIVITIES**

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**AZALEA CITY GOLF COURSE**

The Azalea City Golf Course is responsible for planning, maintaining and managing the City's municipal golf course by providing a physically

attractive and challenging golf recreational facility and related services for citizens of all ages.

**MOBILE ARENA**

This fund is used to account for the operations of the Mobile Arena which include activities such as sporting events, social events, musical performances, and theatrical performances.

**CONVENTION CENTER**

This fund is used to account for the operations of the Mobile Convention Center which includes activities such as business conventions and social events.

**CRUISE TERMINAL**

The Cruise Terminal features a two-story 66,000 square foot terminal, state of the art security and an attached parking deck. Carnival Cruise Line currently operates from the Cruise Terminal with destinations to the western Caribbean and the Panama Canal.

**EMERGENCY MEDICAL SERVICES**

The EMS Division is comprised of board-certified paramedics that are assigned to advanced life support transport units. These units are stocked with the most advanced prehospital medical equipment and pharmaceuticals available. These personnel are also certified as Firefighters and are used in a dual role capacity greatly improving the our emergency system.

**HOUSING IMPROVEMENT PLAN FUND**

The Housing Improvement Plan Fund (HIP) programs focus on revitalizing neighborhoods like the Campground area, reducing blight, and assisting low-to-moderate-income residents with homeownership through, low-interest loans, and repair grants.

**MOBILE TENNIS CENTER**

The Mobile Tennis Center is responsible for the management of one of the largest public tennis facilities in the US including regional and national tournaments, clinics and lessons.

**MUNICIPAL PARKING GARAGE**

This fund is used to account for the operations of the Municipal Parking Garage which is rented to the general public on a daily basis.



**NEIGHBORHOOD RENEWAL PROGRAM**  
 This fund is used to account for the operations of the Neighborhood Renewal Program which derives most of its income from the sale of real property inventory.

**SAENGER THEATRE**  
 This fund is used to account for the operations of the Saenger Theatre which include activities such as social events, musical performances, and theatrical performances.

**TRANSIT SYSTEM**  
 The City of Mobile's Transit System (formerly referred to as WAVE) is responsible for providing a safe, reliable public transportation system in the Mobile area.

**CONDENSED FINANCIAL INFORMATION**

As year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole. The City's net position at fiscal year-end is \$1,143.6 million. This is a \$80.5 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, 2025 and 2024**  
 (amounts expressed in thousands)

	Governmental		Business-Type		Total		Amount Change	% Change
	2025	2024	2025	2024	2025	2024		
<b>Assets</b>								
Current and other assets	\$667,654	\$475,976	\$15,049	\$8,078	\$682,703	\$484,054	\$198,649	41.03%
Leases receivable, long tm.	4,170	-	-	-	4,170	-	4,170	100.00%
Capital assets(net)	1,089,746	984,530	74,173	76,892	1,163,919	1,061,422	102,497	9.66%
Total assets	1,761,570	1,460,506	89,222	84,970	1,850,792	1,545,476	305,316	19.76%
Total deferred outflows	75,312	91,096	2,915	4,835	78,227	95,931	(17,704)	(18.45%)
Total assets and deferred outflows	1,836,882	1,551,602	92,136	89,805	1,929,019	1,641,407	287,612	17.52%
<b>Liabilities</b>								
Current and other liabilities	137,124	126,819	3,997	3,707	141,121	130,526	10,595	8.12%
Long-term liabilities	607,929	401,712	405	5,815	608,334	407,527	200,807	49.27%
Total liabilities	745,053	528,531	4,402	9,522	749,455	538,053	211,402	39.29%
Total deferred inflows	31,063	36,307	4,878	3,915	35,941	40,222	(4,281)	(10.64%)
Total liabilities and deferred inflows	776,115	564,838	9,280	13,437	785,395	578,275	207,120	35.82%
<b>Net Position</b>								
Net investment in capital assets	706,776	827,110	74,173	76,892	780,949	904,002	(123,053)	(13.61%)
Restricted	284,591	61,957	-	-	284,591	61,957	222,634	359.34%
Unrestricted	69,400	97,697	8,684	(524)	78,084	97,173	(19,089)	(19.64%)
Total net position	\$1,060,767	\$986,764	\$82,857	\$76,368	\$1,143,624	\$1,063,132	\$80,492	7.57%



NET POSITION

NET INVESTMENT IN CAPITAL ASSETS

The largest portion of the City's net position (68.3%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, equipment, etc.) less any related debt used to acquire those assets that are still outstanding, excluding any unspent proceeds of the debt issued. The City uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

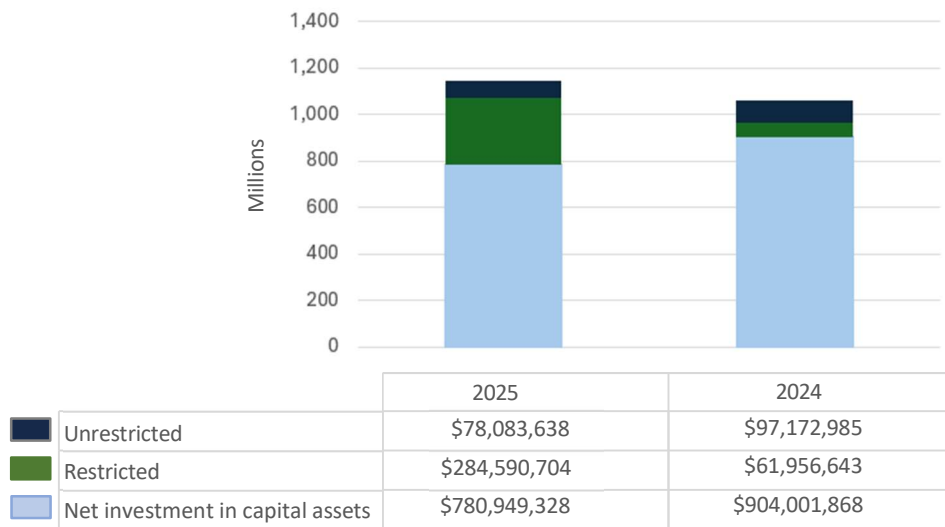
RESTRICTED

An additional portion of the City's net position (24.9%) represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position may normally be used to meet the City's ongoing obligations to citizens and creditors.

UNRESTRICTED

At the end of the current fiscal year, the unrestricted net position is \$69.4 million for governmental activities. The City's unrestricted net position is affected by the way the City is required to account for its other post-employment benefits (OPEB) and pension liabilities. The City has elected to fund its OPEB obligation on a pay as you go basis. Therefore, the City was required to record the total OPEB liability of \$181.6 million as actuarially determined. An additional \$59.7 million can be attributed to the Net Pension Liability on the Statement of Net Position. These two substantial liabilities reduce the amount of unrestricted net position by \$241.2 million.

The unrestricted net position for business-type activities has a balance of \$8.7 million which is a \$9.2 million increase from the prior year.



**CITY OF MOBILE, ALABAMA**  
**Changes in Net Position**  
**For the years ended September 30, 2025 and 2024**  
**(amounts expressed in thousands)**

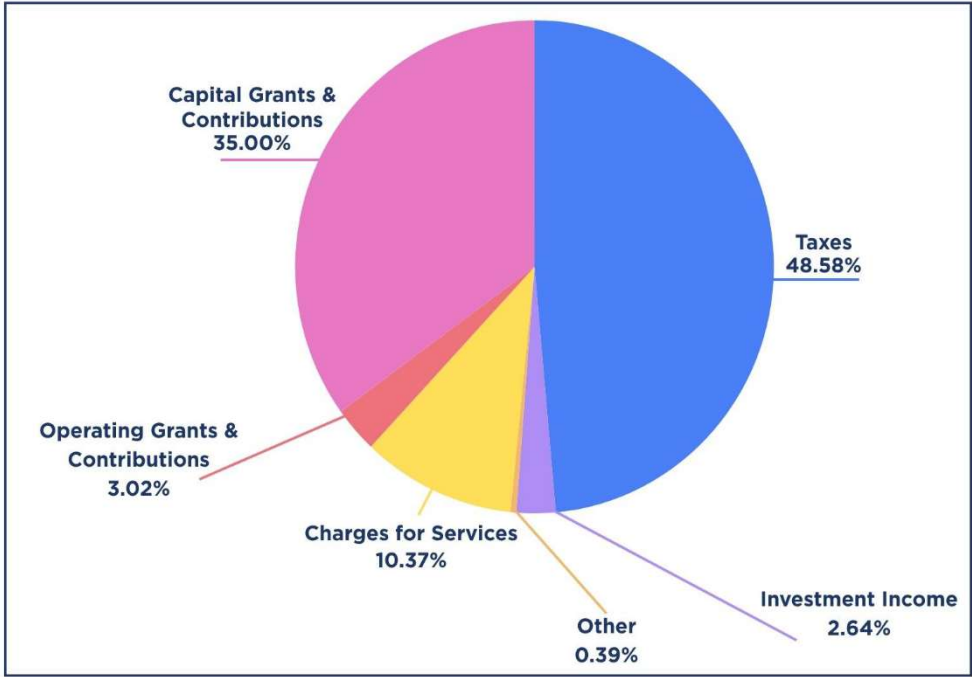
	Governmental		Business-Type		Total		Amount Change	% Change
	2025	2024	2025	2024	2025	2024		
<b>REVENUES</b>								
Program revenues								
Charges for services	\$75,804	\$71,824	\$14,454	\$18,299	\$90,258	\$90,123	\$135	0.15%
Operating grants and contributions	22,077	28,307	3,795	4,051	25,872	32,358	(6,486)	(20.04%)
Capital grants and contributions	255,816	2,941	919	3,620	256,735	6,561	250,174	3813.05%
General revenues								
Taxes	355,061	346,746	13,252	12,703	368,313	359,449	8,864	2.47%
Investment earnings	19,318	16,909	43	54	19,361	16,963	2,398	14.14%
Other	2,917	8,809	106	91	3,023	8,900	(5,877)	(66.03%)
Total revenues	730,993	475,536	32,569	38,818	763,562	514,354	249,208	48.45%
<b>EXPENSES</b>								
Governmental activities								
General government	334,917	95,296	-	-	334,917	95,296	239,621	251.45%
Culture and recreation	32,622	32,252	-	-	32,622	32,252	370	1.15%
Economic development	1,899	1,528	-	-	1,899	1,528	371	24.28%
Engineering, development and Build Mobile	6,935	18,284	-	-	6,935	18,284	(11,349)	(62.07%)
Finance	7,170	6,859	-	-	7,170	6,859	311	4.53%
Public safety	163,251	150,196	-	-	163,251	150,196	13,055	8.69%
Public works	52,724	44,735	-	-	52,724	44,735	7,989	17.86%
Interest on long-term debt	38,596	4,195	-	-	38,596	4,195	34,401	820.05%
Business-Type activities								
Azalea City Golf Course	-	-	2,100	1,984	2,100	1,984	116	5.85%
Civic Center	-	-	496	8,339	496	8,339	(7,843)	(94.05%)
Convention Center	-	-	12,456	11,530	12,456	11,530	927	8.03%
Cruise Terminal	-	-	1,914	2,284	1,914	2,284	(370)	(16.20%)
Emergency Medical Services	-	-	9,861	10,285	9,861	10,285	(424)	(4.12%)
Housing Improvement Plan Fund	-	-	240	-	240	-	240	0.00%
Mobile Tennis Center	-	-	1,744	1,599	1,744	1,599	145	9.07%
Neighborhood Renewal Program	-	-	33	60	33	60	(27)	(45.00%)
Parking Garage	-	-	209	273	209	273	(64)	(23.44%)
Saenger Theatre	-	-	497	1,635	497	1,635	(1,138)	(69.60%)
Transit System	-	-	15,404	15,082	15,404	15,082	322	2.13%
Total expenses	638,114	353,345	44,956	53,071	683,070	406,416	276,654	68.07%
Change in net position before transfers	92,879	122,191	(12,387)	(14,253)	80,492	107,938	(27,446)	(25.43%)
Transfers	(18,876)	(5,827)	18,876	5,827	-	-	-	0.00%
Change in net position	74,003	116,364	6,489	(8,426)	80,492	107,938	(27,446)	(23.15%)
Net position - beginning	986,764	870,400	76,368	84,794	1,063,132	955,194	107,938	11.30%
Net position - ending	\$1,060,767	\$986,764	\$82,857	\$76,368	\$1,143,624	\$1,063,132	\$80,492	7.57%

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

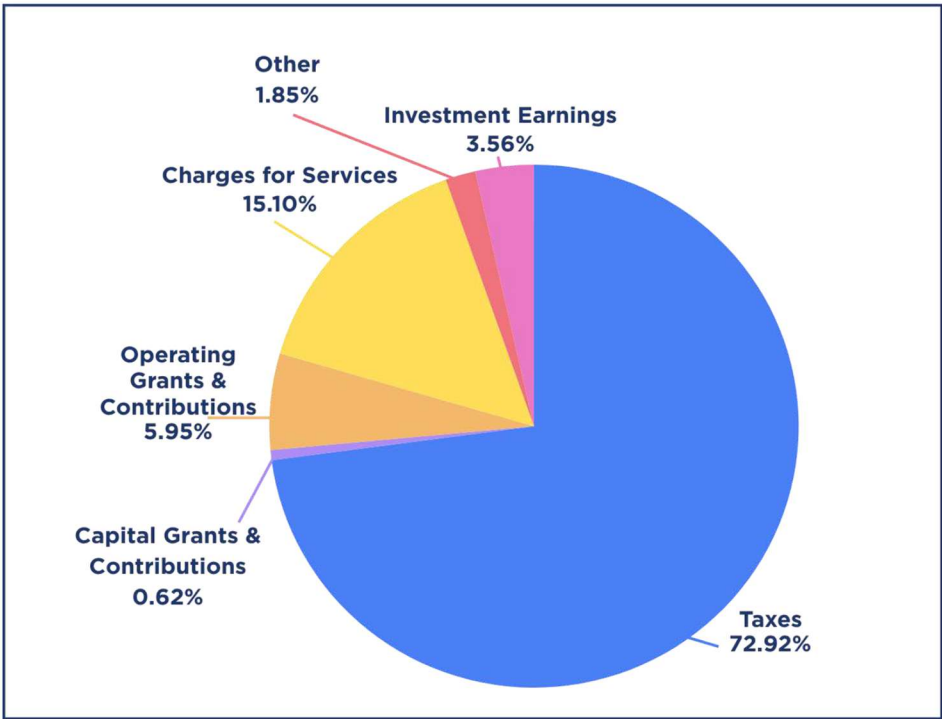


GOVERNMENTAL REVENUES

As graphically portrayed below, the City is heavily reliant on taxes to support governmental operations. Taxes provided 48.58% and 72.92% of the City's total governmental revenues in fiscal years 2025 and 2024, respectively.



2025



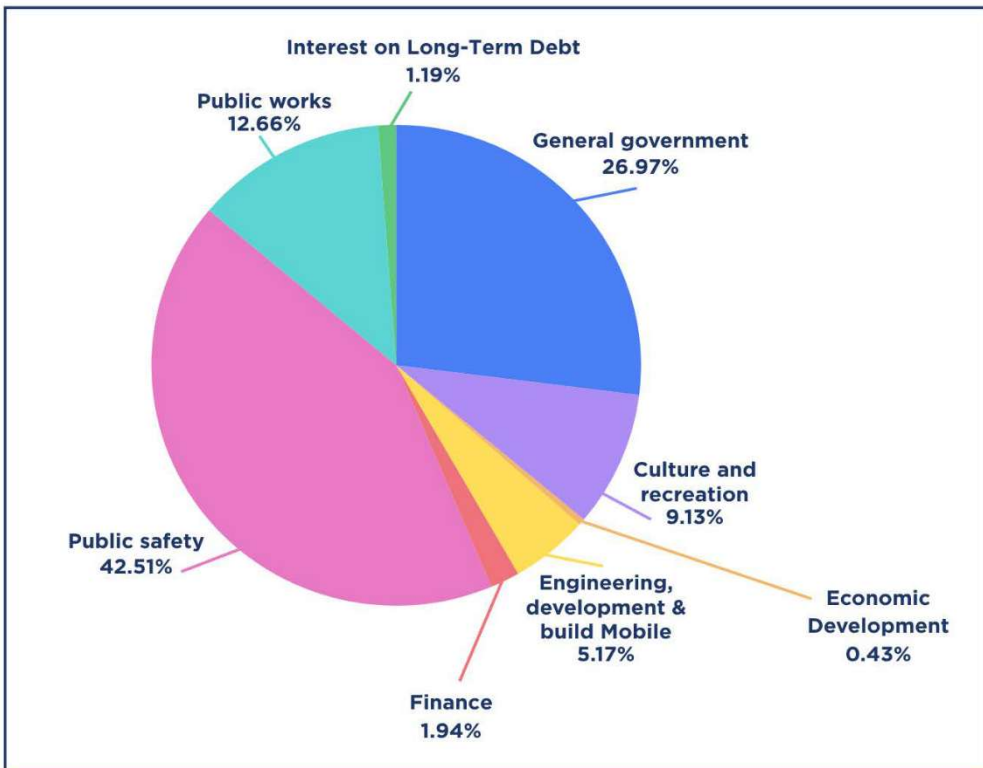
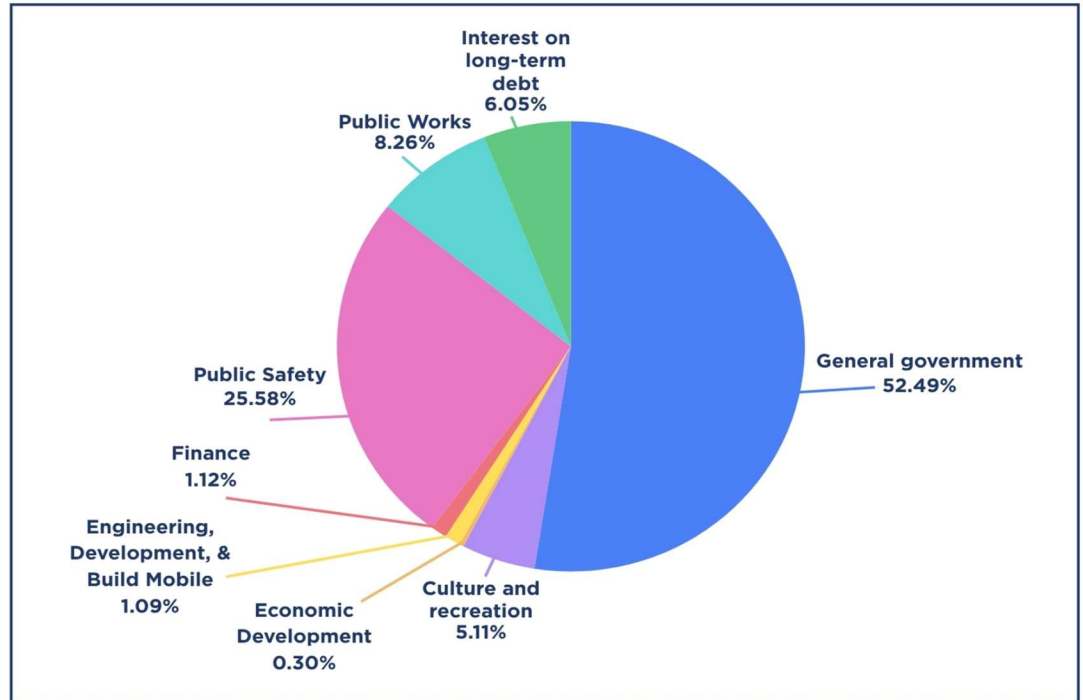
2024



GOVERNMENTAL FUNCTIONAL EXPENSES

As graphically portrayed below, the City's largest category of governmental functional expenses is public safety which includes police, fire, jail, and municipal court expenses. Public safety accounted for 25.58% and 42.51% of the City's total governmental functional expenses in fiscal years 2025 and 2024, respectively.

2025



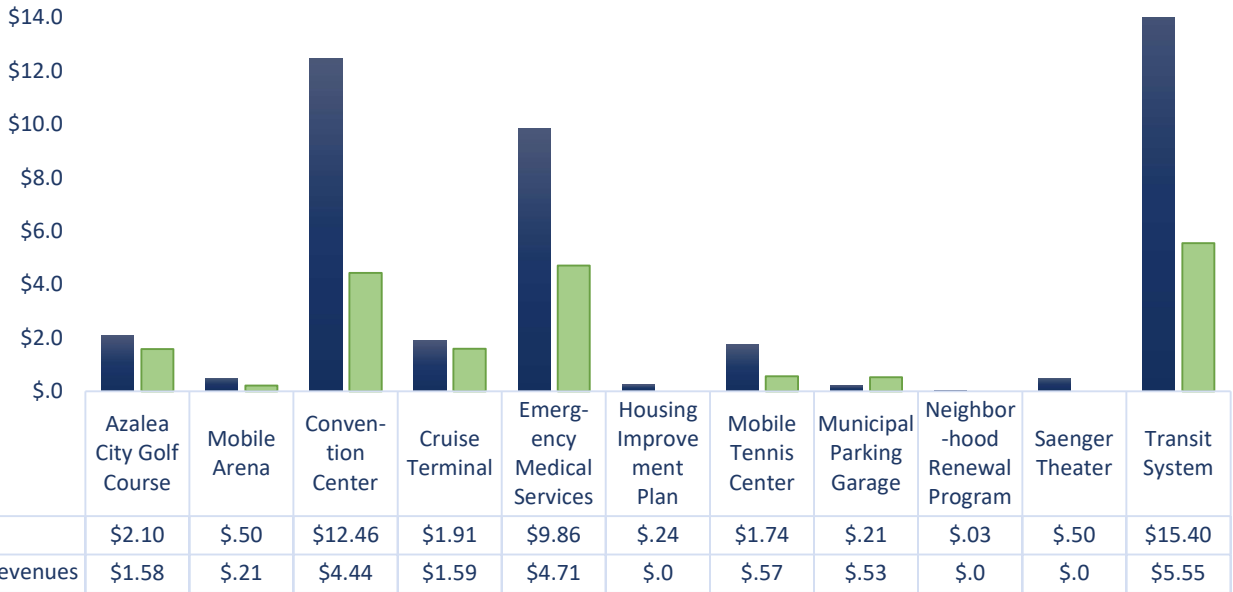
2024



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

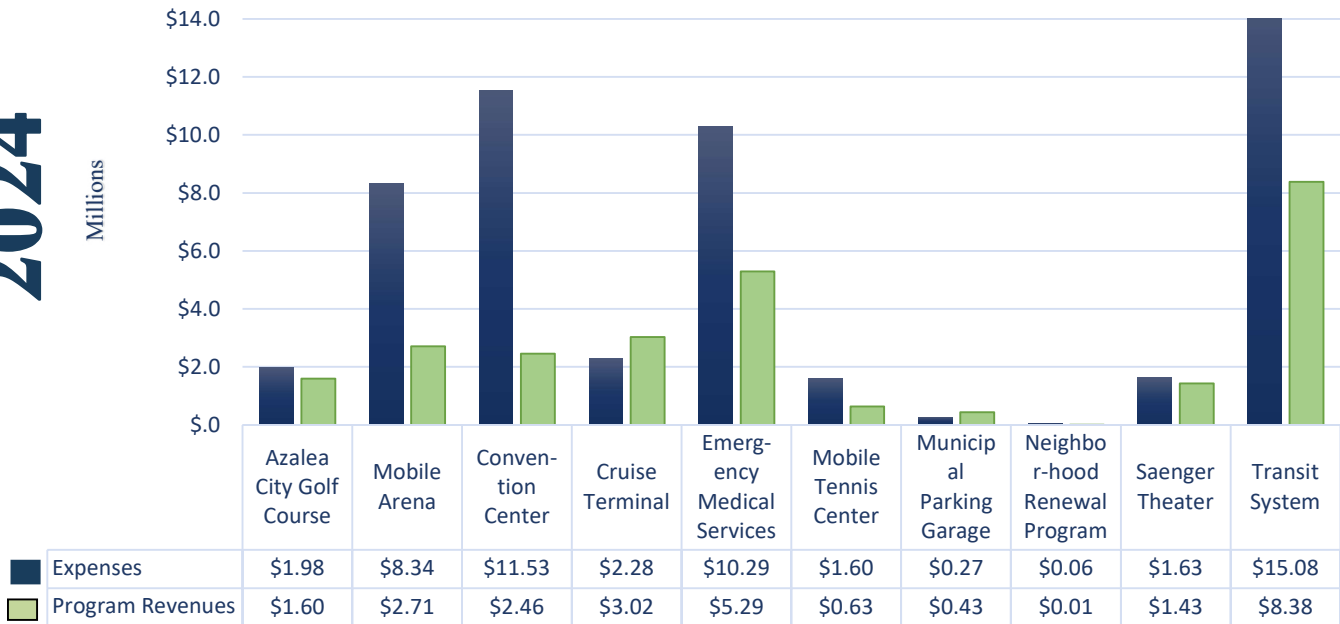
2025

Millions



2024

Millions



STATEMENT OF ACTIVITIES COMPARISON

GOVERNMENTAL ACTIVITIES

Governmental activities increased the City's net position by \$74.0 million. The key elements of this change are as follows:

- Excess expenses over program revenues for governmental activities amounted to \$284.4 million dollars. This amount is exclusive of tax revenue, investment earnings and transfers which are considered general revenues.
- Investment earnings amounted to \$19.3 million, which was an increase of \$2.4 million from the prior year.
- Tax revenues amounted to \$355.1 million which was an increase of 8.4 million (2.3%) over the prior year and was due primarily to increased sales taxes.
- Other revenue amounted to \$2.9 million.
- Net transfers out of governmental activities totaled \$18.8 million.

Governmental activity total revenues increased \$255.5 million (53.7%) while expenses increased \$284.8 million (80.6%) from the prior year. The increase in revenues resulted from: the increase in tax revenues described above, a \$6.3 million decrease in operating grants and contributions, a \$252.9 million increase in capital grants and contributions. The increase is due to the proceeds from the issuance of debt for the new Mobile Arena.

For the government-wide full accrual statements, capital outlay expenses were eliminated, and capital assets were reported. City management made intentional efforts to control costs in governmental activities.

BUSINESS-TYPE ACTIVITIES

Business-type activities increased the City's total net position by \$6.5 million. Business-type activities are shown comparing costs to revenues generated by related services. The Cruise Terminal, Municipal parking garage, and Neighborhood Renewal Program business-type activities are self-supporting with user charges and other operating revenues designed to recover costs.

The Mobile Arena, Transit System, Convention Center, Emergency Medical Services, golf course, tennis center, and Saenger Theatre provided services with user charges and other operating revenues that did not recover all their costs in the current year. The Mobile Arena, Transit System, Convention Center, Emergency Medical Services, Tennis Center, and golf course required subsidization by the City.

The Convention Center receives a portion of the room and sales tax to help cover its expenses. However, in the current year, it decreased business-type net position by \$ 1.5 million, primarily due to an \$8 million operating loss.

INDIVIDUAL FUND ANALYSIS

GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of expendable resources. Such information is useful in comparing the City's resources at the end of the year with upcoming financing requirements. Governmental funds reported ending

fund balance of \$568.0 million, of which \$120 million is unassigned.

The nonspendable fund balance is \$3.9 million and stems from inventory and prepaid expenses. Restricted fund balance is \$284.5 million and comprises funds



with constraints based on restrictions imposed by outside parties or constitutional provisions. Committed fund balance is \$93k and comprises funds with constraints imposed by formal action of the City Council. Finally, assigned fund balance is \$159.5 million and comprises funds constrained by the City's intent to be used for a specific purpose (primarily capital improvements).

The total ending fund balances of governmental funds show a \$208.2 million increase from the prior year. This is due to the new 2025 G.O. Warrant of \$225.3 million, a \$32.6 million decrease in the Capital Improvement funds, increase of \$18.6 million in the General fund, a \$-0- increase in the American Rescue Plan and a decrease of \$3.1 million in nonmajor governmental funds.

The increase in the General Fund is primarily due to the increase tax revenues related to economic growth and cost savings in departments. The change in the Capital Improvements Fund balance relates primarily due to significantly decreased transfers into the fund from the General Fund compared to the prior year to

facilitate certain capital projects including the downtown airport project, county soccer complex, aquatics center, and other projects.

Changes in nonmajor governmental funds relate primarily to debt service and grant activity.

**MAJOR GOVERNMENTAL FUNDS**

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The fund balance in the General Fund increased to \$142.7 million, an increase of \$18.6 million. See General Fund Budgetary Highlights and the preceding section for more information.

The Restore fund has an ending fund balance of \$201k which is a decrease of \$5k from last year.

The Capital Improvements Fund has an ending fund balance of \$140.1 million which includes a net decrease of \$32.6 million.

**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 Arena, the Municipal Parking Garage, the Azalea City Golf Course, Emergency Medical Services, Mobile Convention Center, the Mobile Tennis Center, Neighborhood Renewal Program, Saenger Theatre, Transit System, and Housing Improvement Plan.

The total net position of the Enterprise Funds increased by \$6.5 million during the current fiscal year. See the prior discussion of changes in Business-Type activities for details on this change.

**INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

The City's three internal service funds include the Motor Pool Fund, Employee Health Fund, and Liability Insurance Fund. The net position of these funds decreased by \$14.9 million from the prior year.



**GENERAL FUND BUDGETARY HIGHLIGHTS**

The excess of General Fund revenues over expenditures (excluding other financing sources and uses) on a budgetary basis during the year was \$54.2 million. See Required Supplementary Information for more detailed information on the General Fund Budget.

The following are the main components of the excess:

- Tax revenues exceeded expected budgeted amounts by \$2.0 million. See prior discussion related to governmental activities for additional information.

- Departmental expenditures were under budget by \$31.2 million. This was due primarily to cost savings in departments and cost centers during the year.
- Non-departmental expenditures, which include mandated activities, joint ventures, agencies, employee cost, and state and federal projects, etc., were under budget by \$2.6 million.
- Total revenues were approximately \$7 million over budget while total expenditures were \$31.3 million under budget.

**CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY**

**CAPITAL ASSETS**

As of September 30, 2025, the City's net investment in capital assets for governmental and business-type activities were \$1.1 billion and \$74.2 million, respectively, a total increase of \$102.5 million from 2024 for the City as a whole.

The City's Capital Improvements Fund had commitments for capital expenditures totaling \$74.9 million at year end. See Note 7 for additional information about changes in capital assets during the fiscal year.

**CITY OF MOBILE, ALABAMA**  
**Comparative Statement of Capital Assets September 30,**  
**2025 and 2024**  
 (amounts expressed in thousands)

	Governmental		Business-Type		Total		Amount Change	% Change
	2025	2024	2025	2024	2025	2024		
Non-depreciable capital assets								
Land	\$47,583	\$48,220	\$11,550	\$11,550	\$59,133	\$59,770	(637)	(1.07%)
Construction-in-progress	285,435	221,601	741	621	286,176	222,222	63,954	28.78%
Intangible Assets	5,430	5,305	-	-	5,430	5,305	125	2.36%
Total non-depreciable capital assets	338,448	275,126	12,291	12,171	350,739	287,297	63,442	22.08%
Depreciable capital assets								
Buildings	136,417	146,181	106,497	106,378	242,914	252,559	(9,645)	(3.82%)
Improvements	173,734	164,655	11,250	10,772	184,984	175,427	9,557	5.45%
Vehicular	112,199	104,040	20,714	20,598	132,913	124,638	8,275	6.45%
Other equipment	43,727	55,543	5,662	5,951	49,389	61,494	(12,105)	(19.68%)
Right-to-use lease asset	19,114	18,953	-	-	19,114	18,953	161	0.85%
Right-to-use subscription asset	6,367	7,980	-	-	6,367	7,980	(1,613)	(20.21%)
Infrastructure	748,063	700,589	-	-	748,063	700,589	47,474	6.78%
Total depreciable capital assets	1,239,621	1,197,941	144,123	143,699	1,383,744	1,341,640	42,104	3.14%
Less: accumulated depreciation	488,323	488,537	82,242	78,978	570,565	567,515	3,050	0.54%
Total depreciable capital assets, net	751,298	709,404	61,881	64,721	813,179	774,125	39,054	5.04%
Total capital assets, net	\$1,089,746	\$984,530	\$74,172	\$76,892	\$1,163,918	\$1,061,422	\$102,496	9.66%



LONG-TERM DEBT

As of September 30, 2025, the City had \$355 million of long-term outstanding debt, including bonds and warrants payable and notes payable. In the current fiscal year, the City issued new debt in the amount of \$251.1 million and retired principal on long-term debt (bonds, warrants, and notes) in the amount of \$20.9 million. Interest payments on long-term debt totaled \$37.5 million. More information on long-term debt activity can be found in Note 8.

The City's underlying debt rating is AA for S&P Global Ratings and Aa2 for Moody's Investor Services. Under current State of Alabama statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 20 percent of total assessed value of real and personal property. As of September 30, 2025, the City's permissible debt limit exceeded actual debt by approximately \$647.9 million.

**CITY OF MOBILE, ALABAMA**  
**Outstanding Long-Term Debt**  
**September 30, 2025 and 2024**  
 (amounts expressed in thousands)

	Governmental		Business-Type		Total		Amount Change	% Change
	2025	2024	2025	2024	2025	2024		
Bonds and warrants, net	\$354,995	\$124,609	\$ -	\$ -	\$354,995	\$124,609	\$230,686	184.89%
Notes payable	-	200	-	-	-	200	(200)	(100%)
Total long-term debt	\$354,995	\$124,809	\$ -	\$ -	\$354,995	\$124,809	\$230,186	184.43%

CONTACTING THE CITY

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives.

If you have questions about this report or need any additional financial information, please contact the Executive Director of Finance's office at 205 Government Street, Suite 530, Mobile, Alabama. This report is also available online at [www.cityofmobile.org](http://www.cityofmobile.org).





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# BASIC FINANCIAL STATEMENTS



# BASIC FINANCIAL STATEMENTS



**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**September 30, 2025**

	Primary Government		Total	Component Units
	Governmental Activities	Business-Type Activities		
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 361,691,295	\$ 11,968,768	\$ 373,660,063	\$ 6,004,909
Restricted cash	238,789,525	-	238,789,525	-
Receivables, net	63,126,311	1,268,807	64,395,118	30,713
Leases receivable	76,293	-	76,293	-
Due from other funds	65,000	991,281	1,056,281	-
Inventory & prepaid expenses	3,905,784	819,666	4,725,450	113,213
<b>Total current assets</b>	<b>667,654,208</b>	<b>15,048,522</b>	<b>682,702,730</b>	<b>6,148,835</b>
Noncurrent assets:				
Leases receivable	4,169,868	-	4,169,868	-
Non-depreciable capital assets	338,447,717	12,291,566	350,739,283	248,225
Depreciable capital assets, net	751,298,313	61,881,535	813,179,848	672,663
<b>Total noncurrent assets</b>	<b>1,093,915,898</b>	<b>74,173,101</b>	<b>1,168,088,999</b>	<b>920,888</b>
<b>Total assets</b>	<b>1,761,570,106</b>	<b>89,221,623</b>	<b>1,850,791,729</b>	<b>7,069,723</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts on refundings	979,294	-	979,294	-
Deferred pension outflows	42,640,872	2,914,730	45,555,602	694,862
Deferred OPEB outflows	31,691,889	-	31,691,889	-
<b>Total deferred outflows of resources</b>	<b>75,312,055</b>	<b>2,914,730</b>	<b>78,226,785</b>	<b>694,862</b>
<b>Total assets and deferred outflows of resources</b>	<b>1,836,882,161</b>	<b>92,136,353</b>	<b>1,929,018,514</b>	<b>7,764,585</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	55,398,990	2,534,091	57,933,081	512,010
Pension employer contributions payable	22,160,343	1,325,360	23,485,703	-
Unearned revenue	22,117,895	72,622	22,190,517	-
Due to other funds	991,281	65,000	1,056,281	-
Bonds and warrants payable, current portion	19,636,000	-	19,636,000	-
Leases payable, current portion	1,744,659	-	1,744,659	-
Subscription payable, current portion	1,282,967	-	1,282,967	-
Compensated absences, current portion	2,939,364	-	2,939,364	55,393
Insurance claims, current portion	3,335,056	-	3,335,056	-
Landfill postclosure liability, current portion	90,386	-	90,386	-
Postemployment benefits, current portion	7,426,793	-	7,426,793	-
<b>Total current liabilities</b>	<b>137,123,734</b>	<b>3,997,073</b>	<b>141,120,807</b>	<b>567,403</b>
Noncurrent liabilities:				
Bonds and warrants payable, long-term portion	335,358,900	-	335,358,900	-
Leases payable, long-term portion	11,203,467	-	11,203,467	248,464
Subscription payable, long-term portion	778,814	-	778,814	-
Compensated absences, long-term portion	14,398,221	-	14,398,221	376,862
Self-insured liability - legal, long-term portion	414,514	-	414,514	-
Insurance claims, long-term portion	10,597,067	-	10,597,067	-
Landfill postclosure liability, long-term portion	1,321,244	-	1,321,244	-
Net pension liability	59,732,129	404,833	60,136,962	3,361,642
Postemployment benefits, long-term portion	174,124,510	-	174,124,510	-
<b>Total noncurrent liabilities</b>	<b>607,928,866</b>	<b>404,833</b>	<b>608,333,699</b>	<b>3,986,968</b>
<b>Total liabilities</b>	<b>745,052,600</b>	<b>4,401,906</b>	<b>749,454,506</b>	<b>4,554,371</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred service concession arrangement receipts	-	2,844,388	2,844,388	-
Deferred lease inflows	4,110,373	-	4,110,373	-
Deferred pension inflows	15,442,188	2,033,344	17,475,532	1,255,102
Deferred OPEB inflows	11,510,045	-	11,510,045	-
<b>Total deferred inflows of resources</b>	<b>31,062,606</b>	<b>4,877,732</b>	<b>35,940,338</b>	<b>1,255,102</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>776,115,206</b>	<b>9,279,638</b>	<b>785,394,844</b>	<b>5,809,473</b>
<b>NET POSITION</b>				
Net investment in capital assets	706,776,232	74,173,102	780,949,334	672,424
Restricted for:				
Capital projects	243,107,762	-	243,107,762	-
Debt service	464,410	-	464,410	-
Economic development	24,111,280	-	24,111,280	-
Grant programs	6,851,067	-	6,851,067	-
Law enforcement	916,143	-	916,143	-
Opioid settlement	963,081	-	963,081	-
Storm water management	8,176,961	-	8,176,961	-
Unrestricted	69,400,019	8,683,613	78,083,632	1,282,688
<b>Total net position</b>	<b>\$ 1,060,766,955</b>	<b>\$ 82,856,715</b>	<b>\$ 1,143,623,670</b>	<b>\$ 1,955,112</b>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Statement of Activities**  
**September 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 334,917,042	\$ 65,947,295	\$ 17,150,956	\$ 251,137,992
Culture and recreation	32,621,962	897,021	125,995	-
Economic development	1,899,473	-	-	1,722,392
Engineering, development & build Mobile	6,935,090	4,063,690	1,881,843	365,058
Finance	7,170,055	-	-	-
Public safety	163,251,029	4,877,082	2,917,673	-
Public works	52,724,361	19,183	-	2,590,383
Interest on long-term debt	38,595,648	-	-	-
Total governmental activities	<u>638,114,660</u>	<u>75,804,271</u>	<u>22,076,467</u>	<u>255,815,825</u>
Business-type activities:				
Azalea City Golf Course	2,100,368	1,576,781	-	-
Civic Center	496,469	210,253	-	-
Convention Center	12,455,557	4,435,367	-	-
Cruise Terminal	1,913,958	1,591,462	-	-
Emergency Medical Services	9,861,295	4,706,430	-	-
Housing Improvement Plan Fund	240,046	-	-	-
Mobile Tennis Center	1,744,355	566,422	-	-
Municipal Parking Garage	209,451	531,794	-	-
Neighborhood Renewal Program	33,070	-	-	-
Saenger Theatre	497,519	-	-	-
Wave Transit System	15,404,024	835,194	3,794,708	919,398
Total business-type activities	<u>44,956,112</u>	<u>14,453,703</u>	<u>3,794,708</u>	<u>919,398</u>
Total primary government	<u>\$ 683,070,772</u>	<u>\$ 90,257,974</u>	<u>\$ 25,871,175</u>	<u>\$ 256,735,223</u>
<b>Component units:</b>				
Mobile Public Library	\$ 11,158,666	\$ 281,905	\$ 98,651	\$ 1,434
Solid Waste Disposal Authority	3,019,045	127,814	2,607,343	-
Total component units	<u>\$ 14,177,711</u>	<u>\$ 409,719</u>	<u>\$ 2,705,994</u>	<u>\$ 1,434</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
Business privilege tax
Oil production tax
Grants and contributions not restricted to specific programs
Investment income
Other
Payments from local governments
Transfers
Total general revenues, special items, and transfers
Change in net position
Net position - beginning
Net position - ending

See Accompanying Notes to the Financial Statements

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Units
\$ (680,799)	\$ -	\$ (680,799)	\$ -
(31,598,946)	-	(31,598,946)	-
(177,081)	-	(177,081)	-
(624,499)	-	(624,499)	-
(7,170,055)	-	(7,170,055)	-
(155,456,274)	-	(155,456,274)	-
(50,114,795)	-	(50,114,795)	-
(38,595,648)	-	(38,595,648)	-
<u>(284,418,097)</u>	<u>-</u>	<u>(284,418,097)</u>	<u>-</u>
-	(523,587)	(523,587)	-
-	(286,216)	(286,216)	-
-	(8,020,190)	(8,020,190)	-
-	(322,496)	(322,496)	-
-	(5,154,865)	(5,154,865)	-
-	(240,046)	(240,046)	-
-	(1,177,933)	(1,177,933)	-
-	322,343	322,343	-
-	(33,070)	(33,070)	-
-	(497,519)	(497,519)	-
-	(9,854,724)	(9,854,724)	-
-	(25,788,303)	(25,788,303)	-
<u>(284,418,097)</u>	<u>(25,788,303)</u>	<u>(310,206,400)</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ (10,776,676)
-	-	-	(283,888)
-	-	-	<u>(11,060,564)</u>
36,828,886	-	36,828,886	-
275,211,809	11,299,357	286,511,166	-
11,159,978	-	11,159,978	-
10,710,011	1,953,172	12,663,183	-
3,385,391	-	3,385,391	-
14,257,949	-	14,257,949	-
950,519	-	950,519	-
912,700	-	912,700	-
1,323,597	-	1,323,597	-
302,562	-	302,562	-
17,725	-	17,725	-
-	-	-	482,588
19,318,486	42,988	19,361,474	213,477
2,917,491	105,954	3,023,445	-
-	-	-	10,207,632
<u>(18,875,822)</u>	<u>18,875,822</u>	<u>-</u>	<u>-</u>
<u>358,421,282</u>	<u>32,277,293</u>	<u>390,698,575</u>	<u>10,903,697</u>
74,003,185	6,488,990	80,492,175	(156,867)
986,763,770	76,367,725	1,063,131,495	2,111,979
<u>1,060,766,955</u>	<u>82,856,715</u>	<u>1,143,623,670</u>	<u>1,955,112</u>

# GOVERNMENTAL FUNDS

# GOVERNMENTAL FUNDS

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

- General Fund
- Capital Improvements Fund
- Restore Act Grants
- American Rescue Plan Fund
- 2025A G.O. Warrants

**CITY OF MOBILE, ALABAMA**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2025**

	General Fund	Capital Improvements Fund	Restore Act Grants	American Rescue Plan Grants	2025A G.O. Warrant	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash, equity in pooled cash and investments	\$ 121,558,233	\$ 142,400,863	\$ -	\$ 21,020,089	\$ -	\$ 60,881,598	\$ 345,860,783
Restricted cash - capital purchases	-	-	-	-	238,696,997	92,528	238,789,525
Receivables, net	32,980,419	11,700,994	11,541,930	-	809,175	5,615,952	62,648,470
Due from other funds	12,796,612	-	-	-	-	-	12,796,612
Inventory & prepaids	3,905,367	-	-	-	-	409	3,905,776
<b>Total assets</b>	<b>171,240,631</b>	<b>154,101,857</b>	<b>11,541,930</b>	<b>21,020,089</b>	<b>239,506,172</b>	<b>66,590,487</b>	<b>664,001,166</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	16,018,226	13,949,797	1,364,358	187,284	14,187,560	2,925,808	48,633,033
Pension employer contributions payable	8,946,077	-	-	-	-	247,364	9,193,441
Unearned revenue	293,535	-	-	20,821,202	-	1,003,159	22,117,896
Due to other funds	991,281	-	9,976,858	-	-	2,754,754	13,722,893
Compensated absences - terminated employees	297,829	-	-	-	-	-	297,829
Insurance claims payable	221,359	-	-	-	-	-	221,359
Escrowed funds liability	1,778,226	-	-	-	-	-	1,778,226
<b>Total liabilities</b>	<b>28,546,533</b>	<b>13,949,797</b>	<b>11,341,216</b>	<b>21,008,486</b>	<b>14,187,560</b>	<b>6,931,085</b>	<b>95,964,677</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>28,546,533</b>	<b>13,949,797</b>	<b>11,341,216</b>	<b>21,008,486</b>	<b>14,187,560</b>	<b>6,931,085</b>	<b>95,964,677</b>
<b>FUND BALANCES (DEFICITS)</b>							
<b>Nonspendable</b>							
Inventory	3,871,197	-	-	-	-	-	3,871,197
Prepaid Items	34,171	-	-	-	-	-	34,171
<b>Restricted</b>							
Capital Projects	-	-	-	-	-	6,709,616	6,709,616
Debt Service	-	-	-	-	-	464,410	464,410
Enabling Legislation	-	-	-	-	-	32,285,398	32,285,398
Grants	-	-	200,714	11,603	-	6,638,750	6,851,067
Law Enforcement	-	-	-	-	-	916,143	916,143
Legal Restriction	-	-	-	-	225,318,612	-	225,318,612
Opioid Settlement	-	-	-	-	-	963,081	963,081
Road and Bridge Construction	-	-	-	-	-	6,965,605	6,965,605
Road and Bridge Repair	-	-	-	-	-	4,020,667	4,020,667
<b>Committed</b>							
Flood Management	-	-	-	-	-	93,811	93,811
<b>Assigned</b>							
Athletic Fund	468,806	-	-	-	-	-	468,806
Capital Projects	-	140,152,060	-	-	-	-	140,152,060
Designated and donated Funds	1,847,759	-	-	-	-	-	1,847,759
Economic Development	-	-	-	-	-	2,844	2,844
GF Encumbrances	16,425,347	-	-	-	-	-	16,425,347
Municipal Court	-	-	-	-	-	599,077	599,077
<b>Unassigned</b>	<b>120,046,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120,046,818</b>
<b>Total fund balances (deficits)</b>	<b>\$ 142,694,098</b>	<b>\$ 140,152,060</b>	<b>\$ 200,714</b>	<b>\$ 11,603</b>	<b>\$ 225,318,612</b>	<b>\$ 59,659,402</b>	<b>\$ 568,036,489</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 171,240,631</b>	<b>\$ 154,101,857</b>	<b>\$ 11,541,930</b>	<b>\$ 21,020,089</b>	<b>\$ 239,506,172</b>	<b>\$ 66,590,487</b>	<b>\$ 664,001,166</b>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Reconciliation of Balance Sheet**  
**To the Statement of Net Position**  
**For the Year Ended September 30, 2025**

Fund balances of governmental funds		\$ 568,036,489
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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	1,472,382,201		
Less accumulated depreciation	(436,676,845)		
			1,035,705,356

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	(354,994,900)		
Deferred amount on refunding	979,294		
			(354,015,606)

Other long-term items not reported in governmental funds:

Accrued interest payable	(1,899,912)		
Pension employer contribution payable	(12,965,141)		
Compensated absences	(17,039,756)		
Insurance claims payable	(11,703,864)		
Landfill postclosure liability	(1,411,630)		
Net pension liability	(59,732,129)		
Deferred pension outflows	42,640,872		
Deferred pension inflows	(15,442,188)		
Total OPEB liability	(181,551,303)		
Deferred OPEB inflows	(11,510,045)		
Deferred OPEB outflows	31,691,889		
Lease liability	(12,948,127)		
Deferred lease inflows	(4,110,373)		
Lease receivable	4,246,161		
Subscription liability	(2,061,782)		
			(253,797,328)

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.

		64,838,044
Net position of governmental activities		\$ 1,060,766,955

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, 2025**

	General Fund	Capital Improvements Fund	Restore Act Grants	American Rescue Plan Grants	2025A G.O. Warrant	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 275,249,086	\$ 61,950,668	\$ -	\$ -	\$ -	\$ 17,969,153	\$ 355,168,907
Licenses and permits	56,228,175	1,122,650	-	-	-	-	57,350,825
Intergovernmental	128,844	-	-	-	-	-	128,844
Charges for services	9,033,352	18,348	-	-	-	-	9,051,700
Fines and forfeitures	1,638,667	-	-	-	-	371,387	2,010,054
State and federal assistance	-	42,009	1,881,844	7,964,326	-	16,182,945	26,071,123
Investment income	12,449,672	-	-	-	5,715,519	-	19,318,485
Other revenue	1,696,048	7,578,608	-	-	-	-	9,274,656
Total revenues	<u>356,423,844</u>	<u>70,712,283</u>	<u>1,881,844</u>	<u>7,964,326</u>	<u>5,715,519</u>	<u>35,676,779</u>	<u>478,374,595</u>
<b>EXPENDITURES</b>							
Current:							
General government	88,628,244	-	-	7,964,356	-	13,123,338	109,715,938
Culture and recreation	17,813,866	-	-	-	-	13,995	17,827,861
Economic development	1,700,153	-	-	-	-	-	1,700,153
Engineering, development & Build Mobile	16,629,272	-	2,205,175	-	-	268,176	19,102,623
Finance	6,439,107	-	-	-	-	-	6,439,107
Public safety	135,050,375	-	-	-	-	5,639,744	140,690,119
Public works	35,953,149	-	-	-	-	6,725,852	42,679,001
Principal on long-term debt	-	-	-	-	-	42,650	42,650
Interest on long-term debt	-	-	-	-	-	4,697,433	4,697,433
Debt service:							
Administrative charges	-	3,300	-	-	-	296	3,596
Bond issuance costs	-	-	-	-	1,133,966	-	1,133,966
Interest	-	-	-	-	-	4,413,041	4,413,041
Principal retirement	-	-	-	-	-	19,100,351	19,100,351
Capital outlay:							
Capital outlay	-	102,824,236	-	-	30,400,933	2,107,214	135,332,383
Total expenditures	<u>302,214,166</u>	<u>102,827,536</u>	<u>2,205,175</u>	<u>7,964,356</u>	<u>31,534,899</u>	<u>56,132,090</u>	<u>502,878,222</u>
Excess (deficiency) of revenues over expenditures	<u>54,209,678</u>	<u>(32,115,253)</u>	<u>(323,331)</u>	<u>(30)</u>	<u>(25,819,380)</u>	<u>(20,455,311)</u>	<u>(24,503,627)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from disposal of assets	2,239,244	-	-	-	-	6,303	2,245,547
Transfers in	7,185,986	28,910,699	318,412	-	-	31,353,311	67,768,408
Transfers out	(45,036,725)	(29,401,309)	-	-	-	(13,995,265)	(88,433,299)
Proceeds from issuance of debt	-	-	-	-	222,510,000	-	222,510,000
Premium (discount) on debt issued	-	-	-	-	28,627,992	-	28,627,992
Total other financing sources (uses)	<u>(35,611,495)</u>	<u>(490,610)</u>	<u>318,412</u>	<u>-</u>	<u>251,137,992</u>	<u>17,364,349</u>	<u>232,718,648</u>
Net change in fund balances	18,598,183	(32,605,863)	(4,919)	(30)	225,318,612	(3,090,962)	208,215,021
Fund balances - beginning	124,095,915	172,757,923	205,633	11,633	-	62,750,364	359,821,468
Fund balances - ending	<u>142,694,098</u>	<u>140,152,060</u>	<u>200,714</u>	<u>11,603</u>	<u>225,318,612</u>	<u>59,659,402</u>	<u>568,036,489</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, 2025**

<b>Net change in fund balances - total government funds</b>	<b>\$ 208,215,021</b>
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Amounts reported for governmental activities in the statement of activities are different because:

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

Expenditures for capital assets	136,601,619	
Less depreciation expense	(31,589,626)	
Contributions of capital assets are not reported as income in governmental funds	703,140	
Capital assets transferred from (to) business-type activities	(460,484)	
Gain (loss) on disposal of capital assets	<u>(8,042,866)</u>	
		97,211,783

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

Principal payments - bonds and warrants payable	18,943,000	
Principal payments - notes payable	200,000	
Amortization of deferred amount on refunding	(224,076)	
Amortization of current year bond premium	(26,818,609)	
Capital-related debt issued	<u>(222,510,000)</u>	
		(230,409,685)

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	(2,194,150)	
Change in long-term insurance claims	2,232,768	
Change in landfill post-closure liability	(1,199,499)	
Change in accrued interest	(1,304,926)	
Change in pension contribution payable	(1,801,372)	
Change in net pension liability	56,346,921	
Change in deferred pension inflows	(10,439,867)	
Change in deferred pension outflows	(26,626,213)	
Change in total OPEB liability	(34,486,796)	
Change in deferred OPEB inflows	16,529,299	
Change in deferred OPEB outflows	11,065,981	
Change in lease liability	1,651,028	
Change in deferred lease inflows	(844,682)	
Change in lease receivable	824,718	
Change in subscription liability	<u>4,091,537</u>	
		13,844,747

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. (14,858,681)

<b>Change in net position of governmental activities</b>	<b>\$ <u>74,003,185</u></b>
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See Accompanying Notes to the Financial Statements

# PROPRIETARY FUNDS



# PROPRIETARY FUNDS

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

- Civic Center
- Cruise Terminal
- Saenger Theater
- Transit System
- Convention Center
- Parking Garage
- Mobile Tennis Center
- Emergency Medical Services
- Azalea City Golf Course
- Neighborhood Renewal Program
- Housing Improvement Plan Fund

**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2025**

	Business-type Activities		Governmental Activities
	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>			
Current assets:			
Cash, equity in pooled cash and investments	\$ 11,968,768	\$ 11,968,768	\$ 15,830,513
Receivables, net	1,268,807	1,268,807	477,839
Due from other funds	991,281	991,281	-
Inventory & prepaids	819,666	819,666	7
Total current assets	<u>15,048,522</u>	<u>15,048,522</u>	<u>16,308,359</u>
Noncurrent assets:			
Non-depreciable capital assets	12,291,566	12,291,566	5,117,917
Depreciable capital assets, net	61,881,536	61,881,536	48,922,758
Total noncurrent assets	<u>74,173,102</u>	<u>74,173,102</u>	<u>54,040,675</u>
Total assets	<u>89,221,624</u>	<u>89,221,624</u>	<u>70,349,034</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	2,914,730	2,914,730	-
Total deferred outflows of resources	<u>2,914,730</u>	<u>2,914,730</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>92,136,354</u>	<u>92,136,354</u>	<u>70,349,034</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	2,534,092	2,534,091	3,087,816
Pension employer contributions payable	1,325,360	1,325,360	1,760
Unearned revenue	72,622	72,622	-
Due to other funds	65,000	65,000	-
Insurance claims payable	-	-	2,006,900
Total current liabilities	<u>3,997,074</u>	<u>3,997,073</u>	<u>5,096,476</u>
Noncurrent liabilities:			
Self-insured legal liability	-	-	414,514
Net pension liability	404,833	404,833	-
Total noncurrent liabilities	<u>404,833</u>	<u>404,833</u>	<u>414,514</u>
Total liabilities	<u>4,401,907</u>	<u>4,401,906</u>	<u>5,510,990</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred service concession arrangement receipts	2,844,388	2,844,388	-
Deferred pension inflows	2,033,344	2,033,344	-
Total deferred inflows of resources	<u>4,877,732</u>	<u>4,877,732</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>9,279,639</u>	<u>9,279,638</u>	<u>5,510,990</u>
<b>NET POSITION</b>			
Net investment in capital assets	74,173,102	74,173,102	54,040,676
Unrestricted	8,683,613	8,683,613	10,797,368
Total net position	<u>\$ 82,856,715</u>	<u>\$ 82,856,715</u>	<u>\$ 64,838,044</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**September 30, 2025**

	Business-type Activities		Governmental
	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 9,286,856	\$ 9,286,856	\$ 5,417
Internal charges	-	-	18,750,382
Employee contributions	-	-	7,483,895
Facility rent	1,891,458	1,891,458	-
Sales revenue	402,386	402,386	-
Parking fees	1,445,461	1,445,461	-
Concessions	1,153,434	1,153,434	-
Other revenue	274,108	274,108	-
Total operating revenues	<u>14,453,703</u>	<u>14,453,703</u>	<u>26,239,694</u>
<b>OPERATING EXPENSES</b>			
Personnel services	20,706,725	20,706,725	135,511
Commodities	6,621,461	6,621,461	2,708,642
Utilities	1,106,144	1,106,144	41,726
Professional and technical	2,341,869	2,341,869	3,232,498
Maintenance and repairs	371,798	371,798	(488)
Printing and reproduction	11,012	11,012	4,677
Insurance payments	1,035,237	1,035,237	26,905,240
Event expenses	1,803,622	1,803,622	-
Cost of goods sold	261,669	261,669	-
Increase (decrease) in provision for self-insurance loss	-	-	169,914
Other charges	6,235,923	6,235,923	1,648,944
Depreciation	4,894,528	4,894,528	8,269,067
Capital outlay	(741,324)	(741,324)	-
Total operating expenses	<u>44,648,664</u>	<u>44,648,664</u>	<u>43,115,731</u>
Operating income (loss)	<u>(30,194,961)</u>	<u>(30,194,961)</u>	<u>(16,876,037)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Taxes	13,252,529	13,252,529	-
State and federal assistance	3,794,708	3,794,708	-
Investment income	42,988	42,988	-
Damaged vehicles reimbursement	-	-	183,874
Gain (loss) from disposal of assets	(307,448)	(307,448)	(416,074)
Proceeds from disposal of assets	105,954	105,954	-
Total nonoperating revenues (expenses)	<u>16,888,731</u>	<u>16,888,731</u>	<u>(232,200)</u>
Income (loss) before contributions and transfers	<u>(13,306,230)</u>	<u>(13,306,230)</u>	<u>(17,108,237)</u>
Capital grants and contributions	919,398	919,398	-
Transfers in	25,384,407	25,384,407	6,126,436
Transfers out	(6,965,443)	(6,965,443)	(3,880,506)
Transfer of capital assets	-	-	(344,000)
Transfer of capital assets	456,858	456,858	347,626
Change in net position	<u>6,488,990</u>	<u>6,488,990</u>	<u>(14,858,681)</u>
Total net position - beginning	76,367,725	76,367,725	79,696,725
Total net position - ending	<u>\$ 82,856,715</u>	<u>\$ 82,856,715</u>	<u>\$ 64,838,044</u>

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**September 30, 2025**

	Business-type Activities - Enterprise		Governmental
	Funds		Activities
	Total Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers and users	\$ 10,480,161	\$ 10,480,161	\$ (16,279)
Cash received from sales revenue	402,386	402,386	-
Cash received from internal billings	-	-	18,750,382
Cash received from employee contributions	-	-	7,483,896
Cash received from facility & other rent	1,735,688	1,735,688	-
Cash received from parking fees	1,445,461	1,445,461	-
Cash received from concessions	1,153,434	1,153,434	-
Cash received from miscellaneous	(143,660)	(143,660)	-
Cash payments for operating expenses	(20,216,256)	(20,216,256)	(9,981,429)
Cash payments for insurance claims	-	-	(26,207,364)
Cash payments for internal services	(1,386,411)	(1,386,411)	-
Cash payments to employees for services	(19,751,184)	(19,751,184)	(135,320)
Net cash provided (used) by operating activities	<u>(26,280,382)</u>	<u>(26,280,382)</u>	<u>(10,106,114)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Taxes	15,412,529	15,412,529	-
Non-capital grants and contributions*	3,794,708	3,794,708	-
Transfers in from other funds	16,222,864	16,222,864	6,126,436
Transfers out to other funds	(6,965,443)	(6,965,443)	(3,880,506)
Net cash provided (used) by noncapital financing activities	<u>28,464,658</u>	<u>28,464,658</u>	<u>2,245,930</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(773,299)	(773,299)	(15,229,270)
Proceeds from sale of capital assets	2,108	2,108	1,081,480
Reimbursement for damaged vehicles	-	-	183,874
Capital grants and contributions	-	-	-
Transfers in from other funds	3,500,000	3,500,000	-
Net cash provided (used) by capital and related financing activities	<u>2,728,809</u>	<u>2,728,809</u>	<u>(13,963,916)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income received	42,988	42,988	-
Net cash provided (used) by investing activities	<u>42,988</u>	<u>42,988</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>4,956,073</u>	<u>4,956,073</u>	<u>(21,824,100)</u>
Balances - beginning of year	7,012,696	7,012,696	37,654,613
Balances - end of the year	<u>\$ 11,968,768</u>	<u>\$ 11,968,769</u>	<u>\$ 15,830,513</u>
Cash	<u>\$ 11,968,768</u>	<u>\$ 11,968,768</u>	<u>\$ 15,830,513</u>
Total Cash	<u>\$ 11,968,768</u>	<u>\$ 11,968,768</u>	<u>\$ 15,830,513</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating Income	\$ (30,194,961)	\$ (30,194,961)	\$ (16,876,036)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	4,894,528	4,894,528	8,269,067
Non-cash items included in operating income	(1,992,559)	(1,992,559)	-
Changes in assets and liabilities:			
Accounts payable	311,047	311,047	(1,920,665)
Accounts receivable	1,342,879	1,342,879	(21,703)
Self-insurance liability	-	-	317,626
Insurance claims payable	-	-	125,400
Compensated absences	(575,838)	(575,838)	-
Inventory and prepaids	(32,535)	(32,535)	-
Salary and benefits payable	138,051	138,051	197
Advance collections	(736,874)	(736,874)	-
Pension contribution payable	565,880	565,880	-
Net cash provided (used) by operating activities	<u>\$ (26,280,382)</u>	<u>\$ (26,280,382)</u>	<u>\$ (10,106,114)</u>

\*During the year ended September 30, 2025, the Mobile Tennis Center received transfers of capital assets paid for with capital outlay expenditures from the Capital Improvements Fund in the amount of \$456,858. The Motor Pool Fund received transfers of capital assets totaling \$347,626, paid for with \$249,186 of public safety expenditures from the General Fund, \$24,087 of public works expenditures from the General Fund, \$1,524 of engineering, development and Build Mobile expenditures from the General Fund, and \$72,829 of public safety expenditures from the Public Safety Grants Fund. Vehicles traded in for trade credit of \$344,000, owned by the Motor Pool, were transferred to governmental activities (General Fixed Assets Account Group) during the year ended September 30, 2025, resulting in net transfers in of capital assets to the motor pool of \$3,626.

See Accompanying Notes to the Financial Statements

# COMPONENT UNITS



# COMPONENT UNITS

Component Units are separate legal entities from the primary government and are governed by separate boards. The discretely presented component units have a financial benefit or burden relationship to the primary government.

Financial accountability for component units as defined by GASB Statement No. 61 does not imply that the City is legally responsible for the obligations of the discretely presented component units. See Note 3 for further details.

- Solid Waste Disposal Authority
- Mobile Public Library



**CITY OF MOBILE, ALABAMA**  
**Statement of Net Position**  
**Component Units**  
**September 30, 2025**

	SOLID WASTE DISPOSAL AUTHORITY	MOBILE PUBLIC LIBRARY	Total Component Units
<b>ASSETS</b>			
Current assets:			
Cash, equity in pooled cash and investments	\$ -	\$ 6,004,909	\$ 6,004,909
Receivables, net	-	30,713	30,713
Inventory & prepaid expenses	-	113,213	113,213
Total current assets	-	6,148,835	6,148,835
Noncurrent assets:			
Land	248,225	-	248,225
Vehicular equipment	-	201,081	201,081
Other equipment	-	4,426,940	4,426,940
Accumulated depreciation	-	(4,189,026)	(4,189,026)
Capital right-to-use lease asset	-	233,668	233,668
Total noncurrent assets	248,225	672,663	920,888
Total assets	248,225	6,821,498	7,069,723
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension outflows	-	694,862	694,862
Total deferred outflows of resources	-	694,862	694,862
Total assets and deferred outflows of resources	248,225	7,516,360	7,764,585
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	296,392	215,618	512,010
Compensated absences, current portion	-	55,393	55,393
Total current liabilities	296,392	271,011	567,403
Noncurrent liabilities:			
Leases payable, long-term portion	-	248,464	248,464
Compensated absences, long-term portion	-	376,862	376,862
Net pension liability	-	3,361,642	3,361,642
Total noncurrent liabilities	-	3,986,968	3,986,968
Total liabilities	296,392	4,257,979	4,554,371
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension inflows	-	1,255,102	1,255,102
Total deferred inflows of resources	-	1,255,102	1,255,102
Total liabilities and deferred inflows of resources	296,392	5,513,081	5,809,473
<b>NET POSITION</b>			
Net investment in capital assets	248,225	424,199	672,424
Restricted for:			
Unrestricted	(296,392)	1,579,080	1,282,688
Total net position	\$ (48,167)	\$ 2,003,279	\$ 1,955,112

See Accompanying Notes to the Financial Statements

**CITY OF MOBILE, ALABAMA**  
**Statement of Activities**  
**Component Units**  
**For the Year Ended September 30, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Mobile Public Library				
Culture and recreation	\$ 11,158,666	\$ 281,905	\$ 98,651	\$ 1,434
Total Mobile Public Library	<u>11,158,666</u>	<u>281,905</u>	<u>98,651</u>	<u>1,434</u>
Solid Waste Disposal Authority				
Public works	3,019,045	127,814	2,607,343	-
Total Solid Waste Disposal Authority	<u>3,019,045</u>	<u>127,814</u>	<u>2,607,343</u>	<u>-</u>
Total component units	<u>\$ 14,177,711</u>	<u>\$ 409,719</u>	<u>\$ 2,705,994</u>	<u>\$ 1,434</u>

General revenues:

    Grants and contributions not restricted to specific programs

    Investment income

    Payments from local governments

Transfers

    Total general revenues, special items, and transfers

    Change in net position

Net position - beginning

Net position - ending

See Accompanying Notes to the Financial Statements

<u>Net (Expense) Revenue and Changes in</u>		
<u>SOLID WASTE</u>		
<u>DISPOSAL</u>	<u>MOBILE PUBLIC</u>	<u>Total Component</u>
<u>AUTHORITY</u>	<u>LIBRARY</u>	<u>Units</u>
\$ -	\$ (10,776,676)	\$ (10,776,676)
-	(10,776,676)	(10,776,676)
(283,888)	-	(283,888)
(283,888)	-	(283,888)
<u>\$ (283,888)</u>	<u>\$ (10,776,676)</u>	<u>\$ (11,060,564)</u>
-	482,588	482,588
17	213,460	213,477
-	10,207,632	10,207,632
-	-	-
<u>17</u>	<u>10,903,680</u>	<u>10,903,697</u>
(283,871)	127,004	(156,867)
235,704	1,876,275	2,111,979
<u>\$ (48,167)</u>	<u>\$ 2,003,279</u>	<u>\$ 1,955,112</u>

# NOTES TO FINANCIAL STATEMENTS



# NOTES TO FINANCIAL STATEMENTS



**NOTES TO THE FINANCIAL STATEMENTS****INDEX**

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

The financial statements of the City of Mobile, Alabama (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to municipal governments as promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative literature.

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

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

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

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

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

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



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

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

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

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

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

- Capital Improvements – This fund is considered a major governmental fund and is used to provide for necessary capital improvements and is financed by a portion of the sales tax. This fund is budgeted annually to fund projects which are typically expended over multiple fiscal years. Therefore, the budgeted appropriations for this fund do not lapse at the fiscal year end.
- 2025A General Obligation Warrants – This fund is considered a major governmental fund and is used to provide for construction and improvements of the Mobile Arena.
- Municipal Government Capital Improvements – This fund is used for several projects including the Mobile Regional Senior Community Center and various building maintenance projects.
- Flood Management Escrow – This fund is used to hold funds collected from developers to help defray the cost of future drainage in an area. This fund was established by an ordinance passed by the City Council.
- 2000 Capital Projects – This fund is used to provide for improvements to the City's parks and recreational facilities and for storm water drainage and sewer improvements.
- 2012 General Obligation Private Placement Capital Equipment – This fund is used to purchase police, fire, and public service equipment.



**Debt Service Funds** - These funds are nonmajor governmental funds used to account for assets held for the repayment of principal and interest on the City's outstanding bond issues. None of the Debt Service Funds are considered major governmental funds. Debt service funds used by the City are as follows:

- Bank Service Charges - Various Issues - This fund is used to pay agent and trustee fees for defeased debt.
- 2009C General Obligation ARRA Capital Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Recovery Zone Economic Development Warrants, Series 2009C (Taxable).
- 2011 General Obligation Private Placement Warrants - This fund is used to service the debt outstanding on the General Obligation Private Placement Warrants, Series 2011.
- 2016 General Obligation Refunding Warrants - This fund is used to service the debt outstanding on the General Obligation Refunding Warrants, Series 2016.
- 2016C General Obligation Taxable Warrants - This fund is used to service the debt outstanding on the General Obligation Taxable Warrants, Series 2016C.
- 2017A General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017A.
- 2017B General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017B.
- 2017C General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017C.
- 2017D General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2017D.
- 2018A General Obligation Refunding Warrants – This fund is used to service the debt outstanding on the General Obligation Refunding Warrants, Series 2018A.
- 2020 General Obligation Warrants - This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2020.
- 2025A General Obligation Warrants – This fund is used to service the debt outstanding on the General Obligation Warrants, Series 2025A.

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

- American Rescue Plan Grants - This fund is considered a major governmental fund and is used to account for activities funded by federal grants received which are funded by the American Rescue Plan Act of 2021. This fund does not have a legally adopted annual budget. Therefore, a budgetary comparison schedule is not presented.



- Tax Increment Fund - This fund is used to account for revenues generated by tax collections under the Tax Increment Financing Plan and used to pay for redevelopment projects in the downtown area.
- Tax Increment Fund, District 2 - This fund is used to account for revenues generated by tax collections under the amended Tax Increment Financing Plan and used to pay for redevelopment projects in an expansion of the downtown area.
- Four-cent Gasoline Tax (Maintenance) - This fund accounts for tax revenues to be used to pay for street resurfacing.
- Five-cent Gasoline Tax (Roadway Maintenance) - This fund accounts for tax revenues to be used to pay the cost of construction, improvement, maintenance and supervision of highways, bridges, and streets, including the retirement of bonds for the payment of which such revenues have been or may hereafter be pledged.
- Seven-cent Gasoline Tax (Roadway Maintenance) - This fund accounts for tax revenues to be used to pay the cost of electricity for streetlights and the cost of operating the concrete and storm sewer maintenance, street sweeping, street repair, ditch cleaning, pipe-laying and heavy equipment departments.
- Fuel Inspection Fees - This fund accounts for a special inspection fee levied by the State of Alabama to be used for street improvements and City planning purposes.
- Economic Development Escrow - This fund is used to account for activities funded by recaptured funds from refinanced second mortgages for economic development planning.
- Drug Enforcement Fund - This fund is used to account for federal, state, and local equitable sharing funds which are required to be segregated and used for a law enforcement purpose.
- Municipal Court Judicial Administration Fund - This fund is used to account for activities funded by dedicated revenues established by State statute which are required to be used for the judicial administration of the Municipal Court.
- Storm Water Fund – This fund is used to account for activities funded by dedicated revenues established by local ordinance which levied a storm water fee to be used for storm water management activities.
- Rebuild Alabama Fund – This fund is used to account for motor fuel tax revenues established by State statute which are required to be used for the maintenance, improvement, replacement, and construction of roads and bridges.
- Opioid Settlement Fund – This fund is used to account for funds arising from various national opioid litigation settlements which are required to be used primarily for opioid remediation efforts and care, treatment, and other programs related to the effects of the misuse and abuse of opioid products and related disorders.
- 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.
- RESTORE Act Grants - This fund is used to account for activities funded by federal grants received which are funded by the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RESTORE) Act.



- Hurricane Sally Grants - This fund is used to account for activities funded by federal, state, local, and private grants received which are related to the Hurricane Sally disaster in September 2020.
- Hurricane Zeta Grants - This fund is used to account for activities funded by federal, state, local, and private grants received which are related to the Hurricane Zeta disaster in October 2020.
- Public Safety Grants - This fund is used to account for public safety related activities funded by federal, state, local, and private grants.
- Housing and Urban Development Grants - This fund is used to account for activities funded by grants from the U.S. Department of Housing and Urban Development.

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

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

- Mobile Arena - This fund is used to account for the operations of the Mobile Arena (formerly the Mobile Civic Center) which include activities such as sporting events, social events, musical performances, and theatrical performances.
- WAVE Transit System - This major enterprise fund is used to account for the operations of the City's public transportation system which derives most of its income from passenger fare revenues and various government subsidies.
- Mobile Convention Center - This fund is used to account for the operations of the Mobile Convention Center which includes activities such as business conventions and social events.
- Emergency Medical Services (Firemedics) - This major enterprise fund is used to account for the operations of the firemedics division of the Mobile Fire-Rescue Department which provides pre-hospital/basic and advanced life support management of acute illness or injury through aggressive field stabilization and rapid transport to the appropriate medical facility; and offers support services to other divisions of the Mobile Fire-Rescue Department.
- Cruise Terminal – This fund is used to account for the operations of the Alabama Cruise Terminal, a cruise ship homeport, which includes an arrival and departure terminal facility and secured parking facilities.
- Saenger Theatre - This fund is used to account for the operations of the Saenger Theatre which include activities such as social events, musical performances, and theatrical performances.
- Municipal Parking Garage - This fund is used to account for the operations of the Municipal Parking Garage which is rented to the general public on a daily basis.



- Mobile Tennis Center - This fund is used to account for the operations of the Copeland-Cox Tennis Center which derives most of its income from tennis court rentals.
- Azalea City Golf Course - This fund is used to account for the operations of the Azalea City Golf Course which derives most of its revenues from course and cart rentals, sales, and memberships.
- Neighborhood Renewal Program - This fund is used to account for the operations of the Neighborhood Renewal Program which derives most of its income from the sale of real property inventory.
- Housing Improvement Plan – This fund is used to account for the operations of the Housing Improvement Plan which derives most of its revenues from the sale of real property once it has been redeveloped.

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

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

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

**Estimates** - The preparation of financial statements in conformity with GAAP requires the use of certain estimates by management. Actual results could differ from those estimates.

### **Government-wide Financial Statements**

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

### **Fund Financial Statements**

#### Governmental Funds

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both "measurable and available" to finance current expenditures. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or



soon enough thereafter to pay current liabilities (the City considers revenue available if it is collected within 60 days after year end).

Selective sales and use taxes are considered available and measurable when the underlying exchange has occurred (i.e., September sales taxes are recorded as revenue in September even though the taxpayers remit the taxes in October) and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable, and their validity seems certain.

Property taxes are recognized as revenue when the enforceable legal claim has occurred.

Grant revenues (non-exchange transactions) are recognized when all eligibility requirements have been met and the resources are available. In regard to grant funding, available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recognized when measurable, usually when cash is received.

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

#### Proprietary Funds

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

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

- Prior to August 20<sup>th</sup>, 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<sup>st</sup>, which constitutes the General Fund Budget, a Capital Improvements Fund Budget, and a budget message. By law, expenditures may not exceed revenues and surplus available, if any.
- A public hearing is held to obtain final taxpayer input, and necessary revisions are made not later than September 20<sup>th</sup>. If for any reason the City Council fails to adopt the general fund budget on or before such day, the general fund budget of the current fiscal year shall be the general fund budget for the ensuing year, until such time as a newly revised budget shall be adopted by the City Council and, until such time, it shall have full force and effect to the same extent as if the same had been adopted by the City Council.
- The budget is adopted by a majority vote of the City Council, and any required revenue measures are legally enacted through passage of an ordinance.
- Changes or amendments to the budgeted expenditures of the City at the departmental and fund level must be approved by the City Council.



- Departmental expenditures may not legally exceed budgetary appropriations for the General Fund. Accordingly, the legal level of budgetary control is established within the General Fund at the departmental level. Management may amend the budget at the object level within departments without City Council approval. All unencumbered balances lapse at year-end.

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

Other material revenues which are susceptible to accrual include sales and use taxes, interest income, state-shared revenues, and federal and state assistance. Revenues which are not both available and measurable and are thus not susceptible to accrual include property taxes, franchise fees, and business licenses.

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

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

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

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

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

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded on the ex-dividend date. Investment income includes the City's gains and losses on investments bought and sold as well as held during the year.

**Inventories** - All City inventories are maintained using the consumption method where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories held by the General Fund consist principally of traffic engineering, municipal garage, public buildings, electrical, mechanical maintenance,



public works, police and fire department supplies. Inventories are stated at average or weighted average cost. Appropriate allowances have been recorded for obsolete and surplus items.

**Interfund Transactions** - On fund financial statements, receivables and payables resulting from outstanding balances from transactions between funds are classified as "due from other funds" and "due to other funds" (See Note 6). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." The flow of cash or goods from one fund to another without a requirement for repayment is reported as an interfund transfer. Interfund transfers are reported as other financing sources/uses in governmental funds (See Note 5). In proprietary funds, they are reported as "transfers in" and "transfers out" after "income before contributions and transfers." The government-wide statements eliminate interfund transfers and receivables/payables as reported within the segregated governmental activities and business-type activities columns. Only transfers and receivables/payables between the two columns appear in the government-wide financial statements, which are zero in total. Interfund services provided and used are not eliminated in the process of consolidation.

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

Government-wide Financial Statements

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

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

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

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

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

<u>Types of Assets</u>	<u>Estimated Useful Life</u>
Buildings	25-60 years
Improvements other than buildings	20 years
Infrastructure (Drainage, Streets, Bridges, Sidewalks and Docking)	50 years
Infrastructure (Utilities and Landscaping)	25 years
Other equipment	5-10 years
Vehicular equipment	3-15 years



### Fund Financial Statements

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

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

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

**Compensated Absences** - The GASB requires that accrued liabilities for future vacations and sick leave be recorded if (1) the employees' rights to receive compensation are attributable to services already rendered, and (2) it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. With the implementation of GASB 101, in the current fiscal year, the City will estimate accumulated, unused leave that is "more likely than not to be paid or used" and will recognizing that portion as a liability for compensated absences.

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

### **Equity Classifications**

#### Government-wide Financial Statements

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

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds and mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) the City's own laws through its enabling legislation and other provisions of its laws and regulations (See Note 12).
- Unrestricted net position - All other net position which does not meet the definition of "net investment in capital assets" or "restricted."



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

### Fund Financial Statements

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

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

The reporting categories and descriptions for fund balance in governmental funds within the guidance from GASB Statement No. 54 are as follows:

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

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

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

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

**Pensions & Other Postemployment Benefits** - Refer to Note 11 for additional information on Pensions and OPEB.



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

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

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

Other Postemployment Benefits (OPEB) refers to the benefits, other than pensions, that the City provides as part of an employee's retirement benefits. The City recognizes OPEB using the accrual basis of accounting, recognizing total OPEB liability in the financial statements based on the actuarial present value of projected benefit payments. Changes in the OPEB liability during the year are recorded as OPEB expense, with deferred outflows of resources being recorded for employer contributions made subsequent to the measurement date.

#### **Adoption of new GASB pronouncements:**

##### GASB Statement No. 101, *Compensated Absences*

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

##### GASB Statement No. 102, *Certain Risk Disclosures*

Issued December 2023, the Statement requires governments to make additional assessments regarding concentrations or constraints associated with liabilities for revenue debt resulting in a risk of a substantial impact, and whether any events are occurring or likely to occur that could result in a substantial impact. As applicable, governments might be required to make additional disclosures in the notes to the financial statements pertaining to concentrations or constraints, any potential substantial impact, related events that could cause a potential substantial impact, and actions taken by the government prior to issuance of the financial statements to mitigate the risk as appropriate. The requirements of this statement were effective for reporting periods beginning after June 15, 2024 (Fiscal Year Ended September 30, 2025).



**Future adoption of GASB pronouncements that have been issued but are not yet effective at September 30, 2025:**GAS5 Statement No. 103, *Financial Reporting Model Improvements*

Issued April 2024, the Statement has the objective of improving key components of the financial reporting model by making certain changes to the scope and content of Management's Discussion and Analysis, requiring governments to display certain facets of unusual or infrequent items affecting the financial statements, modifying the presentation of certain parts of proprietary funds financial statements, requiring certain changes to the presentation of major component unit information, and requiring changes to presentation of budgetary comparison information. The requirements of this statement are effective for reporting periods beginning after June 15, 2025 (Fiscal Year Ending September 30, 2026).

GASB Statement No. 104, *Disclosure of Certain Capital Assets*

Issued September 2024, the objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. Modifications are required for certain types of capital assets including certain separate disclosures within the capital assets note disclosures required by GASB Statement No. 34. This Statement also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for reporting periods beginning after June 15, 2025 (Fiscal Year Ending September 30, 2026).

GASB Statement No. 105, *Subsequent Events*

Issued December 2025, the objective of this statement is to improve the financial reporting requirements for subsequent events, by clarifying the subsequent events time frame and the subsequent events that constitute recognized and unrecognized events and specifying the information items that are required to be disclosed about subsequent events. The requirements of this statement are effective for reporting periods beginning after June 15, 2026 (Fiscal Year Ending September 30, 2027).

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

**NOTE 2 - ORGANIZATION AND REPORTING ENTITY****Organization**

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



## Reporting Entity

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

### Discretely Presented Component Units

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

Mobile Public Library  
700 Government Street  
Mobile, AL 36602

- **The 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. The Solid Waste Authority agreed to remit to the City the royalties, in the amount of 5% of the gross revenue received from solid waste deposited at the landfill, paid to the Authority by the contractor operating the landfill.

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

### Related Organizations

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

The City's related organizations are as follows:

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



- **Mobile Housing Board** - The Mayor appoints members to the governing board and can remove members for cause. The Mobile Housing Board has complete legislative and administrative authority. The Housing Board's primary revenues come from rents and monies received from the Federal government.
- **Mobile Airport Authority** - The Mayor appoints members to the governing board and can remove members for cause. The Mobile Airport Authority has completed legislative and administrative authority and can issue its own debt. Its operations are financed through aviation revenues and monies received from the Federal government.
- **Mobile Museum Board** – The City Council appoints members to the governing board. The Mobile Museum Board has separate administrative authority for the History Museum of Mobile. The Mobile Museum Board establishes the rates for revenues derived from admissions and facility rentals, and, at its discretion, utilizes said funds to further the purposes of the Board.

### Joint Ventures

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

- **Mobile County Board of Health** - The Mayor and the City Council do not appoint the board members for the Mobile County Board of Health. The City is legally required to contribute financial support to the Mobile County Board of Health on an annual basis. The City contributed \$600,000 and made other payments totaling \$9,685 to the Mobile County Board of Health during the fiscal year ended September 30, 2025. The Mobile County Board of Health receives contributions from other municipalities included within Mobile County as well as from Mobile County. Of the contributing entities, not one entity has unilateral control over the operations of the Mobile County Board of Health. In addition, the Mobile County Board of Health receives State and Federal financial assistance. The City has no equity interest in the Mobile County Board of Health. Complete financial statements for the Mobile County Board of Health may be obtained from their administrative office at: 251 North Bayou Street, Mobile, Alabama 36601.
- **Mobile County Emergency Management Agency** - The board members for Mobile County Emergency Management Agency are the mayors for the municipalities in Mobile County and the President of the Mobile County Commission or their appointees. The City is legally required to contribute financial support to Mobile County Emergency Management Agency on an annual basis. The City contributed \$709,926 to Mobile County Emergency Management Agency during the fiscal year ended September 30, 2025. Mobile County Emergency Management Agency receives contributions from other municipalities included within Mobile County as well as State and Federal financial assistance. The City has no equity interest in Mobile County Emergency Management Agency. Complete financial statements for Mobile County Emergency Management may be obtained from their administrative office at: 7350 Zeigler Blvd, Mobile, Alabama 36608.
- **Mobile County Personnel Board** - The five board members are appointed by a supervisory committee. The supervisory committee consists of the mayors for all cities in Mobile County, the County Sheriff, the County License Commissioner, the County Revenue Commissioner, and various county judges. The City is legally required to contribute financial support to the Mobile County Personnel Board on an annual basis. The City contributed \$1,802,166 to the Mobile County Personnel Board during the fiscal year ended September 30, 2025. The Mobile County Personnel Board also receives contributions from all municipalities included within Mobile County as well as from Mobile County. The City has no equity interest in the Mobile County Personnel Board. Complete financial statements for the Mobile County Personnel Board may be obtained from their administrative office at: P.O. Box 66794, Mobile, Alabama 36660-1794.



- **Mobile Metro Jail** – The City entered into an agreement with Mobile County to share the costs of a joint jail facility. The City has agreed to pay 35% of the operational costs of the joint jail facility as well as pay 50% of the costs for a joint electronic monitoring program. The City contributed \$14,865,236 to Mobile County during the fiscal year ended September 30, 2025, for the Mobile Metro Jail.
- **Juvenile Court and James T. Strickland Youth Center** - An act was adopted by the Alabama Legislature in 1919 which directs the City to pay one-half of all expenses for the Juvenile Court and James T. Strickland Youth Center within thirty days after receiving the bill. During the fiscal year ended September 30, 2025, the City contributed \$5,010,408 to the Juvenile Court and Youth Center. It is funded by Mobile County, the City of Mobile, the Alabama Department of Youth Services and various grants from the State of Alabama.
- **South Alabama Regional Planning Commission** – Act No. 1126, Acts of Alabama 1969, as amended by Act No. 692, Acts of Alabama 1973, and Act No. 85-757, Acts of Alabama, established the South Alabama Regional Planning Commission on September 13, 1969. The Commission is comprised of 32 representative members of the Baldwin, Escambia, and Mobile County Commissions and the municipalities therein. The Board members, including the Mayor of the City of Mobile, are appointed by each of the various participating agencies. During the year ended September 30, 2025, the City paid \$285,717 to the South Alabama Regional Planning Commission, including \$26,500 of performance contract funding. Funding is provided by the 32 member governments including Mobile County and the City of Mobile, as well as various grants from the federal government and the State of Alabama.

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

#### Deposits

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

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

The City's primary government deposits and City's restricted cash were fully insured or collateralized at September 30, 2025. At year-end, the carrying amount of the City's cash and cash equivalent deposits was \$491,941,293 and the bank balance was \$506,578,152. Of the total bank balance, \$53,865,989 was covered by Federal Depository Insurance and \$452,712,163 was covered under the SAFE program. The City also held investments totaling \$120,508,295 detailed further below.

#### Investments

The City is restricted by State statute to investments in U.S. Government Treasury and Agency securities, certificates of deposit and money market accounts, repurchase agreements and reverse repurchase agreements, banker's acceptances, and commercial paper. Law and City policy have requirements for funds to 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, 2025, the City had the following investments held in custodial trust accounts or repurchase agreements:

Investment Category	Investment Maturities (Fair Value)			Total Fair Value
	Less than 1 Year	1 to 2 Years	2 to 3 Years	
US Treasury	\$ 20,200,332	\$ 224,899	\$ -	\$20,425,231
Money Market Mutual Funds	80,812,812	-	-	80,812,812
Federal Agency	-	-	-	-
Certificates of Deposit	8,916,503	-	-	8,916,503
Repurchase Agreements	10,353,749	-	-	10,353,749
<b>Total Fair Value</b>	<b>\$120,283,396</b>	<b>\$ 224,899</b>	<b>\$ -</b>	<b>\$120,508,295</b>

Fair Value of Financial Instruments

Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* (GASB Statement No. 72) established a framework for measuring fair value. The statement defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level input that is significant to the entire measurement. The three levels of the fair value hierarchy under GASB Statement No. 72 are described below:

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

The following table sets forth by level, within the fair value hierarchy, the City’s assets at fair value as of September 30, 2025:



Investment Category	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
US Treasury	\$ -	\$ 20,425,231	\$ -	\$ 20,425,231
Money Market Mutual Funds	-	80,812,812	-	80,812,812
Federal Agency		-		-
Certificates of Deposit		8,916,503		8,916,503
Repurchase Agreements	-	10,353,749	-	10,353,749
<b>Total Fair Value</b>	<b>\$ -</b>	<b>\$ 120,508,295</b>	<b>\$ -</b>	<b>\$ 120,508,295</b>

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies since September 30, 2024.

- US Treasury, US Government Mortgage-Backed Securities, Federal Agency Securities, Money Market Mutual Funds, Repurchase Agreements and Certificates of Deposit are valued based on market transactions involving similar assets traded in active markets.

The valuation methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the City believes these valuation methods are appropriate and consistent, the use of different methods or assumptions to determine the fair value of a certain financial instrument could result in a different fair value measurement at the reporting date.

Credit Risk and Concentration of Credit Risk

Based on the City's investment policy, the City invests public funds not required for immediate day-to-day operations in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforms to all state statutes and City Council resolutions governing the investment of public funds. Investment shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk. As of September 30, 2025, the City's cash and money market depository accounts are under the SAFE program.

Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty, or by the counterparty's trust department or agent but not in the City's name. Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer due to the failure of a security lender or backer. Such risks are partially mitigated through the City's Investment Policy which states the following.

The City will minimize credit risk by:

- Limiting investments to the safest types of securities
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized

The City will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations
- Investing operating funds primarily in shorter-term securities



To minimize the concentration of credit risk the investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities)
- Limiting investment in securities that have higher credit risks
- Investing in securities with varying maturities
- Continuously investing a portion of the portfolio in readily available funds such as interest-bearing demand deposits to ensure that appropriate liquidity is maintained to meet ongoing obligations.

As of September 30, 2025, the City’s investments in two money market mutual funds with one financial institution of \$65,430,943 comprised 54.30% of its total investment portfolio.

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than three (3) years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is more restrictive.

**NOTE 4 - RECEIVABLES**

Receivables at September 30, 2025, consist of the following:

	Governmental Activities	Business-Type Activities	Total Primary Government
<b>Receivables</b>			
Taxes	\$ 35,711,087	\$ 61,619	\$ 35,772,706
Customers and other	2,504,084	1,398,976	3,903,060
Other governmental units	24,949,856	-	24,949,856
<b>Gross receivables</b>	63,165,027	1,460,595	64,625,622
Allowance for uncollectibles	(38,716)	(191,788)	(230,504)
<b>Net receivables</b>	\$ 63,126,311	\$ 1,268,807	\$ 64,395,118

Substantially all receivables are due in fiscal year 2026.

**NOTE 5 - INTERFUND TRANSFERS**

Transfers within the reporting entity, totaling \$99,279,249 for the year ended September 30, 2025, were substantially for the purposes of subsidizing operating functions. Additional transfers are made to fund capital projects, acquire assets, and maintain debt service. Resources are accumulated in certain funds to support and simplify the administration of various projects or programs, including capital and grant projects. Significant annual transfer amounts comprised primarily the following: (1) \$8,115,904 to Capital Improvements Fund from General Fund primarily for Council-approved specific allocations for major capital projects, (2) \$12,724,062 to Capital Improvements Fund from Other Governmental Funds for allocations for capital projects, (3) \$6,965,443 to Capital Improvements Fund from Other Enterprise Funds for allocations for capital projects, (4) \$25,666,420 to Other Governmental Funds from Capital Improvements Fund, primarily for maintaining debt service. Interfund transfers for the year ended September 30, 2025, were detailed in the following schedule on page 54:



	Transfer In	Transfer Out
<b>Major Governmental Funds</b>		
General Fund		
Capital Improvements Fund	\$ -	\$ 8,115,903
Other Governmental Funds	1,308,874	5,383,084
Internal Service Funds	2,775,217	6,051,436
Other Enterprise Funds	3,101,895	25,486,302
Total General Fund	<u>7,185,986</u>	<u>45,036,725</u>
Capital Improvements Fund		
General Fund	8,115,904	614,346
Other Governmental Funds	12,724,062	25,711,963
Internal Service Funds	1,105,290	75,000
Other Enterprise Funds	6,965,443	3,000,000
Total Capital Improvements Fund	<u>28,910,699</u>	<u>29,401,309</u>
Restore Act Grants		
Capital Improvements Fund	45,563	-
Other Governmental Funds	272,849	-
Total Restore Act Grants	<u>318,412</u>	<u>-</u>
<b>Other Governmental Funds</b>		
General Fund	5,383,084	694,528
Capital Improvements Fund	25,666,420	12,612,062
Restore Act Grants	-	272,849
Other Governmental Funds	303,807	415,826
Total Other Governmental Funds	<u>31,353,311</u>	<u>13,995,265</u>
<b>Internal Service Funds</b>		
General Fund	6,051,436	2,775,216
Capital Improvements Fund	75,000	1,105,290
Total Internal Service Funds	<u>6,126,436</u>	<u>3,880,506</u>
<b>Other Enterprise Funds</b>		
General Fund	22,384,407	-
Capital Improvements Fund	3,000,000	6,965,443
Total Other Enterprise Funds	<u>25,384,407</u>	<u>6,965,443</u>
<b>Total Transfers</b>	<u>\$ 99,279,249</u>	<u>\$ 99,279,249</u>

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

Generally, outstanding balances between funds reported as "due from/to other funds" include subsidy commitments to the WAVE Transit outstanding at year-end and other short-term pooled cash advances and miscellaneous receivables/payables between funds. Interfund receivables and payables at September 30, 2025, are detailed in the following schedule. Substantially all interfund balances are expected to be repaid within one year.



	Due From Other Funds	Due To Other Funds
<b>Major Governmental Funds</b>		
General Fund		
Other Governmental Funds	\$ 2,754,754	\$ -
RESTORE Act Grant Fund	9,976,858	-
WAVE Transit	65,000	991,281
Total General Fund	<u>12,796,612</u>	<u>991,281</u>
RESTORE Act Grant Fund		
General Fund	-	9,976,858
Total RESTORE Act Grant Fund	<u>-</u>	<u>9,976,858</u>
<b>Other Governmental Funds</b>		
General Fund	-	2,754,754
Total Other Governmental Funds	<u>-</u>	<u>2,754,754</u>
<b>Major Enterprise Funds</b>		
WAVE Transit		
General Fund	991,281	65,000
Total WAVE Transit	<u>991,281</u>	<u>65,000</u>
<b>Total Interfund Balances</b>	<u>\$ 13,787,893</u>	<u>\$ 13,787,893</u>

**NOTE 7 - CAPITAL ASSETS**

Governmental Activities

On page 56 is a summary of changes in capital assets for the year ended September 30, 2025:



	Balance, Beginning	Additions	Deductions	Balance, Ending
Capital assets, not depreciated				
Land	\$ 48,220,218	\$ 439,564	\$ 1,076,550	\$ 47,583,232
Construction in progress	221,600,710	132,454,198	68,620,128	285,434,780
Intangible assets	5,305,133	124,572	-	5,429,705
Subtotal	275,126,061	133,018,334	69,696,678	338,447,717
Capital assets, depreciated				
Buildings	146,180,988	86,809	9,850,804	136,416,993
Improvements other than buildings	164,654,967	15,379,116	6,300,203	173,733,880
Vehicular equipment	104,040,339	20,534,223	12,375,580	112,198,982
Other equipment	55,542,634	4,620,361	16,435,954	43,727,041
Infrastructure	700,589,149	47,487,459	13,791	748,062,817
Intangible right-of-use assets:				
Lease land	652,504	43,191	-	695,695
Lease buildings	18,300,049	118,656	-	18,418,705
IT subscriptions	7,980,403	2,376,297	3,989,676	6,367,024
Subtotal	1,197,941,033	90,646,112	48,966,008	1,239,621,137
Accumulated depreciation and amortization				
Buildings	56,201,541	2,786,032	6,017,273	52,970,300
Improvements other than buildings	87,808,425	5,522,983	4,763,872	88,567,536
Vehicular equipment	54,563,702	9,668,882	10,479,792	53,752,792
Other equipment	41,475,551	2,343,541	14,820,008	28,999,084
Infrastructure	239,515,747	14,095,561	2,516	253,608,792
Intangible right-of-use assets:				
Lease land	109,795	39,944	-	149,739
Lease buildings	5,072,871	1,795,203	-	6,868,074
IT subscriptions	3,789,637	3,606,546	3,989,676	3,406,507
Subtotal	488,537,269	39,858,692	40,073,138	488,322,824
Depreciable capital assets, net	709,403,764	50,787,420	8,892,870	751,298,313
Total capital assets, net	\$ 984,529,825	\$ 183,805,754	\$ 78,589,548	\$ 1,089,746,030

Construction in progress consists of the following:

ASSET	ASSET DESCRIPTION	BALANCE 09/30/2024	Additions	Deductions	BALANCE 9/30/2025
77342	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
77344	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
77345	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
77346	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
79255	CITY SHARE - ZEIGLER BLVD (PROJ 906)	6,793,947	42,009	-	6,835,956
79256	RESURF 4CT GAS TAX PROJECT (PROJ 6001)	12,335,910	-	-	12,335,910
79259 / 81610	MPO MCGREGOR AVE - WIDENING (PROJ 7338)	5,849,052	632,753	-	6,481,805
79286	PARKS - MARDI GRAS PARK	4,358,290	-	-	4,358,290
79287	PARKS - LYONS PARK IMPROVEMENT	736,897	-	(736,897)	-
79456	CITYWIDE STORM DRAINS	263,551	-	-	263,551
79470	PKS-MIMS-RENOVATIONS & REPAIRS	1,863,125	1,045,325	-	2,908,449
79474	ARCHITECTURAL ENGINEERING PROJECTS	236,611	-	(236,611)	-
79506	TRAFFIC CALMING DEVICES PROG	111,337	-	-	111,337
79509	2017 CITYWIDE ADA ASSESSMENTS	108,984	-	-	108,984
79513	CS-ZEIGLER-CODY TO SCHILLINGER	1,984,759	-	(1,984,759)	-
79532	POLICE HEADQUARTERS UPGRADES	225,488	6,842	-	232,330
79552	PARKS-HELEN WOODS PARK IMPROV	297,165	-	(297,165)	-
79556	PARK - STOTTS RENOVATION & REPAIRS	920,714	548,950	(1,469,664)	-
79562	PARKS-PLATEAU WELCOME CENTER	8,462	384	-	8,846
79567	BROAD ST IMPROVEMENTS-TIGER	429,612	-	-	429,612



ASSET	ASSET DESCRIPTION	BALANCE 09/30/2024	Additions	Deductions	BALANCE 9/30/2025
79589	DRAINAGE-ESLAVA CREEK IMPROVEMENTS	2,150,497	-	(2,150,497)	-
79621	CRUISE TERMINAL-EQUIPMENT & MISC	2,061,750	-	-	2,061,750
79649/81619	MOBILE GREENWAY INITIATIVE	1,751,152	137,827	-	1,888,979
79651	2017 TRAFFIC SIGNAL MISC IMPROV	239,424	1,133	-	240,557
79654	DAUPHIN ISLAND PARK SIDEWALKS	18,940	-	-	18,940
79722	DISTRICT 1 PARK REPAIR PROJECTS	51,596	-	-	51,596
79723	DISTRICT 2 PARK REPAIR PROJECTS	24,934	-	-	24,934
79724	DISTRICT 3 PARK REPAIR PROJECTS	24,537	-	-	24,537
79725	DISTRICT 4 PARK REPAIR PROJECTS	9,480	-	-	9,480
79726	DISTRICT 5 PARK REPAIR PROJECTS	14,512	-	-	14,512
79727	DISTRICT 6 PARK REPAIR PROJECTS	201	-	-	201
79728	DISTRICT 7 PARK REPAIR PROJECTS	58,264	-	-	58,264
79986	HOPE COMMUNITY CENTER IMPROVEMENTS	484,022	-	(484,022)	-
79996	EAST DRIVE AT 12 MILE CREEK	382,755	-	(382,755)	-
79998	ST. LOUIS ST STREETS CAPES	321,135	120,603	-	441,738
79999	TEXAS ST REBUILD, ANN TO BROAD	9,100,232	-	(9,100,232)	-
80027	TAP SIDEWALK - BIT AND SPUR	244,700	-	(244,700)	-
80034	TIGER - COMPLETE STREETS IMPROVEMENTS	19,997,458	-	-	19,997,458
80446	SIDEWALKS OLD SHELL RD UNION TO DURANT	26,818	-	(26,818)	-
80447	WATER ST STRIPING AND RESURFACING PH2	1,193,273	-	-	1,193,273
80450	DAUPHIN ST WIDENING SAGE TO SPRHILL HOSP	862,044	246,384	-	1,108,428
80453	2018 COUNTY PAYGO N MCGREGOR-OLD SHELL	2,228,801	79,493	(2,308,294)	-
80459	2019 DRAINAGE GROUP A	749,430	-	(749,430)	-
80465	HILLCREST/COTTAGE HILL SIGNAL UPGRA	403,718	119,796	(523,514)	-
80478	LIGHT POLES & FIXTURES DOWNTOWN TIF DIST	395,901	-	-	395,901
80480	NEW PUBLIC SAFETY FACILITY-GOVERNMENT BL	25,136	-	(25,136)	-
80687	TRAFFIC ENG-AIRPORT FIBER OPTICS	209,877	10,661	-	220,538
80688	I-65 AND I-10 LIGHTING IMPROV	3,373,734	76,260	(3,449,994)	-
80692	HALLS MILL & DEMOTROPOLIS RDWY IMPR	43,525	-	-	43,525
80698	AZALEA CITY GOLF COURSE CLUBHOUSE- RESTRO	259,183	-	-	259,183
80702	PUBLIC WORKS CONCRETE REPAIRS	177,610	-	(177,610)	-
80819	GRELOT ROAD BEAUTIFICATION PROJ	155,779	-	(155,779)	-
80885	ST. JOSEPH ST TWO-WAY TRAFFIC CONVERSION	35,896	-	-	35,896
80900	2019 SIGNAL IMPRO UPHAM (C0419)	16,749	8,201	-	24,950
80901	2019 AIRPORT BLVD SIGNAL IMP (C0420)	157,187	30,616	-	187,803
80908	FACILITY UPGRADE/ADEM COMPLIANCE C0486	306,656	3,400	-	310,056
80909	IRRIGATION SYSTEM AUTOMATION (C0500)	36,269	116,002	-	152,271
81015	AZALEA/PLEASANT VALLEY/SAGE - CIP	100,358	6,140	-	106,498
81018	CENTRAL FIRE DEPT WINDOWS	636	-	-	636
81031	FIRE TRAINING FACILITY REHAB	786,211	29,908	(816,119)	-
81033	CYBER-GULF COAST TECH CTR	513,281	-	-	513,281
81039	TRAFFIC SIGNAL GENERATORS	236,479	34,327	(270,806)	-
81062	CONV CTR - REPLACE MARQUEE/INFO BDS	162,233	61,762	-	223,995
81076	MOBILE AL CRUISE TERMINAL-SYS UPGRA	184,300	12,700	-	197,000
81089	SPORTS HALL OF FAME COURTYARD	4,072,481	5,395,255	-	9,467,736
81092	AZALEA CITY GOLF COURSE-DRIVING RANGE	21,405	-	-	21,405
81093	AZALEA CITY GOLF COURSE-EQUIP COVER	16,047	-	(16,047)	-
81099	GREENWAY TRAIL SEC 1 & 2	457,785	99,674	-	557,459
81103	PARKS-LANGAN PARK AMPHITHEATRE	2,029,875	17,110	(2,046,985)	-
81108	CIP PARKS-TRIMMIER PK STADIUM IMPROVE	160,914	19,900	-	180,814
81109	CIP PARKS-TAYLOR PARK POOL AND GYM	441,824	485,075	-	926,899
81111	CIP PARKS-HACKMEYER PARK	995,266	-	-	995,266
81112	CIP PK-FIGURES COMBO FIELD-PRES BOX	246,032	230,065	(476,097)	-
81121	CIP 2021 PUBLIC WORKS CONCRETE REP	149,348	-	(149,348)	-
81122	CIP 2021 RESURFACING PROJECTS	9,790,300	32,721	(9,823,022)	-
81123	COPELAND COX TENNIS CTR-SECURITY CA	27,235	60,219	-	87,454
81213	VIRTUAL COURT SYSTEM	1,750,938	29,900	-	1,780,838
81235	AFRICATOWN WELCOME CENTER	474,008	801,669	-	1,275,677
81237	ANIMAL SHELTER-KENNEL BUILDING	27,273	10,400	(37,673)	-
81239	TE-GOVERNMENT/ROYAL MASTER ARM	17,995	-	-	17,995
81241	HILLSDALE PARK OUTDOOR COURTS	557,955	60,140	(618,095)	-
81243	CIP 2022 RESURFACING	11,796,584	-	(11,796,584)	-
81246	WAC - RECYCLING CENTER	4,506	150	-	4,656
81247	BROOKLEY BY THE BAY	2,339,238	253,873	-	2,593,110
81258	CIP MILL ST PK DRAINAGE & PLAYGROUND	546,151	-	-	546,151
81259	PUBL SERV-FUELING STATION DISP UPGR	187,809	40,512	-	228,321



ASSET	ASSET DESCRIPTION	BALANCE 09/30/2024	Additions	Deductions	BALANCE 9/30/2025
81261	NEW TRAINING PAVILION/OPEN AIR TRAI	104	-	-	104
81262	SCHILLINGER RD SIGNAL IMPROVEMENTS	474,669	15,878	-	490,547
81263	TIF DOWNTOWN STREETScape IMPROVEMEN	948,009	395,944	-	1,343,953
81273	MOUNTING UNIT - NEW TRAINING CTR	431,883	13,188	-	445,071
81286	RIVERFRONT REDEVELOPMENT PROJ. PLAN	71,345	668	(72,013)	-
81307	CIVIC CTR-IMPROVEMENTS MASTER PLAN	14,162,123	3,222,203	-	17,384,327
81338	WOLF RIDGE/BEAU TERRA FRTGE SIDEWAL	650,195	-	(650,195)	-
81339	CIP SEALS & CRWFD PKS PICKLEBAL/TENN	158,915	893,520	-	1,052,435
81340	TAP PROJ-SIDEWALKS-MYRTLEWOOD	200,248	-	(200,248)	-
81341	IMPROVED SITE - 1450 MONTLIMAR DRIVE	2,766,431	59,795	-	2,826,226
81401	CRUISE TERMINAL NEW GANGWAY	3,529,654	1,468,104	-	4,997,758
81409	CIP TRINITY PK COMBO FIELD DRAINAGE	35,683	612,003	(647,686)	-
81412	CIP - LAVRETTA PK PICKLEBALL COURTS	1,141,402	68,079	(1,209,481)	-
81415	BORDER PATROL CUSTOM UPGRADES	49,995	-	-	49,995
81417	CRUISE TERMINAL CATHODIC PROTECTION	1,902,828	13,150.00	-	1,915,978
81418	200 GOVERNMENT ST BLDG IMPROV	704,526	4,412	-	708,938
81419	CIP PARKS-STOTTS COMMUNITY CENTER	55,159	-	-	55,159
81423	2024/25 PIERCE SABER CUSTOM PUMPER TRUCK	792,622	-	-	792,622
81424	2024/25 PIERCE SABER CUSTOM PUMPER TRUCK	792,622	-	-	792,622
81458	2022 PAYGO (COMD1&CW)-(D1-7)	8,843,176	2,913,319	-	11,756,495
81459	2022 PAYGO (COMD2)-(D4-7)	4,210,239	17,312	-	4,227,551
81460	CIVIC CENTER NEW PARKING FACILITY	18,535,153	21,665,016	-	40,200,170
81471	CIP HILLSDALE PARK SIGN	10,192	-	(10,192)	-
81472	IT TECHNICAL & INFRASTRUCT UPGRADES	177,107	189,163	-	366,270
81473	CIP CONSULTANT FOR EBUILDER-ONINDUS	138,790	455,485	-	594,275
81475	CIP MOH PK NETWORK & SURVEILLANCE	28,952	2,047	-	30,999
81476	CIP PK - BAUM-RANDL-RESTR & SPLASHP	458,250	-	(458,250)	-
81477	US 45 MEDIAN IMPROVEMENTS	1,139,757	1,954,965	-	3,094,722
81478	BROAD ST PHASE 4	260,302	18,846	-	279,148
81479	CIP 2023 MISC DRAINAGE GRP A	1,044,015	-	(1,044,015)	-
81481	2022 PAYGO (COMD3)-(D4)	1,326,850	-	(1,326,850)	-
81483	ASHLAND PLACE DRAINAGE	7,986	-	-	7,986
81485	OLD SHELL RD PEDESTRIAN IMPRV	21,793	5,600	-	27,393
81486	FIRE TRAINING CENTER IMPROVEMENTS	51,159	-	-	51,159
81488	TRAFFIC ENG - DIST 4 FIBER OPTIC	24,494	0	(24,494)	-
81489	CIP OLD SHELL UNIVERSITY CMP	14,163	3,860	-	18,023
81490	CIP HILLSDALE PK HVAC LIGHTS	21,881	449,277	-	471,158
81491	CIP PK MOH ENTRANCE AMPITH LIGHTS	344,580	1,906,937	-	2,251,517
81499	CIP PK HARMON COMMUNITY CTR	15,990	90,615	-	106,605
81500	CIP PK SPRINGHILL REC CTR IMPRV	101,606	261,588	-	363,194
81504	CIP MCVAY NAVCO SIGNAL UPGRADE	64,709	-	(64,709)	-
81505	CITYWIDE CRP SIGNAL IMPROVEMENTS	377,690	108,709	-	486,399
81506	CV CTR PROJ MGMT/SITE DESIGN/UTI RE	2,330,981	1,487,554	-	3,818,535
81507	CIP WOODCOCK DRAINAGE-AIRPORT-TERMI	32,513	8,630	-	41,143
81509	CIP PARK-LAUN PK-REC CTR & SPLASHPAD	130,206	322,410	-	452,615
81511	SIGNAL UPGR-GRLT CODY-UNIV & OTHERS	322,559	31,427	-	353,986
81512	CIP CYPRESS SHORES DRAINAGE IMPROV	1,753,575	4,711	(1,758,287)	-
81513	MCNALLY PARK FISHING PIER	4,268	24,153	-	28,420
81514	FIRE BOAT DRYDOCK	331,128	-	(331,128)	-
81515	CIP PK COPELAND COX TENNIS CENTER	38	790	-	828
81531	PIERCE ENFORCER HEAVY DUTY RESCUE TRUCK	1,257,778	-	-	1,257,778
81534	CITIZENS RECYCLING CENTER FENCING	27,308	-	(27,308)	-
81583	THREE MILE CREEK WATERSHED RESTORATION	9,225,103	384,767	-	9,609,870
81589	ST LOUIS ST IMPROVEMENTS - RESTORE	793,540	838,221	-	1,631,761
81590	THREE MILE CREEK GREENWAY TRAIL SEG 5-7	2,199,496	47,604	-	2,247,100
81596	MOBILE AREA STORM WATER MAPPING	2,852,400	185,644	-	3,038,044
81626	PUB WORKS SPLIT SYSTEMS REPLACEMENT	13,872	8,969	(22,842)	-
81638	WESTERN SHORE RESURFACING	134,050	1,818,070	-	1,952,120
81639	CIP TRAFFIC CALMING DISTRICT 6	78,913	31,698	-	110,611
81649	TIF DECORATIVE SIGN POSTS PHASE 2	261,685	17,765	-	279,450
81662	CIP PK TRICENT PLAYGD PAVILION SITE	613,055	89,938	-	702,992
81682	MPD MOUNTED UNIT GRAND BAY UPGRADES	58,625	16,244	-	74,869
81684	CIP LANGAN PK - NEW BOAT HOUSE & WC	10,400	13,600	(24,000)	-
81732	2024 CHEVROLET TAHOE MPV	50,626	-	(50,626)	-
81733	2024 CHEVROLET TAHOE MPV	50,626	-	(50,626)	-
81734	2024 CHEVROLET TAHOE MPV	50,626	-	(50,626)	-
81735	2024 CHEVROLET TAHOE MPV	50,626	-	(50,626)	-





ASSET	ASSET DESCRIPTION	BALANCE 09/30/2024	Additions	Deductions	BALANCE 9/30/2025
81811	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
81812	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
81813	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
81814	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
81815	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
81816	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
81817	2024 CHEVROLET TAHOE SUV	51,908	-	(51,908)	-
81828	2024 CIP CW SIDEWALK REPAIR & MAINT	662	2,869,276	-	2,869,938
81834	2024 CIP RESURFACING D 1, 2, 3 , 5	514,822	5,035,425	-	5,550,247
81836	2024 CIP RESURFACING D4	93,647	3,212,246	-	3,305,892
81837	2024 CIP RESURFACING D6 & 7	1,057,809	2,271,949	-	3,329,758
81843	HISTORY MUSEUM HVAC	22,955	36,526	-	59,481
81852	TOULMINVILLE LIBRARY RE-ROOFING	37,646	721,854	-	759,500
81882	DESIGN/RENOVATIONS - PARKWAY COMM CTR	26,912	133,350	-	160,262
81883	SPRINGHILL CT RETAINING WALL IMPROV	9,998	364,218	-	374,215
81884	SYSTEM-WIDE DRAINAGE REPAIRS/IMPROVEMENT	1,093,350	3,953,147	-	5,046,497
81885	MUSEUM OF ART HVAC UPGRADES	489,970	7,167	(497,138)	-
81887	UPGRADE JOC VIDEO WALL	87,618	197,744	(285,362)	-
81891	CIP WESTSIDE PARK ADA & PARKING	22,967	561,318	-	584,285
81892	POLICE 1ST PRECINCT-GENERATOR	3,906	27,747	(31,653)	-
81897	CIP CC TENNIS CTR LED LIGHTS	548,000	-	-	548,000
81901	GOMESA RIVERFRONT	2,598,724	5,660,433	-	8,259,157
81903	8M INTERCEPTOR RAPID RESP. RESCUE BOAT	36,414	72,829	-	109,243
81223	LANGAN PARK/1/2 MI. CK BANK STABILITY	-	43,091	-	43,091
81686	CIP FIGURES PARK NEW PLAYGROUND	-	599,897	-	599,897
81853	2025 PIERCE ENFORCER AERIAL LADDER FIRE	-	2,065,571	(2,065,571)	-
81900	HALLS MILL CREEK PUBLIC ACCESS PROJ	-	83,085	-	83,085
81902	PINEHILL RECYCLE CTR NEW MOD BLDG	-	95,095	-	95,095
81910	HURTEL MOWING DIVISION NEW PARKING	-	175,428	-	175,428
81943	METRO FIREARMS RANGE HVAC UPGRADES	-	17,445	-	17,445
81978	CIP PK CRAWFORD PARKING & LIGHTING	-	32,025	-	32,025
81986	CIP PARK-HARMON SOFTBALL DUGOUTS	-	38,240	(38,240)	-
81988	2024 PAYGO RESURFACING COMM D3	-	338,158	-	338,158
81989	2024 PAYGO RESURFACING COMM D2	-	4,221,758	-	4,221,758
81990	2024 PAYGO RESURFACING COMM D1	-	713,412	-	713,412
81991	PUBLIC SERV-GENERATOR	-	186,741	-	186,741
81992	TIF ISOM CLEMON CIVIL RIGHTS MEM PK	-	1,390,000	(1,390,000)	-
81993	WEST REGIONAL LIB MECHANICAL IMPROV	-	406,836	-	406,836
81994	CIP FIRE STATION 19 DESIGN & BDLG	-	360,673	-	360,673
81995	CIP PK MOH TENNIS/PICKLEBALL IMPROV	-	135,000	-	135,000
81996	CIP PK MOH BALLFIELD IMPROVEMENTS	-	77,710	-	77,710
81997	MELTON FIRE STATION HVAC UPGRADES	-	89,861	-	89,861
81998	CIP LAVRETTA PARK PLAYGROUND COURT	-	9,120	-	9,120
81999	CIP WESTSIDE PARK LIGHT RESURFACING	-	635,712	-	635,712
82000	CIP CRAWFORD PARK SPLASHPAD	-	25,799	-	25,799
82001	CIP CRAWFORD MURPHY PK PLAYGRND PH2	-	164,830	-	164,830
82002	CRUISE TERMINAL NEW HVAC UNITS	-	94,744	-	94,744
82003	CIP FIGURES PARK IMPROVEMENTS-HVAC	-	38,006	-	38,006
82004	CIP DISTRICT 3 TRAFFIC CALMING	-	26,980	-	26,980
82013	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82014	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82015	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82016	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82017	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82018	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82019	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82020	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82021	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82022	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82023	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82024	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82025	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82026	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82027	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82028	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82029	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82030	2025 CHEVROLET TAHOE	-	50,364	-	50,364



ASSET	ASSET DESCRIPTION	BALANCE 09/30/2024	Additions	Deductions	BALANCE 9/30/2025
82031	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82032	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82033	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82034	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82035	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82036	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82037	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82038	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82039	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82040	2025 CHEVROLET TAHOE	-	50,364	(50,364)	-
82041	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82042	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82043	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82044	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82045	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82046	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82047	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82048	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82049	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82050	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82051	2028 PIERCE ENFORCER PUMPER	-	924,542	-	924,542
82052	2028 PIERCE ENFORCER PUMPER	-	924,542	-	924,542
82054	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82055	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82091	CIP DISTRICT 7 TRAFFIC CALMING	-	93,332	-	93,332
82101	MFRD AIRLIFT EQUIPMENT	-	25,322	-	25,322
82102	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82103	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82104	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82105	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82106	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82107	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82108	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82109	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82110	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82111	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82112	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82113	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82114	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82115	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82116	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82117	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82118	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82119	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82120	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82121	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82122	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82123	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82124	2025 CHEVROLET TAHOE	-	50,364	-	50,364
82159	COUNTY PAVING CITY SEGMENTS-UNICORP	-	18,127	(18,127)	-
82179	CRICHTON FIRE STATION BABY BOX	-	13,691	(13,691)	-
82181	TRANS ALTERN PROJ HYLAND TO UNION	-	360,837	(360,837)	-
82182	TRANS ALTER PROJ SIDEWALKS OLD SHELL	-	312,360	(312,360)	-
82187	CIP MOFFETT&HOWELLS FERRY CROSSWALK	-	2,500	-	2,500
82189	TIF DOWNTOWN OPTIMIZATION RESURFACI	-	216,289	-	216,289
82191	ANIMAL SHELTER I-65 SERVICE RD.	-	524,762	-	524,762
82198	CIP ESLAVA CK DRAINAGE LLEYN-MONTLI	-	52,500	-	52,500
82199	CIP D7 SENIOR CENTER	-	21,585	-	21,585
82210	BROAD ST PHASE 3	-	119,788	-	119,788
82211	ROUNABOUT INSTALLATION	-	2,259,817	-	2,259,817
82213	TRAFFIC SIGNAL UPGRADE UNIVERSITY	-	56,358	-	56,358
82214	TRAFFIC SIGNAL IMPROVEMENTS FY25-27	-	261,152	-	261,152
82215	ALDOT DAUPHIN ST. IMPROVEMENTS	-	493,164	-	493,164
82218	3MC GREENWAY TRAIL SEGMENT 1 TAP	-	1,182,568	-	1,182,568
82219	DIP SIDEWALKS I-10 TO MILITARY	-	566	-	566
82220	2024 TAP DOWNTOWN MOBILE SIDEWALK I	-	65,960	-	65,960
82223	CIP BROAD BALTIMORE SIGNAL UPGRADE	-	10,900	-	10,900
82225	IT FIBER EXPANSIONS/UPGRADES	-	149,731	-	149,731



ASSET	ASSET DESCRIPTION	BALANCE 09/30/2024	Additions	Deductions	BALANCE 9/30/2025
82227	MOTORIZED VEHICLE GATE-CRUISE TERMINAL	-	49,220	(49,220)	-
82229	CIP - LANGAN PARK STORM WATER	-	99,359	-	99,359
82230	GOMESA MARTIME MUSEUM IMPROVEMENTS	-	400,900	-	400,900
82231	MOBILE ARENA CONSTRUCTION	-	30,400,933	-	30,400,933
Total		\$ 221,600,710	\$ 132,454,198	\$ (68,620,128)	\$ 285,434,780

Depreciation expense was charged to governmental activities as follows:

Governmental Function	Depreciation Expense
General government	\$ 23,622,936
Economic development	-
Public safety	7,730,799
Public works	4,704,498
Engineering, development & build Mobile	913,360
Culture & recreation	2,738,741
Finance	148,359
Total depreciation expense	\$ 39,858,692

Business-type Activities

The following is a summary of changes in capital assets for the year ended September 30, 2025:

	Balance, Beginning	Additions	Deductions	Balance, Ending
Capital assets, not depreciated				
Land	\$ 11,550,242	\$ -	\$ -	\$ 11,550,242
Construction in progress	620,618	1,307,401	1,186,695	741,324
Subtotal	12,170,860	1,307,401	1,186,695	12,291,566
Capital assets, depreciated				
Buildings	106,378,085	123,013	3,770	106,497,328
Improvements other than buildings	10,771,650	1,209,870	731,480	11,250,040
Vehicular equipment	20,598,037	864,406	748,291	20,714,152
Other equipment	5,950,923	170,628	459,532	5,662,019
Subtotal	143,698,695	2,367,917	1,943,073	144,123,539
Accumulated Depreciation				
Buildings	59,754,835	2,282,086	2,146	62,034,775
Improvements other than buildings	7,865,310	426,246	487,880	7,803,676
Vehicular equipment	7,053,783	1,885,912	709,101	8,230,594
Other equipment	4,303,800	300,284	431,125	4,172,959
Subtotal	78,977,728	4,894,528	1,630,252	82,242,004
Depreciable capital assets, net	64,720,967	(2,526,611)	312,822	61,881,535
Total capital assets, net	\$ 76,891,827	\$ (1,219,210)	\$ 1,499,517	\$ 74,173,101



Approximately \$3.3 million (cost of \$12.0 million and accumulated depreciation of \$8.7 million) of the Municipal Parking Garage property is leased to others as of September 30, 2025. (See Note 13)

Construction in progress consists of the following:

ASSET	ASSET DESCRIPTION	BALANCE			BALANCE	
		09/30/2024	Additions	Deductions		9/30/2025
81059	CONV CTR - INTERIOR RENOVATIONS	124,994		6,239	131,233	-
81480	CONV CTR-BATHROOM UPGRADES	411,254		187,350	598,604	-
81845	TENNIS CTR LED LIGHTING UPGRADE	17,645		278,970	296,615	-
81846	TENNIS CTR ELEC POLES & PANELS	66,725		93,518	160,243	-
81953	2025 AEV TRAUMAHAWK AMBULANCE	-		370,662	-	370,662
81955	2025 FORD F-450 MPV AMBULANCE	-		370,662	-	370,662
<b>Total</b>		<b>\$ 620,618</b>	<b>\$ 1,307,401</b>	<b>\$ 1,186,695</b>	<b>\$ 741,324</b>	

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

Fund	Depreciation Expense
Azalea city golf course	\$ 192,075
Civic center	-
Convention center	1,398,200
Cruise terminal	396,453
Emergency medical services	88,557
Neighborhood renewal program	2,799
Parking garage	201,644
Saenger theater	160,636
Tennis center	7,285
WAVE transit	2,446,879
<b>Total depreciation expense</b>	<b>\$ 4,894,528</b>



**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, 2025:

Bond/Warrant	Principal Balance
\$13,715,000; 2011 General Obligation Private Placement Warrants; due annually with interest payable semi-annually 2.84% per annum; maturing February 15, 2026	\$640,000
\$39,402,000; 2016 General Obligation Refunding Warrants; due annually with interest payable semi-annually at rates ranging from 4.50% to 5.00% per annum; maturing February 15, 2030	11,028,000
\$17,735,000; 2016C General Obligation Warrants, Taxable; due annually with interest payable semi-annually at rates ranging from 5.40% to 5.50% per annum, maturing February 15, 2030	8,485,000
\$64,610,000; 2017A General Obligation Warrants, Tax-Exempt; due annually with interest payable semi-annually at rates ranging from 3.00% to 5.00% per annum, maturing February 15, 2030	37,770,000
\$48,770,000; 2017D General Obligation Warrants, Taxable; due annually with interest payable semi-annually at rates ranging from 2.40% to 3.12% per annum, maturing February 15, 2028	22,170,000
\$24,350,000; 2018A General Obligation Warrants; due annually with interest payable semi-annually at 5.00% per annum, maturing February 15, 2030	14,775,000
\$5,860,000; 2020 General Obligation Warrants, due annually with interest payable semi-annually at 5.0% per annum, maturing February 15, 2030	5,220,000
\$225,100,000; 2025A General Obligation Warrants, due annually with interest payable semi-annually at 5.00% per annum; maturing February 15, 2045	222,510,000
<b>Total bonds/warrants payable</b>	<b>\$322,598,000</b>

The principal maturities and related interest requirements for the bonds, warrants and notes payable for the next five fiscal years and thereafter are as follows on page 65:



Bonds/Warrants Payable			
Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2026	19,636,000	14,841,531	34,477,531
2027	19,719,000	14,114,695	33,833,695
2028	19,802,000	13,334,923	33,136,923
2029	20,636,000	12,493,938	33,129,938
2030	20,295,000	11,594,577	31,889,577
2031	10,210,000	10,870,250	21,080,250
2032	10,735,000	10,346,625	21,081,625
2033	11,285,000	9,796,125	21,081,125
2034	11,865,000	9,217,375	21,082,375
2035	12,475,000	8,608,875	21,083,875
2036	13,115,000	7,969,125	21,084,125
2037	13,785,000	7,296,625	21,081,625
2038	14,495,000	6,589,625	21,084,625
2039	15,235,000	5,846,375	21,081,375
2040	16,020,000	5,065,000	21,085,000
2041	16,840,000	4,243,500	21,083,500
2042	17,705,000	3,379,875	21,084,875
2043	18,610,000	2,472,000	21,082,000
2044	19,565,000	1,517,625	21,082,625
2045	20,570,000	514,250	21,084,250
<b>Subtotals</b>	<b>322,598,000</b>	<b>- 160,112,914</b>	<b>- 482,710,914</b>
Plus: Bond premium	32,396,900	(32,396,900)	-
<b>Totals</b>	<b>354,994,900</b>	<b>- 127,716,014</b>	<b>- 482,710,914</b>



The following is a summary of the changes in long-term liabilities reported in the Statement of Net Position for the year ended September 30, 2025:

	Balance, October 1	Additions	Deductions	Balance, September 30	Due Within One Year
<b>Governmental Activities</b>					
General & limited obligation bonds/warrants	\$ 119,031,000	\$ 222,510,000	\$ 18,943,000	\$ 322,598,000	\$ 19,636,000
Plus: Bond premium	5,578,291	28,627,992	1,809,383	32,396,900	-
Total general and limited obligation bonds/warrants	124,609,291	251,137,992	20,752,383	354,994,900	19,636,000
Notes payable	200,000	-	200,000	-	-
Compensated absences	15,168,373	3,079,005	909,793	17,337,585	2,939,364
Leases payable	14,437,307	255,479	1,744,660	12,948,126	1,744,659
Subscription payable	3,777,020	625,714	2,340,953	2,061,781	1,282,967
Self-insured legal liability	96,888	317,626	-	414,514	-
Insurance claims	16,112,460	24,120,909	26,301,246	13,932,123	3,335,056
Landfill postclosure liability	212,130	1,199,500	-	1,411,630	90,386
OPEB liability	147,064,506	41,493,206	7,006,409	181,551,303	7,426,793
Net pension liability	116,079,050	60,262,195	116,609,116	59,732,129	-
Total governmental activities	437,757,025	382,491,624	175,864,560	644,384,091	36,455,225
<b>Business-type Activities</b>					
Compensated absences	575,839	49,615	625,454	-	-
Net pension liability	5,382,575	4,340,882	9,318,624	404,833	-
Total business-type activities	5,958,414	4,390,497	9,944,078	404,833	-
Total primary government	\$ 443,715,439	\$ 386,882,123	\$ 185,808,638	644,788,924	\$ 36,455,225

Repayment of principal and interest maturities is made from sales and use taxes. Also, for governmental activities, compensated absences, pension obligations, and net OPEB liabilities 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, 2025 the permissible debt limit exceeded actual debt by approximately \$648 million.

### NOTE 9 - LEASES

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

#### Operating Leases – City as Lessee

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

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



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

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

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

At September 30, 2025, these leases consisted of the following:

Governmental Activities	Balance at Oct. 1, 2024	Additions	Retirements	Balance at September 30, 2025
Right-of-use lease assets				
Right-of-use - land	\$ 652,504	\$ 43,191	\$ -	\$ 695,695
Right-of-use - buildings	18,418,705	118,656	-	18,418,705
Total leases	19,114,400	161,847	-	19,114,400
Less accumulated amortization for:				
Right-of-use - land	109,795	39,944	-	149,739
Right-of-use - buildings	5,072,871	1,795,203	-	6,868,074
Total accumulated amortization	5,182,666	1,835,147	-	7,017,813
Governmental right-of-use lease assets, net	\$ 13,769,887	\$ (1,673,300)	\$ -	\$ 12,096,587

Principal and interest requirements to maturity for the lease liability at September 30, 2025, are as follows:

Year ended September 30	Governmental Activities		
	Principal	Interest	Total
2026	1,744,659	486,193	2,230,852
2027	1,820,378	414,987	2,235,365
2028	1,863,310	341,460	2,204,770
2029	1,943,169	265,430	2,208,599
2030	1,954,582	187,038	2,141,620
Thereafter	3,622,028	709,712	4,331,740
Total	12,948,126	2,404,820	15,352,946

Operating Leases – City as Lessor

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



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

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

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

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

For the year ended September 30, 2025, payments are as follows:

Governmental Activities	Fixed Payments
Rentals, buildings	\$ 152,875
Total	\$ 152,875

Principal and interest to maturity for the lease receivable at September 30, 2025, are as follows:

Governmental Activities			
Year ended September 30	Principal	Interest	Total
2026	(15,884)	170,346	154,462
2027	(14,933)	171,029	156,096
2028	(13,897)	171,676	157,779
2029	(72,282)	172,283	100,001
2030	(75,227)	175,228	100,001
Thereafter	4,421,697	8,939,972	13,361,669
Total	4,229,474	9,800,534	14,030,008



**NOTE 10 – SUBSCRIPTION-BASED IT ARRANGEMENTS (SBITAS)**

A subscription-based information technology arrangement (SBITA) is a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The City elects to recognize SBITAs with an initial, individual value of \$50,000 or more for all funds, based on the future subscription payments remaining at the start of the subscription term.

The City has obtained IT software through subscriptions. The terms and conditions for these subscriptions vary. The City recognizes a subscription liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a subscription, if the subscription is over the threshold, the City initially measures the subscription liability at the present value of subscription payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured at the sum of the initial subscription liability amount, payments made before the commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subsequently, the subscription asset is amortized on a straight-line basis over its subscription term.

Key estimates and judgements related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value and (2) the subscription term as follows:

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses 5% APR.
- The subscription term is the noncancellable period of the subscription.

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

At September 30, 2025, the subscription-based IT arrangements consisted of the following:

Governmental Activities	Balance at Oct. 1, 2024	Additions	Retirements	Balance at Sept 30, 2025
<b>SBITAs</b>				
Right-of-use - subscription asset	\$ 7,980,403	\$ 2,376,297	\$ 3,989,676	\$ 6,367,024
Total subscription assets	7,980,403	2,376,297	3,989,676	6,367,024
Less accumulated amortization for:				
Right-of-use - subscription asset	3,789,636	3,606,546	3,989,676	3,406,507
Total accumulated amortization	3,789,636	3,606,546	3,989,676	3,406,507
Governmental subscription assets, net	\$ 4,190,766	\$ (1,230,249)	\$ -	\$ 2,960,517



Principal and interest requirements to maturity for the subscription liability at September 30, 2025, are as follows:

Year ended September 30	Governmental Activities		
	Principal	Interest	Total
2026	\$ 1,282,967	\$ 71,943	\$ 1,311,884
2027	651,681	27,690	679,641
2028	34,520	1,726	36,246
2029	-	-	-
2030	-	-	-
Thereafter	-	-	-
Total	<u>\$ 2,061,781</u>	<u>\$ 101,629</u>	<u>\$ 2,027,770</u>

**NOTE 11 - RETIREMENT PLANS & OTHER EMPLOYEE BENEFITS**

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

Plan	Contributions
Employees' Retirement System of Alabama (ERS)	\$ 7,274,476
Police and Firefighters Retirement Plan (PFFRP)	25,585,480
Transit Workers Pension Plan (TWPP)	649,466
General Municipal Employee Pension Trust Fund (GMEPTF)	5,497
Total	<u>\$ 33,514,919</u>

The City has an agreement and declaration of trust with First Transit, Inc. (the contracted transit operator), which contractually obligates the City (as plan sponsor) to reimburse the contracted transit operator for payment of any pension plan or other employee benefits, specifically as it relates to the Transit Workers Pension Plan.

Aggregate information on all plans is summarized below and provided in further detail in the following sections.

	ERSA	PFFRP	TWPP	GMEPTF	Total
Total Pension Liability	\$ 255,639,404	\$ 324,193,591	\$ 23,440,491	\$ -	\$ 603,273,486
Plan Fiduciary Net Position	188,641,762	332,090,889	22,403,873	-	543,136,524
Net Pension Liability (Asset)	<u>\$ 66,997,642</u>	<u>\$ (7,897,298)</u>	<u>\$ 1,036,618</u>	<u>\$ -</u>	<u>\$ 60,136,962</u>
Deferred Outflows of Resources	\$ 14,019,733	\$ 31,109,934	\$ 425,936	\$ -	\$ 45,555,603
Deferred Inflows of Resources	12,631,431	3,055,170	1,788,930	-	17,475,531
Pension Expense/Expenditures	8,089,317	3,523,013	421,904	5,497	12,039,731



Employees' Retirement System of Alabama**General Plan Information**

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

*Plan description.* The Employees' Retirement System of Alabama (ERS), an agent multiple-employer public employee retirement plan, was established October 1, 1945, pursuant to the *Code of Alabama, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and on an elective basis, to all cities, counties, towns, and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 15 trustees. Act 390 of the Legislature of 2021 created two additional representatives to the ERS Board of Control Effective October 1, 2021. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36, Chapter 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at [www.rsa-al.gov](http://www.rsa-al.gov).

The ERS Board of Control consists of 15 trustees as follows:

1. The Governor, ex officio.
2. The State Treasurer, ex officio.
3. The State Personnel Director, ex officio.
4. The State Director of Finance, ex officio.
5. Three vested members of ERS appointed by the Governor for a term of four years, no two of whom are from the same department of state government nor from any department of which an ex officio trustee is the head.
6. Eight members of ERS who are elected by members from the same category of ERS for a term of four years as follows:
  - a. Two retired members with one from the ranks of retired state employees and one from the ranks of retired employees of a city, county, or a public agency each of whom is an active beneficiary of ERS.
  - b. Two vested active state employees.
  - c. One vested active employee of a participating municipality or city in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
  - d. One vested active employee of a participating county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
  - e. One vested active employee or retiree of a participating employer in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.
  - f. One vested active employee of a participating employer other than a municipality, city, or county in ERS pursuant to the *Code of Alabama 1975, Section 36-27-6*.

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

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



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

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

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

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits equal to the annual earnable compensation of the member as reported to the Plan for the preceding year ending September 30 are paid to the beneficiary.

*Membership.* The ERS serves approximately 890 local participating employers. City of Mobile ERS membership as of September 30, 2024, consisted of:

Category	Members
Retired members or their beneficiaries	
currently receiving benefits	905
Vested inactive members	38
Non-vested inactive members	324
Active members	1,106
Post-DROP retired members still in active service	1
Total	2,374

*Contributions.* City Tier 1 employees participating in the Plan are required to contribute 5% of their earnable compensation to the Plan. Tier 2 employees participating in the Plan are required to contribute 7.5% of their earnable compensation to the Plan. Member contributions are not accessible to the employee unless he or she should terminate employment and apply for a refund of contributions and eligible interest.

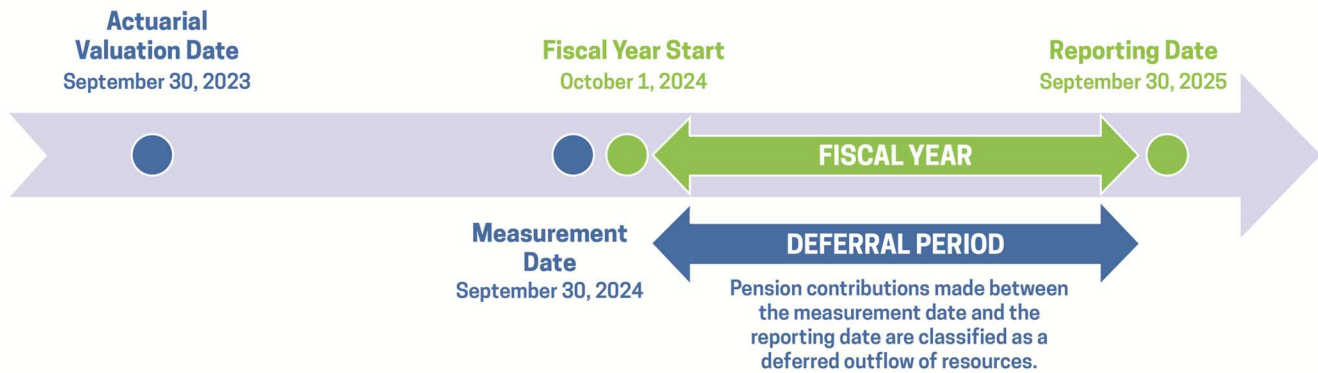
The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the preretirement death benefit, and administrative expenses of the Plan. For the year ended September 30, 2025, the City's average active employee contribution rate was 6.36% percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 11.82% of covered payroll.



The City's contractually required contribution rate for the year ended September 30, 2025, was 12.70% of pensionable pay for Tier 1 employees and 11.10% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2022, 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 2025 amounted to \$11,190,289 of which \$7,274,476 and \$3,915,813 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 30, 2023 rolled forward to September 30, 2024 using standard roll-forward techniques shown in the following table:

Roll-Forward of the Total Pension Liability	Expected	Actual Before Plan Changes	Actual After Plan Changes
Total pension liability as of September 30, 2023 (a)	\$ 246,442,984	\$ 250,551,261	\$ 250,551,261
Discount rate (b)	7.45%	7.45%	7.45%
Entry Age Normal Cost for October 1, 2023 - September 30, 2024 (c)	5,143,343	5,143,343	5,143,343
Transfers among employers (d)	-	(102,884)	(102,884)
Actual Benefit Payments and Refunds for October 1, 2023 - September 30, 2024 (e)	(17,949,757)	(17,949,757)	(17,949,757)
<b>Total Pension Liability as of September 30, 2024</b> [(a) x (1+(b))] + (c) + (d) + [(e) x (1 + 0.5*(b))]	<u>\$ 251,327,944</u>	<u>\$ 255,639,404</u>	<u>\$ 255,639,404</u>
Difference between Expected and Actual Experience		\$ 4,311,460	
Less: Liability Transferred for Immediate Recognition Experience (Gain)/Loss (i) = (g) - (h)		(102,884)	
		\$ 4,414,344	
Difference between Actual TPL Before and After Plan Changes - Benefit Change (Gain)/Loss			\$ -



*Actuarial assumptions.* The total pension liability as of September 30, 2024 was based on the September 30, 2023 actuarial valuation and was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	25.5 years
Asset valuation method	Five-year smoothed market
Inflation	2.5%
Salary increases	3.25% - 6.00%
Investment rate of return	7.45%, net of pension plan investment expense

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

The actuarial assumptions used in the September 30, 2022 valuation were based on the results of an actuarial experience study for the period October 1, 2015 – September 30, 2020.

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

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

	Target Allocation	Long-Term Expected Rate of Return*
Fixed income	15.00%	2.80%
U.S. large stocks	32.00%	8.00%
U.S. mid stocks	9.00%	10.00%
U.S. small stocks	4.00%	11.00%
International developed market stocks	12.00%	9.50%
International emerging market stocks	3.00%	11.00%
Alternatives	10.00%	9.00%
Real estate	10.00%	6.50%
Cash equivalents	5.00%	1.50%
Total	<u>100.00%</u>	

\*Includes assumed rate of inflation of 2.0%



*Discount rate.* The discount rate used to measure the total pension liability was 7.45%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan’s fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2023	\$ 246,442,984	\$ 162,592,289	\$ 83,850,695
Changes for the year:			
Service cost	5,143,343	-	5,143,343
Interest	17,691,374	-	17,691,374
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Differences between expected and actual experience	4,414,344	-	4,414,344
Contributions-employer	-	6,862,491	(6,862,491)
Contributions-employee	-	3,695,251	(3,695,251)
Net investment income	-	33,544,372	(33,544,372)
Benefit payments, including refunds of employee contributions	(17,949,757)	(17,949,757)	-
Administrative expense	-	-	-
Transfers among employers	(102,884)	(102,884)	-
Net changes	9,196,420	26,049,473	(16,853,053)
Balances at 9/30/2024	\$ 255,639,404	\$ 188,641,762	\$ 66,997,642

*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the City’s net pension liability calculated using the discount rate of 7.45%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.45%) or 1-percentage-point higher (8.45%) than the current rate (dollar amounts in thousands):

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
Net Pension Liability	\$ 93,298,137	\$ 66,997,642	\$ 44,624,639



*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued RSA Annual Comprehensive Financial Report for the fiscal year ended September 30, 2024.

The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2024.

The auditor’s report on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at [www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/](http://www.rsa-al.gov/index.php/employers/financial-reports/gasb-68-reports/).

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

For the year ended September 30, 2025, the City recognized pension expense (income) of \$8,089,317.

Components of pension expense are as follows:	
Service Cost	\$ 5,143,343
Interest on the total pension liability	17,691,374
Current-period benefit changes	-
Expensed portion of the current-period difference between expected and actual experience	1,051,034
Expensed portion of current-period changes of assumptions	-
Member contributions	(3,695,251)
Projected earnings on plan investments	(11,833,941)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(4,342,086)
Transfers among employers	-
Recognition of beginning deferred outflows as pension expense	4,922,442
Recognition of beginning deferred inflows as pension expense	(847,598)
Pension Expense (Income)	\$ 8,089,317



At September 30, 2025, 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	\$ 6,539,664	\$ 453,330
Changes of assumptions or other inputs	433,079	-
Net difference between projected and actual earnings on pension plan investments		12,178,101
Employer contributions subsequent to the measurement date*	7,046,990	-
Total	<u>\$ 14,019,733</u>	<u>\$ 12,631,431</u>

*\*Employer contributions made from 10/01/2024-09/30/2025, related to normal and accrued liability components of employer rate net of any refunds or error service payments. These amounts will be recognized in 2026 as a reduction of the net pension liability.*

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

Year ended September 30	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2026	\$ 2,996,663	\$ 3,567,385	\$ (570,722)
2027	2,563,584	(1,256,326)	3,819,910
2028	1,202,288	5,978,285	(4,775,997)
2029	210,208	4,342,087	(4,131,859)
2030	-	-	-
Thereafter	-	-	-
	<u>\$ 6,972,743</u>	<u>\$ 12,631,431</u>	<u>\$ (5,658,668)</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 Principal Trust Company. Plan benefit provisions were established and may be amended by the Plan's Board of Trustees subject to approval by the City of Mobile City Council. Cost of living adjustments may be provided by the Plan's Board of Trustees after consultation with its actuary and other advisors. Contribution requirements were established and may be amended subject to approval by the Board of Trustees and the City of Mobile City Council. Certain administrative functions are performed by the City. Those employees are not compensated by the Plan nor are they members of the Plan.

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

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

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

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

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

*DROP.* Effective October 1, 1997, the Plan was amended to provide for the addition of a 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.

*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.

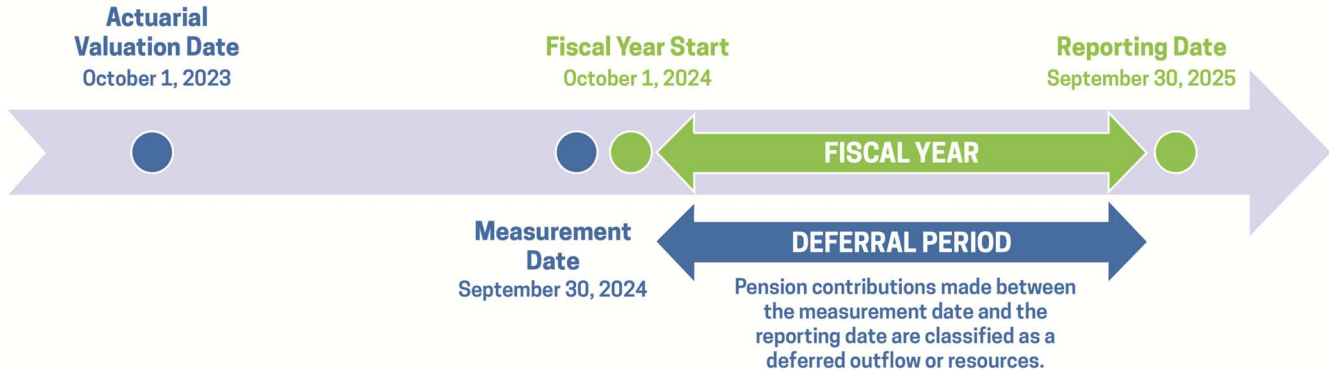
For the year ended September 30, 2025, the City's active employee contribution rate was 8.0 percent of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 44.48 percent of covered payroll. Total contributions to the Plan during fiscal year 2025 amounted to \$30,194,926 of which \$25,585,480 and \$4,609,446 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, 2024, according to the actuarial valuation, was comprised of the following:

Category	Members
Retired members or their beneficiaries currently receiving benefits	745
Vested terminated employees	30
Active employees	890
Total	1,665



Net Pension Liability



The City's net pension liability was measured as of September 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2023, rolled forward to September 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement.

*Actuarial assumptions:*

Discount rate	7.32% per annum
Investment rate of return, net of pension plan investment expense, including inflation	7.32% per annum
Inflation	2.25%
Salary increases	3.00% per annum
Cost-of-living increases	2.50% per annum
<i>(only for those who retired during the period October 1, 1977, through April 14, 1985)</i>	

The actuarial assumptions used in the October 1, 2023, valuation were based on results of an actuarial experience study for the period October 1, 2014, through September 30, 2023.

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

Mortality rates were based on the sex-distinct rates set forth in the PUB-2010 Mortality Table for public safety employees, with full generational improvements in mortality using Scale MP-2020.

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



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

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

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

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

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

**Changes in Net Pension Liability**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 9/30/2023	\$ 310,754,211	\$ 275,723,392	\$ 35,030,819
Changes for the year:			
Service cost	2,644,140	-	2,644,140
Expected interest growth	22,147,079	20,326,050	1,821,029
Unexpected investment income	-	32,061,384	(32,061,384)
Demographic experience	11,092,623	-	11,092,623
Contributions-employer	-	22,402,832	(22,402,832)
Contributions-employee	-	4,028,254	(4,028,254)
Benefit payments, including refunds of employee contributions	(22,444,462)	(22,444,462)	-
Administrative expenses	-	(6,561)	6,561
Changes in benefit terms	-	-	-
Assumption changes	-	-	-
Net changes	<u>13,439,380</u>	<u>56,367,497</u>	<u>(42,928,117)</u>
Balances at 9/30/2024	<u>\$ 324,193,591</u>	<u>\$ 332,090,889</u>	<u>\$ (7,897,298)</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 7.32%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.32%) or 1-percentage point higher (8.32%) than the current rate:

	1% Decrease (6.32%)	Current Discount Rate (7.32%)	1% Increase (8.32%)
Net Pension Liability	\$ 28,334,069	\$ (7,897,298)	\$ (37,452,084)

*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, 2025, the City recognized pension expense (income) of \$3,523,013.

<b>Components of pension expense are as follows:</b>	
Service Cost	\$ 2,644,140
Expected interest growth	1,821,029
Investment gain/loss	(2,751,338)
Demographic gain/loss	5,180,659
Employee contributions	(4,028,254)
Benefit payments and refunds	-
Administrative expenses	6,561
Changes in benefit terms	-
Changes in assumptions or other inputs	650,216
Pension Expense (Income)	\$ 3,523,013

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to PFFRP of the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,607,361	\$ 874,357
Changes of assumptions or other inputs	1,032,733	2,180,813
Net difference between projected and actual earnings on pension plan investments	(15,115,640)	-
Employer contributions subsequent to the measurement date*	25,585,480	-
Balance as of September 30, 2024	\$ 31,109,934	\$ 3,055,170



*\*Employer contributions made from 10/01/2024-09/30/2025, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amount will be recognized in 2026 as a reduction of the net pension liability.*

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

Year ended September 30	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2026	\$ 1,888,744	\$ 968,083	\$ 920,661
2027	6,862,298	968,083	5,894,215
2028	(5,071,971)	897,669	(5,969,640)
2029	(3,508,513)	175,979	(3,684,492)
2030	2,462,541	45,356	2,417,185
Thereafter	2,891,355	-	2,891,355
	<u>\$ 5,524,454</u>	<u>\$ 3,055,170</u>	<u>\$ 2,469,284</u>

General Municipal Employee Pension Trust Fund - In 1968, a significant curtailment with respect to participation in the GMEPTF occurred, the effect of which rendered the Plan virtually inactive. Participation in the pension fund by City employees hired after 1968 was ended. Eligible employees in 1968 could elect participation in the Employees' Retirement System of Alabama plus some combination of benefits under the GMEPTF.

The pension fund was insolvent at the date of the change in the Plan. The City plans to fund benefits under the GMEPTF as they become due.

At September 30, 2024, 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, 2025, 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, 2025, were \$5,497.

Transit Workers Pension Plan

**General Plan Information**

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



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

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

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

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

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

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

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

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

*Contributions.* The City of Mobile is required to contribute at an actuarially determined amount each plan year. The City's contribution is determined as of each July 1. At a minimum, the City will make such contributions as are necessary to fund the Plan in accordance with the minimum funding standards set forth in Internal Revenue Code section 412 as if the Plan were otherwise subject to such funding standards and in accordance with any other applicable State law. The normal cost has been increased by \$52,500 per year to finance the administrative expenses of the Plan, exclusive of investment expenses and commissions. Employees participating in the Plan are required to contribute 5% of their earnings to the Plan. Employer and employee contribution requirements may be amended by Ordinance of the City of Mobile City Council.

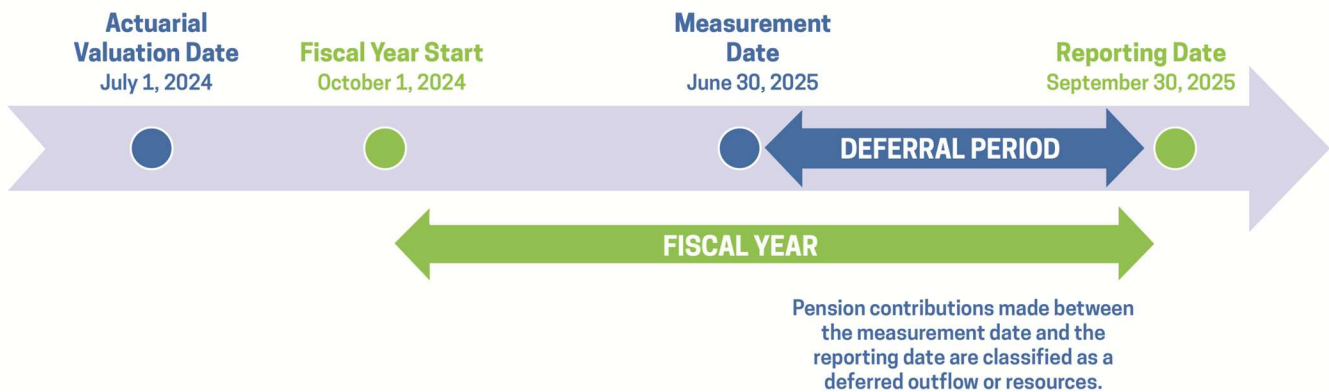


For the year ended September 30, 2025, the City's active employee contribution rate was 5.69% of covered payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 13.61% of covered payroll. Total contributions to the pension plan during plan fiscal year 2025 amounted to \$920,690 of which \$649,466 and \$271,224 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, 2024, according to the latest actuarial valuations, was comprised of the following:

Category	Members
Retired members or their beneficiaries currently receiving benefits	71
Vested terminated employees	11
Active employees	107
<b>Total</b>	<b>189</b>

**Net Pension Liability**



The City's net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions:*

Measurement date	June 30, 2025
Actuarial valuation date	July 1, 2024
Discount rate	5.26%
Inflation	2.00%
Salary increases	4.00%
Investment rate of return	3.26%
Cost-of-living increases	None assumed
Other decrements	Assumed employment termination is based on the Scale 255 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 2).
Changes	No assumptions were changed since the prior measurement date.



The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Mortality rates were based on sex-distinct rates set forth in the RP-2000 Mortality Table, projected to the valuation year, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected. Retirement has been assumed to occur at normal retirement age.

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

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

	Target Allocation	Long-Term Expected Rate of Return
International developed equity	12.95%	4.50%
International emerging equity	6.48%	6.50%
U.S. large cap equity	32.35%	4.00%
U.S. mid cap equity	6.48%	4.50%
U.S. small cap equity	6.48%	4.50%
Foreign bond	3.48%	0.00%
High yield bond	3.48%	3.00%
U.S. core fixed income	22.24%	1.25%
U.S. short term bond	5.56%	0.00%
Cash	0.50%	0.00%
Total	100.00%	3.26%

**Changes in Net Pension Liability**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances at 06/30/2024:	\$ 23,032,631	\$ 20,452,520	\$ 2,580,111
Changes for the year:			
Service cost	1,100,899	-	1,100,899
Interest	1,242,024	1,070,827	171,197
Unexpected investment income	-	1,072,170	(1,072,170)
Differences between expected and actual experience	(648,421)	-	(648,421)
Contributions-employer	-	649,466	(649,466)
Contributions-employee	-	271,224	(271,224)
Benefit payments, including refunds of employee contributions	(1,062,314)	(1,062,314)	-
Administrative expenses	-	(50,020)	50,020
Changes in benefit terms	-	-	-
Assumption changes	(224,328)	-	(224,328)
Net changes	407,860	1,951,353	(1,543,493)
Balances at 06/30/2025:	\$ 23,440,491	\$ 22,403,873	\$ 1,036,618

*Sensitivity of the net pension liability to changes in the discount rate.* The following table presents the City's net pension liability calculated using the discount rate of 5.26%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.26%) or 1-percentage point higher (6.26%) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Net Pension Liability	\$ 3,984,197	\$ 1,036,618	\$ (1,411,089)

*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 third party administrator: My Benefits Administrator, LLC, P.O. Box 10132, Fleming Island, FL 32006, (904) 902-7174.



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

For the year ended September 30, 2025, the City recognized pension expense (income) of \$421,904.

<b>Components of pension expense are as follows:</b>	
Service Cost	\$ 1,100,899
Expected interest growth	171,197
Investment gain/loss	(499,168)
Demographic gain/loss	(68,528)
Employee contributions	(271,224)
Administrative expenses	50,020
Changes in benefit terms	-
Changes in assumptions or other inputs	(61,292)
<b>Pension Expense (Income)</b>	<b>\$ 421,904</b>

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to TWPP of the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 275,936	\$ 475,050
Changes of assumptions or other inputs	-	163,036
Net difference between projected and actual earnings on pension plan investments	-	1,150,844
Employer contributions subsequent to the measurement date*	150,000	-
<b>Balance as of September 30, 2025</b>	<b>\$ 425,936</b>	<b>\$ 1,788,930</b>

*\*Employer contributions made from 07/01/2025-09/30/2025, related to normal and accrued liability components of employer rate net of any refunds or error service payments. This amount will be recognized in 2026 as a reduction of the net pension liability.*



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

Year ended September 30	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2026	\$ 173,544	\$ 123,199	\$ 50,345
2027	102,392	844,643	(742,251)
2028	-	606,654	(606,654)
2029	-	214,434	(214,434)
2030	-	-	-
Thereafter	-	-	-
	<u>\$ 275,936</u>	<u>\$ 1,788,930</u>	<u>\$ (1,512,994)</u>

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

**General Plan Information**

The City provides post-employment health care coverage, including dental benefits, and life insurance, as allowed by Alabama state laws, to eligible individuals in a single-employer arrangement on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The City of Mobile Management Committee has the authority to establish and amend eligible benefit terms and contribution requirements at its sole discretion.

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

*Life Insurance.* With respect to retirees who participate in the health and dental plan, retiree dependent life insurance is equal to \$5,000 for each covered dependent. There is no retiree life insurance coverage for those who retire after 2024. With respect to disabled employees for the first 12 months of disability prior to age 65, life insurance is equal to the lesser of two times annual salary or \$100,000 plus an accidental death and dismemberment benefit of the same amount.

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



All other employees who terminate their employment are eligible for COBRA coverage. Spouses of deceased employees or retirees are also eligible for COBRA coverage prior to age 65.

Membership.

Category	Members
Inactive employees and beneficiaries currently receiving benefits	1,091
Active employees	922
<b>Total</b>	<b>2,013</b>

*Contributions.* Retirees must pay the required monthly contribution for either single or family coverage, as applicable. During fiscal year 2025, retirees have been assumed to make monthly contributions equal to \$94 for single coverage and \$267 for family coverage. COBRA contributions for retirees for the same period have been assumed to be \$678 per month for single coverage and \$1,772 per month for single plus spouse coverage. If eligible, dependents of deceased retirees may pay the monthly retiree contribution rate for up to 12 months after the retiree’s death but must pay the monthly COBRA premium thereafter as well as dependents of active employees who either have earned at least 10 years of service or die in the line of duty. All other terminated employees and dependents must pay the COBRA premium for continued coverage.

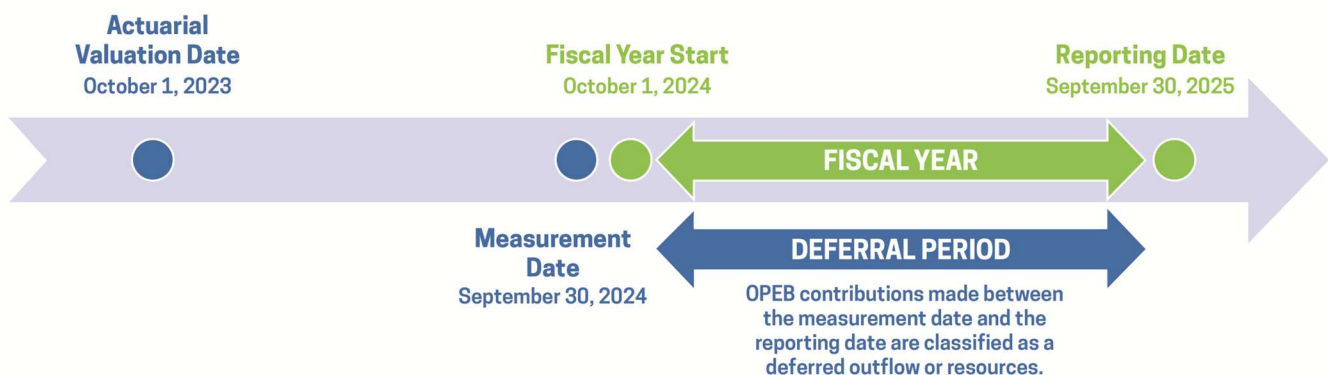
The City establishes rates based on an annual valuation made by an independent consultant. The City’s policy is to use the Blue Cross Blue Shield projected cost to develop the funding rates which in turn set the employee/retiree and other agency/COBRA monthly premium rates.

For Medicare-eligible retirees, the Medicare Advantage Plan is fully insured and underwritten by Humana. The 2025 Medicare Advantage Plan rate is \$144.65. The City also funds the cost of non-Medicare dependents for this group.

The cost of retiree health care, dental care and life insurance benefits is recognized as an expenditure as claims are paid. For fiscal year 2025, those retiree-related costs totaled approximately \$4,158,067 and the liability for incurred and not paid claims totaled \$2,006,900.

Total contributions to the Plan in fiscal year 2025 amounted to \$6,490,573 of which \$4,158,067 and \$2,332,506 were made by the City of Mobile and its employees, respectively.

**Total OPEB Liability**



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

*Actuarial assumptions:*

Valuation date	October 1, 2023
Measurement date	September 30, 2024
Discount rate	4.06% per annum, used to discount all future benefit payments and is based on the 20-year municipal bond index
Salary increases	3.00% per annum
Cost-of-living increases	Prior to age 65, retiree contributions and health insurance claims have been assumed to increase in accordance with the healthcare cost trend rates; the subsidy provided to Medicare-eligible retirees has not been assumed to increase; dental claims and administrative expenses have been assumed to increase at the rate of 3.00% per year
Healthcare cost trend rates	8.00% for the 2023/24 fiscal year downgraded by 0.50% per year to 5.00% for the 2029/30 and later fiscal years
Age-related morbidity	Healthcare costs are assumed to increase at the rate of 3.50% for each year of age
Per capita claim cost	Healthcare claims are assumed to be \$10,500 for a 62-year-old participant during the period October 1, 2023, through September 30, 2024; dental claims are assumed to be \$600 for each individual during the same period; the healthcare claims amount was developed based on actual retiree claims experience, the dental claims amount was developed based on plan experience for all participants.
Administrative expenses	Administrative expenses are assumed to be \$875 for each participant (without regard to whether the participant has elected single or family coverage) for the period October 1, 2023, through September 30, 2024.
Mortality basis	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020; all pre-retirement deaths for public safety employees are assumed to be service-related.
Retirement	With respect to public safety employees, 25% are assumed to retire at each of ages 50 and 57, 20% are assumed to retire at each of ages 51, 52, 58, 60, and 61, 22% are assumed to retire at age 53, 33% are assumed to retire at age 54, 35% are assumed to retire at age 55, 30% are assumed to retire at age 56, 15% are assumed to retire at age 59, and 100% are assumed to retire at age 62; with respect to general employees, 2.5% are assumed to retire at each of ages 50 through 54, 5% are assumed to retire at ages 55 through 59, 10% are assumed to retire at each of ages 60 and 61, 25% are assumed to retire at ages 62 through 64, and 100% are assumed to retire at age 65.
Other decrements	Assumed employment termination is based on the Scale 155 table; assumed disability is based on the Wyatt 1985 Disability Study (Class 4 rates were used for public safety employees and Class 1 rates were used for all other employees).
Health coverage election	100% of eligible employees are assumed to elect medical coverage for themselves upon retirement or disability; public safety employees who terminate their service after 20 years of employment other than for retirement or disability are assumed to continue coverage for life; all other employees who terminate their service other than for retirement or disability are assumed to continue coverage for one year; of those electing coverage, 75% of males and 25% of



females are assumed to elect coverage for their spouses until three years after the retiree's death but not after age 65.

Spouses and dependents: Husbands are assumed to be three years older than wives; retirees are not assumed to have any dependent children.

COBRA: Future healthcare coverage provided solely pursuant to COBRA was not included in the OPEB valuation; because the COBRA premium is determined periodically based on plan experience, the COBRA premium to be paid by the participant is assumed to fully cover the cost of providing healthcare coverage during the relevant period.

Changes: Since the prior measurement date, the discount rate was decreased from 4.91% per annum to 4.06% per annum and the healthcare cost trend rates were increased from 6.5% for the 2023/24 fiscal year graded down to 5.00% for the 2026/27 year and later fiscal years to the amounts shown above.

**Changes in the Total OPEB Liability**

Changes in Total OPEB Liability	Total OPEB Liability (a)
Balances at 9/30/2023:	\$ 147,064,506
Changes for the year:	
Service cost	3,365,921
Expected interest growth	5,966,660
Unexpected investment income	-
Demographic experience	4,413,086
Contributions-employer	-
Contributions-employee	-
Benefit payments, including refunds employee contributions	(7,006,409)
Administrative expense	-
Changes in benefit terms	-
Assumption changes	27,747,539
Net changes	34,486,797
Balances at 9/30/2024:	\$ 181,551,303

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following table presents the City's total OPEB liability calculated using the discount rate of 4.06%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.06%) or 1-percentage point higher (5.06%) than the current rate:

	1% Decrease (3.06%)	Current Discount Rate (4.06%)	1% Increase (5.06%)
Total OPEB Liability	\$ 208,419,439	\$ 181,551,303	\$ 159,529,379



Sensitivity of the total OPEB liability to change in the healthcare cost trend rates. The following table presents the City’s total OPEB liability calculated using the healthcare cost trend rates (8.00% downgraded by 0.50% per year to 5.00%) as well as what the total OPEB liability would be if it were calculated using discount rates that are 1-percentage point lower or 1-percentage point higher than the current rates.

	1% Decrease	Current Healthcare Cost Trend Rates (8.00% graded down to 5.0%)	1% Increase
Total OPEB Liability	\$ 159,925,803	\$ 181,551,303	\$ 207,969,476

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

For the year ended September 30, 2025, the City recognized OPEB expense (income) of 6,891,517.

Components of OPEB expense are as follows:	
Service Cost	\$ 3,365,921
Expected interest growth	5,966,660
Investment gain/loss	-
Demographic gain/loss	1,924,239
Employee contributions	-
Benefit payments & refunds	(7,112,205)
Administrative expenses	-
Changes in benefit terms	-
Changes in assumptions or other inputs	2,746,902
Pension Expense (Income)	<u>\$ 6,891,517</u>

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance as of September 30, 2023	\$ 20,625,908	\$ 28,039,344
Amortization payments	(21,200,440)	(16,529,299)
Prior year employer contributions paid subsequent to the measurement date (10/01/23-09/30/24)	(4,052,271)	-
Investment gain/loss	-	-
Demographic gain/loss	4,413,086	-
Changes in assumptions or other inputs	27,747,539	-
Employer contributions subsequent to the measurement date*	4,158,067	-
Balance as of September 30, 2024	<u>\$ 31,691,889</u>	<u>\$ 11,510,045</u>



*\*Employer contributions made from 10/01/2024-09/30/2025, This amount will be recognized in 2026 as a reduction of the total OPEB liability.*

Other amounts reported as deferred outflows of resources and deferred inflows of resources to OPEB plan will be recognized as an expense as follows:

Year ended September 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2026	12,816,877	9,803,191	3,013,686
2027	9,734,313	1,706,854	8,027,459
2028	4,982,632	-	4,982,632
2029	-	-	-
2030	-	-	-
Thereafter	-	-	-
	\$ 27,533,822	\$ 11,510,045	\$ 16,023,777

**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 12 - RESTRICTED NET POSITION**

The following is a summary of the restricted net position at September 30, 2025:

Activity	Restricted By	Amount
Capital Projects	Enabling Legislation	\$ 10,986,271
Capital Projects	Legal Restriction	232,121,491
Debt Service	Legal Restriction	464,410
Economic Development	Enabling Legislation	24,111,280
Grant Programs	Grant Agreements	6,851,067
Storm Water Management	Enabling Legislation	8,176,961
Law Enforcement	Legal Restriction	916,143
Opioid Settlement	Enabling Legislation	963,081
		\$ 284,590,704



**NOTE 13 - 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, 2025 was \$2,844,388. This amount is reported as a deferred inflow of resources related to deferred service concession arrangement receipts in the Enterprise Funds - Municipal Parking Garage fund.

The lessee paid a base amount of \$5,000,000 which constituted payment in full of all base rent due under the lease for the lease term; therefore, the base rental amount is being recognized as revenue over a period of 49 years. The lease allows the lessee to pay all expenses associated with the operation of the parking garage from rentals received. A percentage of the balance remaining after payment of these expenses is to be remitted to the City at the end of each lease year commencing on October 1 of each year. Rental income of \$424,918 for fiscal year 2025 is included in the Enterprise Funds - Municipal Parking Garage fund. Also see Note 7 for additional information relating to leased property.

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**Joint Governmental Complex

On June 26, 1990, the City entered into an operating lease with the County of Mobile (the County) to lease space in a joint governmental complex. By agreement in December 2020, the City and County agreed to set the monthly rate for rent and expenses at \$125,000 per month effective October 2020 through September 2025.

Self-Insured Liability - Legal

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

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

According to the City attorney, loss contingencies categorized as "probable" totaled \$414,514. Consequently, the City has accrued this amount at September 30, 2025. Loss contingencies categorized as "reasonably possible" range between \$30,000 and \$230,000.



Governmental Funds Encumbrances

Encumbrances for the year ended September 30, 2025 are disclosed for each major fund and for all other governmental funds in the aggregate.

Governmental Funds Encumbrances	Amount
Major Governmental Funds:	
General Fund	\$16,425,348
Capital Improvements Fund	71,229,332
American Rescue Plan Grants	18,859,813
RESTORE Act Grant Fund	37,135,184
Governmental Funds - Nonmajor	6,433,555
Total Governmental Funds Encumbrances	\$150,083,232

**NOTE 15 - RISK MANAGEMENT**

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

The City is self-insured for claims and judgments, general liability, and auto liability up to \$1,000,000 per incident/claim. The City utilizes insurance coverages over the \$1,000,000 self-insured retention with commercial insurance carriers up to certain limits as set in the coverages. As more fully discussed in Note 14, the City has determined and recorded an estimate of \$414,514 for loss contingencies relating to claims and judgments. Claim settlement and loss expenses are accrued for estimated reported claims. Experience indicates that incurred but not reported claims, in aggregate, do not represent a material amount and, therefore, have not been accrued at year-end.

The City is self-insured for workers' compensation claims, up to \$750,000 per accident/claim, to include medical expenses and indemnity payments to the injured worker. The City is fully insured over the \$750,000 self-insured retention, through the Municipal Workers Compensation Fund (MWCF). The City contracts with a third-party administrator for claims administration of claims that occurred prior to participation in MWCF on January 1, 2017. The estimated liability for workers' compensation claims as of September 30, 2025, is \$11,925,223. The City is also self-insured for employee health insurance claims. The liability for employee health insurance claims includes an estimated amount for claims that have been incurred but have not been reported. The present value of the estimated liability for employee health claims as of September 30, 2025, is \$2,006,900.

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



	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
Claims and judgments, general liability and general and automotive liability				
2023-2024	\$ 345,888	\$ 362,659	\$ 611,659	\$ 96,888
2024-2025	96,888	1,423,623	1,105,997	414,514
Employee Health				
2023-2024	1,881,500	22,551,551	22,551,551	1,881,500
2024-2025	1,881,500	24,982,323	24,856,923	2,006,900
Workers' Compensation				
2023-2024	18,339,493	(2,185,830)	1,922,703	14,230,960
2024-2025	\$ 14,230,960	\$ (861,413)	\$ 1,444,324	\$ 11,925,223

**NOTE 16 - FUND DEFICITS OF NONMAJOR FUNDS**

The following nonmajor funds had deficits in net position/fund balance September 30, 2025.

Housing and Urban Development Grants	\$ (800,942)
Liability Insurance	\$ (1,479,940)

**NOTE 17 - MUNICIPAL SOLID WASTE LANDFILLS**

The City has in operation two solid waste landfills. The responsibility for annual operation and future closure and post-closure care costs of the Chastang landfill has been transferred to another entity, the Solid Waste Disposal Authority. At September 30, 2025, the City believes that this entity is financially capable of meeting the closure and post-closure 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 its 2008 closure. The \$1,411,630 reported in the Statement of Net Position as a landfill post-closure liability at September 30, 2025, represents the estimated cost of all post-closure care through 2038 and includes a FY25 recalculation of this liability based on current costs. However, due to changes in technology, laws or regulations, these costs may change in the future.

**NOTE 18 – TAX ABATEMENTS**

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



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

Generally, the agreements provide for a rebate of sales and use taxes paid to the City according to formulas contained in the agreements. The total amount of taxes rebated under such agreements during fiscal year 2025 was \$4,183,107.

The agreements typically provide for the suspension of rebates or for the repayment to the City of the rebated amounts if the entity ceases to operate its business for a certain length of time or fails to produce a certain level of employment.

In the past, the City has abated sales and use taxes without the provision for the initial payment and subsequent rebate of such taxes. These agreements did not establish a required reporting mechanism for the City to receive information on the amount of taxes abated. Therefore, the City is unable to estimate the amount of taxes abated under these existing agreements. However, the City is implementing reporting requirements to comply with GASB Statement No. 77 in future abatement agreements.

Occasionally, the City will agree to provide assistance with contractual lease obligations of certain abates under tax abatement agreements. The amount of such remaining obligations is \$150,000.

### **Tax Abatement Agreements of Other Entities**

#### **Industrial Development Board of the City of Mobile, AL**

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

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

The gross amount of foregone City ad-valorem taxes during the 2025 fiscal year due to tax abatement agreements was \$1,016,559.

#### **Mobile County Industrial Development Authority**

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

There were no records of foregone ad-valorem taxes abated during the 2025 fiscal year identified due to agreements authorized by the Mobile County IDA.



**NOTE 19 – FUND BALANCE – GOVERNMENTAL FUNDS**

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

	General Fund	Capital Improvements Fund	Restore Act Grants	American Rescue Plan Grants	2025 G.O. Warrant	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>							
Inventory	\$ 3,871,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$3,871,197
Prepaid items	34,171	-	-	-	-	-	34,171
<b>Restricted</b>							
Capital Projects	-	-	-	-	-	6,709,616	6,709,616
Debt Service	-	-	-	-	-	464,410	464,410
Enabling Legislation	-	-	-	-	-	32,285,398	32,285,398
Grants	-	-	200,714	11,603	-	6,638,750	6,851,067
Law Enforcement	-	-	-	-	-	916,143	916,143
Legal Restriction	-	-	-	-	225,318,612	-	225,318,612
Opioid Settlement	-	-	-	-	-	963,081	963,081
Road and Bridge Construction	-	-	-	-	-	6,965,605	6,965,605
Road and Bridge Repair	-	-	-	-	-	4,020,667	4,020,667
<b>Committed</b>							
Flood Management	-	-	-	-	-	93,811	93,811
<b>Assigned</b>							
Athletic Fund	468,806	-	-	-	-	-	468,806
Capital Improvements	-	140,152,060	-	-	-	-	140,152,060
Designated and Donated Funds	1,847,759	-	-	-	-	-	1,847,759
Economic Development	-	-	-	-	-	2,844	2,844
General Fund Encumbrances	16,425,347	-	-	-	-	-	16,425,347
Municipal Court	-	-	-	-	-	599,077	599,077
<b>Unassigned</b>	120,046,818	-	-	-	-	-	120,046,818
<b>Total</b>	<b>\$142,694,098</b>	<b>\$ 140,152,060</b>	<b>\$ 200,714</b>	<b>\$ 11,603</b>	<b>\$225,318,612</b>	<b>\$ 59,659,402</b>	<b>\$ 568,036,489</b>

**NOTE 20 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 22, 2026, which is the date these financial statements were available to be issued. All subsequent events requiring recognition as of September 30, 2025, have been incorporated into these financial statements.





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



REQUIRED SUPPLEMENTAL

# REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN THE MD&A



# RSI - GENERAL FUND BUDGET TO ACTUAL



**Required Supplementary Information**

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

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

**CITY OF MOBILE, ALABAMA**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**GENERAL FUND**  
**For the Year Ended September 30, 2025**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 272,634,540	\$ 273,239,540	\$ 275,249,086	\$ 2,009,546
Licenses and permits	52,358,732	52,958,732	56,228,175	3,269,443
Intergovernmental	85,149	85,149	128,844	43,695
Charges for services	7,297,999	7,297,999	9,033,352	1,735,353
Fines and forfeitures	1,485,166	1,485,166	1,638,667	153,501
Investment income	12,098,400	13,000,400	12,449,672	(550,728)
Other revenue	1,310,422	1,310,422	1,696,048	385,626
Total revenues	347,270,408	349,377,408	356,423,844	7,046,436
<b>EXPENDITURES</b>				
Current:				
General government				
General government				
311	437,373	443,809	839,616	(395,807)
Administrative svc admin	556,963	556,963	534,468	22,495
Animal shelter	3,324,588	3,427,976	2,699,201	728,774
Archives	443,297	443,822	23,942	419,880
City clerk	971,532	1,186,432	297,880	888,553
City council	980,453	986,217	652,406	333,811
City council discretionary funds	595,000	488,296	470,010	18,286
City hall overhead	6,070,500	5,817,654	1,151,859	4,665,794
Communications and external affairs	654,647	668,400	107,649	560,751
Geographical Information System	908,985	925,801	259,568	666,232
Human resources	1,025,605	1,029,459	2,756,336	(1,726,877)
Information Technology	6,374,488	7,344,486	602,660	6,741,827
Legal	2,613,648	2,763,682	889,574	1,874,109
Mail room	134,745	153,559	470,493	(316,934)
Mayor's office	1,909,993	1,910,768	6,326,280	(4,415,512)
Mayor's office discretionary funds	85,000	85,000	726,548	(641,548)
Office of Professional Responsibility	1,187,676	1,221,102	396,445	824,657
Strategic initiatives	494,552	494,552	8,227,323	(7,732,771)
Total General government	28,769,046	29,947,978	27,432,258	2,515,720
Culture and recreation				
Culture and recreation				
Athletics	1,381,020	1,510,178	1,113,808	396,370
Community activities	-	-	(700)	700
Community centers	3,333,304	3,346,728	2,740,755	605,973
GulfQuest museum	1,659,390	1,761,792	1,678,172	83,620
Mobile museum of art	2,788,067	2,843,922	2,790,416	53,506
Parks maintenance	4,876,634	5,009,592	4,385,289	624,303
Parks operations	3,063,250	3,152,286	2,974,206	178,080
Recreation administration	656,426	650,983	591,740	59,243
SAIL	223,356	224,274	75,432	148,842
Senior and community center	1,277,855	1,279,665	1,165,348	114,317
Teen programs	386,761	574,761	427,071	147,690
Total Culture and recreation	19,646,063	20,354,181	17,941,537	2,412,644

Economic development				
Economic development				
Community engagement	691,323	651,388	598,188	53,200
Mobile film office	256,317	269,157	163,198	105,959
Special events	1,143,115	1,176,129	1,038,930	137,199
Total Economic development	<u>2,090,755</u>	<u>2,096,674</u>	<u>1,800,316</u>	<u>296,357</u>
Engineering, development & Build Mobile				
Engineering, development & Build Mobile				
Architectural engineering	1,299,826	1,292,530	1,070,191	222,339
Build Mobile executive director	515,222	517,629	467,146	50,484
Build Mobile services	187,706	187,706	161,962	25,744
Building services	658,607	808,036	708,668	99,368
Engineering	3,768,523	4,015,999	3,700,711	315,288
Facility maintenance	5,154,338	5,308,779	4,548,890	759,889
Historic development	644,132	628,983	360,321	268,662
Inspection services	2,215,192	2,283,188	1,831,594	451,594
Municipal enforcement	1,929,473	2,070,720	1,618,963	451,758
Neighborhood development	718,274	719,926	560,551	159,375
Permitting	888,080	888,396	578,043	310,353
Planning and zoning	1,275,993	1,254,100	1,021,746	232,354
Real estate	377,808	377,808	322,072	55,736
Real Estate Asset Management	533,654	506,066	394,977	111,089
ROW & land disturbance	-	-	510	(510)
Total Engineering, development & Build Mobile	<u>20,166,827</u>	<u>20,859,867</u>	<u>17,346,345</u>	<u>3,513,522</u>
Public safety				
Public safety				
Fire	47,998,576	46,035,062	44,307,447	1,727,615
Mobile metro jail	15,251,370	14,851,370	14,865,236	(13,866)
Municipal court	3,889,675	3,809,767	3,719,355	90,412
Police	76,054,657	75,624,519	75,953,250	(328,731)
Prevention and Mitigation	1,036,959	1,016,959	640,928	376,030
Public safety administration	1,511,895	2,022,579	1,904,012	118,566
Total Public safety	<u>145,743,132</u>	<u>143,360,255</u>	<u>141,390,228</u>	<u>1,970,027</u>
Finance				
Finance				
Accounting	1,784,560	1,799,003	1,675,879	123,125
Finance administration	962,412	962,412	762,356	200,055
Grants management	800,005	860,005	752,325	107,680
Police and fire pension administration	564,858	564,858	550,940	13,918
Procurement	1,012,714	1,022,267	792,192	230,075
Revenue	2,180,009	2,324,116	2,042,490	281,626
Treasury	-	-	(12)	12
Total Finance	<u>7,304,558</u>	<u>7,532,661</u>	<u>6,576,170</u>	<u>956,491</u>
Public works				
Public works				
Electrical	-	-	(210)	210
Fleet management-garage	3,993,966	3,967,691	4,321,907	(354,216)
Forestry	2,696,198	3,141,945	2,109,834	1,032,111
Parks and public service executive director	664,861	664,861	463,437	201,425
Program and project management	1,360,356	1,378,585	973,349	405,236
Public service administration	1,324,139	3,174,405	2,724,802	449,604
Public service maintenance	13,810,802	13,087,607	11,857,585	1,230,022
Public works executive administration	371,628	385,543	349,131	36,411
Sanitation	14,178,752	14,389,320	14,101,028	288,293
Traffic engineering	5,107,767	5,286,179	4,855,085	431,094
Total Public works	<u>43,508,469</u>	<u>45,476,136</u>	<u>41,755,948</u>	<u>3,720,188</u>

<b>Non-Departmental</b>				
Africatown redevelopment corp.	500,000	500,000	1,000,000	(500,000)
Board of equalization	7,142	7,142	5,469	1,673
Board of health	600,000	600,000	600,000	-
Contingency reserve	(128,632)	(128,632)	706,240	(834,873)
District Attorney	500,000	500,000	500,000	-
Dues	595,434	595,434	506,748	88,686
Emergency management	710,004	710,004	709,926	78
Employee education	125,000	125,000	63,642	61,358
Employees' pension	135,000	135,000	128,168	6,832
Juvenile court and youth center	4,200,000	4,200,000	5,010,408	(810,408)
MCPSS	2,300,000	2,300,000	2,300,000	-
Miscellaneous	1,526,186	1,798,008	(24,383)	1,822,391
Mobile Airport Authority	-	-	761,253	(761,253)
Mobile legislative delegation	3,872	3,872	4,104	(232)
Parking	550,000	550,000	591,758	(41,758)
Performance contracts/organizations	8,538,500	9,118,500	8,746,652	371,848
Personnel board	1,712,547	1,792,547	1,802,166	(9,619)
Police and firefighter's retirement	15,161,518	15,161,518	14,295,682	865,836
Property insurance	3,300,000	3,300,000	2,903,256	396,744
Public library	8,200,000	8,200,000	8,318,567	(118,567)
Reserve for retirement	2,200,000	2,200,000	1,801,134	398,866
Retired employees insurance	5,100,000	5,100,000	4,685,205	414,795
Risk management	340,054	340,054	283,529	56,525
Solid waste disposal authority	2,700,000	2,700,000	2,607,343	92,657
Worker's compensation	4,000,000	4,000,000	2,910,550	1,089,450
Total Non-departmental	<u>62,876,625</u>	<u>63,808,447</u>	<u>61,217,414</u>	<u>2,591,033</u>
Total current	<u>330,105,474</u>	<u>333,436,199</u>	<u>315,460,216</u>	<u>17,975,982</u>
<b>Debt service:</b>				
Interest	9,051	9,051	-	9,051
Principal retirement	95,000	95,000	-	95,000
Total debt service	<u>104,051</u>	<u>104,051</u>	<u>-</u>	<u>104,051</u>
Total expenditures	<u>330,209,525</u>	<u>333,540,250</u>	<u>315,460,216</u>	<u>18,080,033</u>
Excess (deficiency) of revenues over expenditure	<u>17,060,883</u>	<u>15,837,158</u>	<u>40,963,627</u>	<u>25,126,469</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	4,423	4,423	2,239,244	2,234,821
Transfers in	5,267,429	5,945,775	7,185,986	1,240,211
Transfers out	(23,850,921)	(29,082,825)	(45,036,725)	(15,953,900)
Total other financing sources (uses)	<u>(18,579,069)</u>	<u>(23,132,627)</u>	<u>(35,611,495)</u>	<u>(12,478,868)</u>
Net change in fund balances	<u>\$ (1,518,186)</u>	<u>\$ (7,295,468)</u>	<u>5,352,132</u>	<u>\$ 12,647,600</u>
Fund balances - beginning			124,095,914	
Fund balances - ending			<u>\$ 129,448,047</u>	

**ADJUSTMENTS**

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

Excess of revenues/other financing sources over expenditures/other financing uses	\$ 5,352,132
Encumbrances outstanding at September 30, 2025	16,425,348
Encumbrances outstanding at September 30, 2024	<u>(3,179,298)</u>
Net change in fund balance per the statement of revenues, expenditures, and changes	\$ 18,598,183

(Concluded)

**NOTE 1 - BUDGET RECONCILIATION**

The reported budgetary data represents the final appropriated budget after amendments adopted by the City Council. An appropriated budget was legally adopted for the General Fund on the same modified accrual basis used to present actual revenue and expenditures, except, for budgetary purposes, current year encumbrances are treated as expenditures. The following is a summary of the reconciliation of generally accepted accounting principles (GAAP) expenditures to budgetary expenditures for the fiscal year ended September 30, 2025:

GAAP expenditures	\$ 302,214,166
Encumbrances at:	
September 30, 2025	16,425,348
September 30, 2024	(3,179,298)
Budgetary expenditures	<u>\$ 315,460,216</u>

For the fiscal year ended September 30, 2025, general fund budgetary appropriations exceeded total expenditures by \$18,080,033.

**NOTE 2 - FUND BALANCE**

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

Fund balance - budgetary basis at September 30, 2025	<u>\$ 129,448,047</u>
Add current year encumbrances:	
Function:	
General government	740,256
Culture and recreation	534,005
Economic development	156,536
Engineering, development & Build Mobile	933,227
Finance	163,545
Public safety	7,036,348
Public works	6,853,958
Non-departmental	<u>7,472</u>
Total current year encumbrances	16,425,347
Subtract prior year encumbrances:	
Total prior year encumbrances	<u>(3,179,298)</u>
Fund balance - GAAP basis at September 30, 2025	<u>\$ 142,694,098</u>

**NOTE 3 - BUDGET AMENDMENTS**

The City makes various amendments to the adopted budget throughout the fiscal year. In FY 2025, the most significant of those amendments were:

- Budget adjustments due to changes in prior year encumbrance carryforward.
- Adjustments to increase the transfer out to the Capital Improvements Fund for capital projects:



- Resolution 2024-09-1182 dated December 10, 2024, for \$1,344,375.50 for the civic center new construction and demolition.
- Resolution 2025-09-547 dated April 8, 2025, for \$330,000.00 for the new animal shelter facility.
- Resolution 2025-09-909 dated July 8, 2025, for \$1,500,000.00 for the D.I.P. Community Center.



# REQUIRED SUPPLEMENTARY INFORMATION - PENSION & OPEB PLANS



## **Employees' Retirement System of Alabama**

- **Schedule of Changes in the Net Pension Liability and Related Ratios**
- **Schedule of Employer Contributions**

## **Police & Firefighters Retirement Plan**

- **Schedule of Changes in the Net Pension Liability and Related Ratios**
- **Schedule of Employer Contributions**

## **Transit Workers Pension Plan**

- **Schedule of Changes in the Net Pension Liability and Related Ratios**
- **Schedule of Employer Contributions**

## **OPEB Plan**

- **Schedule of Changes in the total OPEB Liability and Related Ratios**



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

	2024	2023	2022	2021
<b>Total pension liability</b>				
Service cost	\$ 5,143,343	\$ 4,705,363	\$ 4,307,729	\$ 3,725,374
Interest	17,691,374	17,003,983	16,839,674	16,857,514
Changes of benefit terms	-	-	168,387	-
Differences between expected and actual experience	-	-	(855,922)	(2,788,748)
Changes of assumptions	4,414,344	6,201,454	-	6,207,439
Benefit payments, including refunds of employee contributions	(17,949,757)	(17,538,094)	(17,830,104)	(16,261,256)
Transfers among employers	(102,884)	(940,154)	(570,274)	151,239
<b>Net change in total pension liability</b>	<u>9,196,420</u>	<u>9,432,552</u>	<u>2,059,490</u>	<u>7,891,562</u>
<b>Total pension liability - beginning</b>	<u>246,442,984</u>	<u>237,010,432</u>	<u>234,950,942</u>	<u>227,059,380</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 255,639,404</u></u>	<u><u>\$ 246,442,984</u></u>	<u><u>\$ 237,010,432</u></u>	<u><u>\$ 234,950,942</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 6,862,491	\$ 6,102,671	\$ 5,610,622	\$ 5,067,424
Contributions - member	3,695,251	3,418,399	3,175,840	2,835,114
Net investment income	33,544,372	19,197,550	(23,046,324)	34,364,865
Benefit payments, including refunds of employee contributions	(17,949,757)	(17,538,094)	(17,830,104)	(16,261,256)
Transfers among employers	(102,884)	(940,154)	(570,274)	151,239
<b>Net change in plan fiduciary net position</b>	<u>26,049,473</u>	<u>10,240,372</u>	<u>(32,660,240)</u>	<u>26,157,386</u>
<b>Plan net position - beginning</b>	<u>162,592,289</u>	<u>152,351,917</u>	<u>185,012,157</u>	<u>158,854,771</u>
<b>Plan net position - ending (b)</b>	<u><u>\$ 188,641,762</u></u>	<u><u>\$ 162,592,289</u></u>	<u><u>\$ 152,351,917</u></u>	<u><u>\$ 185,012,157</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<u>\$ 66,997,642</u>	<u>\$ 83,850,695</u>	<u>\$ 84,658,515</u>	<u>\$ 49,938,785</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.79%	65.98%	64.28%	78.75%
<b>Covered payroll</b>	\$ 58,795,836	\$ 53,252,656	\$ 50,385,707	\$ 46,511,248
<b>Net pension liability (asset) as a percentage of covered payroll</b>	113.95%	157.46%	168.02%	107.37%

	2020	2019	2018	2017	2016	2015
\$	3,612,229	\$ 3,541,786	\$ 3,634,759	\$ 3,655,533	\$ 3,871,747	\$ 3,700,746
	16,303,215	16,122,130	15,861,923	15,708,733	15,255,262	14,994,981
	1,548,041	-	-	-	-	-
	2,027,643	(1,674,484)	(879,640)	(2,510,319)	2,621,825	(1,994,818)
	-	-	1,023,929	-	4,749,471	-
	(16,170,008)	(15,197,141)	(14,927,353)	(15,135,319)	(13,379,634)	(13,515,159)
	(76,807)	45,900	129,613	154,026	(238,266)	-
	7,244,313	2,838,191	4,843,231	1,872,654	12,880,405	3,185,750
	219,815,067	216,976,876	212,133,645	210,260,991	197,380,586	194,194,836
\$	227,059,380	\$ 219,815,067	\$ 216,976,876	\$ 212,133,645	\$ 210,260,991	\$ 197,380,586
\$	4,652,657	\$ 5,103,256	\$ 4,522,472	\$ 4,719,340	\$ 4,790,583	\$ 4,996,104
	2,613,004	2,382,617	2,470,473	2,438,330	2,383,150	2,362,148
	8,829,462	4,076,712	14,103,627	18,184,736	13,786,336	1,660,751
	(16,170,008)	(15,197,141)	(14,927,353)	(15,135,319)	(13,379,634)	(13,515,159)
	(76,807)	45,900	129,613	154,026	(238,266)	50,472
	(151,692)	(3,588,656)	6,298,832	10,361,113	7,342,169	(4,445,684)
	159,006,463	162,595,119	156,296,287	145,935,174	138,593,005	143,038,689
\$	158,854,771	\$ 159,006,463	\$ 162,595,119	\$ 156,296,287	\$ 145,935,174	\$ 138,593,005
\$	68,204,609	\$ 60,808,604	\$ 54,381,757	\$ 55,837,358	\$ 64,325,817	\$ 58,787,581
	69.96%	72.34%	74.94%	73.68%	69.41%	70.22%
\$	46,484,106	\$ 43,531,867	\$ 44,134,252	\$ 45,753,761	\$ 46,861,508	\$ 47,096,079
	146.73%	139.69%	123.22%	122.04%	137.27%	124.82%

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

	2025	2024	2023	2022
Actuarially determined contribution**	\$ 7,046,990	\$ 6,836,792	\$ 6,098,381	\$ 5,795,814
Contributions in relation to the actuarially determined contribution**	<u>7,274,476</u>	<u>6,862,491</u>	<u>6,102,671</u>	<u>5,610,622</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,290)</u>	<u>\$ 185,192</u>
Covered payroll	\$ 61,530,977	\$ 58,795,836	\$ 53,252,656	\$ 50,385,707
Contributions as a percentage of covered payroll	11.82%	11.67%	11.46%	11.14%

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

**NOTES TO SCHEDULE**

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2025 were based on the September 30, 2022 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	25.5 years
Asset valuation method	Five year smoothed market
Inflation	2.50%
Salary increases	3.25 - 6.00%, including inflation
Investment rate of return	7.45%, net of pension plan investment expense, including inflation

	2021	2020	2019	2018	2017	2016
\$	5,067,424	\$ 4,652,657	\$ 5,103,256	\$ 4,522,472	\$ 4,719,340	\$ 4,790,583
	5,067,424	4,652,657	5,103,256	4,522,472	4,719,340	4,790,583
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
\$	46,511,248	\$ 46,484,106	\$ 43,531,867	\$ 44,134,252	\$ 45,753,761	\$ 46,861,508
	10.90%	10.01%	11.72%	10.25%	10.31%	10.22%

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

	2024	2023	2022	2021
<b>Total pension liability</b>				
Service cost	\$ 2,644,140	\$ 2,623,792	\$ 2,310,289	\$ 1,965,869
Interest	22,147,079	21,701,326	21,160,308	20,876,201
Changes of benefit terms	-	-	-	-
Demographic experience	11,092,623	4,546,838	4,690,322	2,120,800
Changes of assumptions	-	-	-	(545,458)
Benefit payments, including refunds of employee contributions	(22,444,462)	(22,287,114)	(20,913,764)	(20,044,836)
<b>Net change in total pension liability</b>	<b>13,439,380</b>	<b>6,584,842</b>	<b>7,247,155</b>	<b>4,372,576</b>
<b>Total pension liability - beginning</b>	<b>310,754,211</b>	<b>304,169,369</b>	<b>296,922,214</b>	<b>292,549,638</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 324,193,591</b>	<b>\$ 310,754,211</b>	<b>\$ 304,169,369</b>	<b>\$ 296,922,214</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 22,402,832	\$ 19,710,409	\$ 17,704,786	\$ 19,592,254
Contributions - member	4,028,254	3,712,430	3,482,107	3,337,141
Net investment income	52,387,434	26,511,652	(34,733,038)	50,151,358
Benefit payments, including refunds of employee contributions	(22,444,462)	(22,287,114)	(20,913,764)	(20,044,836)
Administrative expenses	(6,561)	-	(10,545)	(367)
<b>Net change in plan fiduciary net position</b>	<b>56,367,497</b>	<b>27,647,377</b>	<b>(34,470,454)</b>	<b>53,035,550</b>
<b>Plan net position - beginning</b>	<b>275,723,392</b>	<b>248,076,015</b>	<b>282,546,469</b>	<b>229,510,919</b>
<b>Plan net position - ending (b)</b>	<b>\$ 332,090,889</b>	<b>\$ 275,723,392</b>	<b>\$ 248,076,015</b>	<b>\$ 282,546,469</b>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<b>\$ (7,897,298)</b>	<b>\$ 35,030,819</b>	<b>\$ 56,093,354</b>	<b>\$ 14,375,745</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>102.44%</b>	<b>88.73%</b>	<b>81.56%</b>	<b>95.16%</b>
<b>Covered payroll</b>	<b>\$ 43,636,682</b>	<b>\$ 43,439,002</b>	<b>\$ 40,737,346</b>	<b>\$ 41,574,358</b>
<b>Net pension liability (asset) as a percentage of covered payroll</b>	<b>N/A</b>	<b>80.64%</b>	<b>137.70%</b>	<b>34.58%</b>

	2020	2019	2018	2017	2016	2015
\$	2,022,568	\$ 1,389,633	\$ 1,405,646	\$ 1,576,326	\$ 1,414,553	\$ 1,501,441
	21,097,428	20,170,527	19,275,199	18,546,963	18,550,878	18,407,492
	-	-	-	-	-	-
	(988,891)	10,438,083	1,267,621	9,154,812	(1,557,256)	1,341,073
	(5,199,783)	-	10,671,600	-	-	-
	(19,651,514)	(19,905,887)	(20,299,667)	(19,059,277)	(18,335,869)	(19,657,648)
	(2,720,192)	12,092,356	12,320,399	10,218,824	72,306	1,592,358
	295,269,830	283,177,474	270,857,075	260,638,251	260,565,945	258,973,587
\$	<u>292,549,638</u>	<u>\$ 295,269,830</u>	<u>\$ 283,177,474</u>	<u>\$ 270,857,075</u>	<u>\$ 260,638,251</u>	<u>\$ 260,565,945</u>
\$	22,139,615	\$ 20,699,025	\$ 18,717,733	\$ 19,977,104	\$ 19,701,943	\$ 16,354,458
	3,400,228	3,384,100	3,279,235	3,306,936	2,995,750	2,969,379
	11,313,871	5,730,250	15,731,328	20,075,805	11,927,721	(6,881,722)
	(19,651,514)	(19,905,887)	(20,299,667)	(19,059,277)	(18,335,869)	(19,657,648)
	(2,785)	(7,154)	(9,118)	(49,685)	(18,061)	(4,989)
	17,199,415	9,900,334	17,419,511	24,250,883	16,271,484	(7,220,522)
	212,311,504	202,411,170	184,991,659	160,740,776	144,469,292	151,689,814
\$	<u>229,510,919</u>	<u>\$ 212,311,504</u>	<u>\$ 202,411,170</u>	<u>\$ 184,991,659</u>	<u>\$ 160,740,776</u>	<u>\$ 144,469,292</u>
\$	63,038,719	\$ 82,958,326	\$ 80,766,304	\$ 85,865,416	\$ 99,897,475	\$ 116,096,653
	78.45%	71.90%	71.48%	68.30%	61.67%	55.44%
\$	41,735,647	\$ 39,958,343	\$ 40,740,794	\$ 39,003,598	\$ 36,451,544	\$ 35,887,574
	151.04%	207.61%	198.24%	220.15%	274.06%	323.50%

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

	2025	2024	2023	2022
Actuarially determined contribution**	\$ 25,585,480	\$ 22,402,832	\$ 19,710,409	\$ 17,704,786
Contributions in relation to the actuarially determined contribution**	<u>25,585,480</u>	<u>22,402,832</u>	<u>19,710,409</u>	<u>17,704,786</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	57,516,816	43,636,682	43,439,002	40,737,346
Contributions as a percentage of covered payroll	44.48%	51.34%	45.37%	43.46%

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

**NOTES TO SCHEDULE**

Contributions for fiscal year 2025 were based on the October 1, 2024 actuarial valuation.

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

No methods or assumptions were changed since the completion of the previous valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level dollar, closed
Remaining amortization period	30 years
Asset valuation method	Open 5-year smoothed market
Inflation	2.25%
Salary increases	3.00% per annum
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.
Mortality	Sex-distinct rates set forth in the PUB-2010 Mortality Table for public safety employees/ retirees with full generational improvements in mortality using Scale MP-2020

2021	2020	2019	2018	2017	2016
\$ 19,592,254	\$ 22,139,615	\$ 20,699,025	\$ 18,717,733	\$ 19,977,104	\$ 19,701,944
19,592,254	22,139,615	20,699,025	18,717,733	19,977,104	19,701,944
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
41,574,358	41,735,647	39,958,343	40,740,794	39,003,598	36,451,544
47.13%	53.05%	51.80%	45.94%	51.22%	54.05%

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

	2025	2024	2023	2022
<b>Total pension liability</b>				
Service cost	\$ 1,100,899	\$ 1,111,867	\$ 899,683	\$ 883,252
Interest	1,242,024	1,144,947	1,077,372	1,030,794
Differences between expected and actual experience	(648,421)	623,024	(22,441)	(275,759)
Changes of assumptions	(224,328)	-	-	-
Benefit payments, including refunds of employee contributions	(1,062,314)	(978,551)	(861,569)	(744,767)
<b>Net change in total pension liability</b>	<u>407,860</u>	<u>1,901,287</u>	<u>1,093,045</u>	<u>893,520</u>
<b>Total pension liability - beginning</b>	<u>23,032,631</u>	<u>21,131,344</u>	<u>20,038,299</u>	<u>19,144,779</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 23,440,491</u></u>	<u><u>\$ 23,032,631</u></u>	<u><u>\$ 21,131,344</u></u>	<u><u>\$ 20,038,299</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 649,466	\$ 600,000	\$ 600,000	\$ 760,655
Contributions - member	271,224	276,759	272,453	243,277
Net investment income	2,142,997	2,141,455	1,669,103	(2,609,013)
Benefit payments, including refunds of employee contributions	(1,062,314)	(978,551)	(861,569)	(744,767)
Administrative expenses	(50,020)	(52,203)	(50,847)	(47,277)
<b>Net change in plan fiduciary net position</b>	<u>1,951,353</u>	<u>1,987,460</u>	<u>1,629,140</u>	<u>(2,397,125)</u>
<b>Plan net position - beginning</b>	<u>20,452,520</u>	<u>18,465,060</u>	<u>16,835,920</u>	<u>19,233,045</u>
<b>Plan net position - ending (b)</b>	<u><u>\$ 22,403,873</u></u>	<u><u>\$ 20,452,520</u></u>	<u><u>\$ 18,465,060</u></u>	<u><u>\$ 16,835,920</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	\$ 1,036,618	\$ 2,580,111	\$ 2,666,284	\$ 3,202,379
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	95.58%	88.80%	87.38%	84.02%
<b>Covered payroll</b>	\$ 4,770,784	\$ 4,702,068	\$ 3,960,227	\$ 3,887,220
<b>Net pension liability (asset) as a percentage of covered payroll</b>	21.73%	54.87%	67.33%	82.38%

	2021	2020	2019	2018	2017	2016
\$	890,516	\$ 793,361	\$ 841,709	\$ 891,442	\$ 850,659	\$ 855,623
	979,031	907,205	925,643	794,830	732,175	710,345
	(85,317)	313,969	(355,413)	(276,445)	156,090	(760,649)
	-	-	(1,217,845)	29,946	-	26,156
	(768,595)	(715,822)	(450,715)	(487,357)	(421,768)	(340,857)
	1,015,635	1,298,713	(256,621)	952,416	1,317,156	490,618
	18,129,144	16,830,431	17,087,052	16,134,636	14,817,480	14,326,862
\$	19,144,779	\$ 18,129,144	\$ 16,830,431	\$ 17,087,052	\$ 16,134,636	\$ 14,817,480
\$	600,000	\$ 600,000	\$ 659,074	\$ 592,745	\$ 457,063	\$ 280,573
	241,263	234,896	228,368	225,283	231,011	227,928
	3,896,615	586,230	957,336	942,711	910,131	173,650
	(768,595)	(715,822)	(450,715)	(487,357)	(421,768)	(340,857)
	(28,935)	(45,236)	(32,388)	(29,651)	(28,080)	(19,280)
	3,940,348	660,068	1,361,675	1,243,731	1,148,357	322,014
	15,292,697	14,632,629	13,270,954	12,027,223	10,878,866	10,556,852
\$	19,233,045	\$ 15,292,697	\$ 14,632,629	\$ 13,270,954	\$ 12,027,223	\$ 10,878,866
\$	(88,266)	\$ 2,836,447	\$ 2,197,802	\$ 3,816,098	\$ 4,107,413	\$ 3,938,614
	100.46%	84.35%	86.94%	77.67%	74.54%	73.42%
\$	3,965,288	\$ 3,586,198	\$ 3,874,236	\$ 3,657,154	\$ 3,578,494	\$ 3,624,022
	-2.23%	79.09%	56.73%	104.35%	114.78%	108.68%

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

	2025	2024	2023	2022	2021
Actuarially determined contribution**	\$ 49,466	\$ 391,058	\$ -	\$ -	\$ 760,655
Contributions in relation to the actuarially determined contribution**	649,466	600,000	600,000	760,655	600,000
Contribution deficiency (excess)	<u>\$ (600,000)</u>	<u>\$ (208,942)</u>	<u>\$ (600,000)</u>	<u>\$ (760,655)</u>	<u>\$ 160,655</u>
Covered payroll	4,770,784	4,702,068	3,960,227	3,887,220	3,965,288
Contributions as a percentage of covered payroll	13.61%	12.76%	15.15%	19.57%	15.13%

\*\* 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 2025 were based on the July 1, 2024 actuarial valuation.

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

Since the last valuation, the segment rates were changed from 4.75%, 5.00% and 5.74%, with an equivalent rate of 5.20% to 4.99%, 5.29%, and 5.59%, respectively with an equivalent rate of 5.29%.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected unit credit
Amortization method	Level percentage, closed
Remaining amortization period	30 years
Asset valuation method	Market value
Cost of living adjustments	None
Salary increases	4.00% per annum
Investment rate of return	5.29%
Mortality rates	Sex-distinct mortality rates set forth in Internal Revenue Service (IRS) regulation section 1.430(h)(3)-1 (required mortality table under IRC section 430).
Disability	Sex-distinct disability rates set forth in the Wyatt 1985 Disability Study (Class 2)

2020	2019	2018	2017	2016
\$ 526,946	\$ 659,074	\$ 592,745	\$ 457,063	\$ 280,573
600,000	659,074	592,745	457,063	280,573
\$ (73,054)	\$ -	\$ -	\$ -	\$ -
3,586,198	3,874,236	3,657,154	3,578,494	3,624,022
16.73%	17.01%	16.21%	12.77%	7.74%

**CITY OF MOBILE, ALABAMA**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
**Last 10 Fiscal Years Ending September 30\***

	2024	2023	2022	2021
<b>Total OPEB liability</b>				
Service cost	\$ 3,365,921	\$ 2,671,941	\$ 2,825,986	\$ 4,696,223
Expected interest growth	5,966,660	7,047,202	8,231,545	4,061,568
Differences between expected and actual experience	4,413,086	2,260,070	5,889,897	14,781,348
Changes of assumptions	27,747,539	(1,925,380)	(38,487,559)	3,935,471
Changes in benefits terms	-	-	-	(13,453,051)
Benefit Payments, including refunds of employee contributions	(7,006,409)	(7,598,787)	(7,104,259)	(6,390,022)
<b>Net change in total OPEB liability</b>	<u>34,486,797</u>	<u>2,455,046</u>	<u>(28,644,390)</u>	<u>7,631,537</u>
<b>Total OPEB liability - beginning</b>	<u>\$ 147,064,506</u>	<u>144,609,460</u>	<u>173,253,850</u>	<u>165,622,313</u>
<b>Total OPEB liability - ending</b>	<u>\$ 181,551,303</u>	<u>\$ 147,064,506</u>	<u>\$ 144,609,460</u>	<u>\$ 173,253,850</u>
<b>Covered-employee payroll**</b>	\$ 120,317,987	\$ 113,216,254	\$ 103,648,565	\$ 95,581,003
<b>Net OPEB liability (asset) as a percentage of covered-employee payroll</b>	150.89%	129.90%	139.52%	181.26%

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

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

**NOTES TO SCHEDULE**

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

Changes of assumptions: There were a number of changes in the actuarial assumptions. Some of these assumption changes have significantly affected the liability amount. Key items to note regarding actuarial assumptions include:

- The discount rate was decreased from 4.91% per annum to 4.06% per annum.
- The per capital healthcare claims cost at age 62 for the 2023/2024 fiscal year was increased from \$9,562.64 to \$10,500.00 per member.
- The administrative expenses per member for the 2023/2024 fiscal year was increased from \$400 to \$875 per member.

	2020	2019	2018	2017
\$	5,840,483	\$ 5,166,672	\$ 5,529,861	\$ 6,848,282
	3,873,502	5,095,812	7,141,084	5,332,451
	(35,970,056)	33,881,899	(50,661,758)	-
	20,184,947	1,115,054	(10,324,761)	-
	-	-	-	-
	(6,905,170)	(7,603,712)	(2,765,878)	(7,454,141)
	(12,976,294)	37,655,725	(51,081,452)	4,726,592
	178,598,607	140,942,882	192,024,334	187,297,742
\$	165,622,313	\$ 178,598,607	\$ 140,942,882	\$192,024,334
\$	90,099,126	\$ 84,344,739	\$ 86,460,253	\$76,925,041
	183.82%	211.75%	163.01%	249.63%



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# GOVERNMENTAL FUNDS — NONMAJOR



# GOVERNMENTAL FUNDS — NONMAJOR

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

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

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



# COMBINING FINANCIAL STATEMENTS



# COMBINING FINANCIAL STATEMENTS



**CITY OF MOBILE, ALABAMA**  
**Combining Governmental Balance Sheet**  
**Nonmajor Governmental Funds**  
**Summary by Fund Type**  
**September 30, 2025**

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash, equity in pooled cash and investments	\$ 6,714,269	\$ 461,040	\$ 53,706,289	\$ 60,881,598
Restricted cash - capital purchases	89,158	3,370	-	92,528
Receivables, net	-	-	5,615,952	5,615,952
Inventory & prepaids	-	-	409	409
Total assets	<u>\$ 6,803,427</u>	<u>\$ 464,410</u>	<u>\$ 59,322,650</u>	<u>\$ 66,590,487</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 2,925,808	\$ 2,925,808
Pension employer contributions payable	-	-	247,364	247,364
Unearned revenue	-	-	1,003,159	1,003,159
Due to other funds	-	-	2,754,754	2,754,754
Total liabilities	<u>-</u>	<u>-</u>	<u>6,931,085</u>	<u>6,931,085</u>
<b>FUND BALANCES (DEFICITS)</b>				
Restricted	\$ 6,709,616	\$ 464,410	\$ 51,789,644	\$ 58,963,670
Committed	93,811	-	-	93,811
Assigned	-	-	601,921	601,921
Total fund balances (deficits)	<u>6,803,427</u>	<u>464,410</u>	<u>52,391,565</u>	<u>59,659,402</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,803,427</u>	<u>\$ 464,410</u>	<u>\$ 59,322,650</u>	<u>\$ 66,590,487</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, 2025**

	Capital Projects Funds	Debt Service Funds	Special Revenue Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 17,969,153	\$ 17,969,153
Fines and forfeitures	-	-	371,387	371,387
State and federal assistance	1,722,392	-	14,460,553	16,182,945
Investment income	236,029	100,075	817,190	1,153,294
Total revenues	<u>1,958,421</u>	<u>100,075</u>	<u>33,618,283</u>	<u>35,676,779</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	13,123,338	13,123,338
Culture and recreation	-	-	13,995	13,995
Engineering, development & build Mobile	-	-	268,176	268,176
Public safety	-	-	5,639,744	5,639,744
Public works	-	-	6,725,852	6,725,852
Principal on long-term debt	-	-	42,650	42,650
Interest on long-term debt	-	-	-	-
Debt service:				
Administrative charges	-	296	-	296
Interest	-	9,110,475	-	9,110,475
Principal retirement	-	18,943,000	157,350	19,100,350
Capital outlay:				
Capital outlay	-	-	2,107,214	2,107,214
Total expenditures	<u>-</u>	<u>28,053,771</u>	<u>28,078,319</u>	<u>56,132,090</u>
Excess (deficiency) of revenues over expenditure:	<u>1,958,421</u>	<u>(27,953,696)</u>	<u>5,539,964</u>	<u>(20,455,311)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	27,835,927	3,517,384	31,353,311
Transfers out	(3,025,284)	(93,951)	(10,876,030)	(13,995,265)
Proceeds from disposal of assets	-	-	6,303	6,303
Total other financing sources (uses)	<u>(3,025,284)</u>	<u>27,741,976</u>	<u>(7,352,343)</u>	<u>17,364,349</u>
Net change in fund balances	<u>(1,066,863)</u>	<u>(211,720)</u>	<u>(1,812,379)</u>	<u>(3,090,962)</u>
Fund balances - beginning	7,870,290	676,130	54,203,944	62,750,364
Fund balances - ending	<u>\$ 6,803,427</u>	<u>\$ 464,410</u>	<u>\$ 52,391,565</u>	<u>\$ 59,659,402</u>

# CAPITAL PROJECTS FUNDS - NONMAJOR



# CAPITAL PROJECTS FUNDS - NONMAJOR

**Municipal Government Capital Improvements**

**Flood Management Escrow**

**2000 Capital Projects**

**2012 General Obligation Private Placement Capital Equipment**



**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**September 30, 2025**

	Municipal Government Capital Improvements	Flood Management Escrow	2000 Capital Projects	2012 G.O. Private Placement Capital Equipment	Total Nonmajor Capital projects funds
<b>ASSETS</b>					
Cash, equity in pooled cash and investments	\$ 6,619,910	\$ 93,811	\$ 548	\$ -	\$ 6,714,269
Restricted cash - capital purchases	-	-	-	89,158	89,158
Total assets	<u>\$ 6,619,910</u>	<u>\$ 93,811</u>	<u>\$ 548</u>	<u>\$ 89,158</u>	<u>\$ 6,803,427</u>
<b>FUND BALANCES (DEFICITS)</b>					
Restricted					
Capital projects	\$ 6,619,910	\$ -	\$ 548	\$ 89,158	\$ 6,709,616
Committed					
Flood management	-	93,811	-	-	93,811
Total fund balances (deficits)	<u>6,619,910</u>	<u>93,811</u>	<u>548</u>	<u>89,158</u>	<u>6,803,427</u>
Total liabilities and fund balances (deficits)	<u>\$ 6,619,910</u>	<u>\$ 93,811</u>	<u>\$ 548</u>	<u>\$ 89,158</u>	<u>\$ 6,803,427</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, 2025**

	Municipal Government Capital Improvements	Flood Management Escrow	2000 Capital Projects	2012 G.O. Private Placement Capital Equipment	Total Nonmajor Capital Projects Funds
<b>REVENUES</b>					
State and federal assistance	\$ 1,722,392	\$ -	\$ -	\$ -	\$ 1,722,392
Investment income	231,488	2,832	16	1,693	236,029
Total revenues	<u>1,953,880</u>	<u>2,832</u>	<u>16</u>	<u>1,693</u>	<u>1,958,421</u>
Excess (deficiency) of revenues over expenditures	<u>1,953,880</u>	<u>2,832</u>	<u>16</u>	<u>1,693</u>	<u>1,958,421</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(3,025,284)	-	-	-	(3,025,284)
Total other financing sources (uses)	<u>(3,025,284)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,025,284)</u>
Net change in fund balances	(1,071,404)	2,832	16	1,693	(1,066,863)
Fund balances - beginning	7,691,314	90,979	532	87,465	7,870,290
Fund balances - ending	<u>\$ 6,619,910</u>	<u>\$ 93,811</u>	<u>\$ 548</u>	<u>\$ 89,158</u>	<u>\$ 6,803,427</u>

# DEBT SERVICE FUNDS - NONMAJOR

# **DEBT SERVICE FUNDS - NONMAJOR**

**Bank Service Charges - Various Issues**

**2009C General Obligation ARRA Capital Taxable Warrants**

**2011 General Obligation Private Placement Warrants**

**2016 General Obligation Refunding Warrants**

**2016C General Obligation Taxable Warrants**

**2017A General Obligation Warrants**

**2017B General Obligation Warrants**

**2017C General Obligation Warrants**

**2017D General Obligation Warrants**

**2018A General Obligation Refunding Warrants**

**2019 GulfQuest Note Payable**

**2020 General Obligation Warrants**

**2025A General Obligations Warrants**



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**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**September 30, 2025**

	Bank Service Charges - Various Issues	2009C G.O. ARRA Cap Taxable Warrants	2011 G.O. Private Placement Warrants	2016 G.O. Refunding Warrants	2016C G.O. Warrants Taxable	2017A G.O. Warrants
<b>ASSETS</b>						
Cash, equity in pooled cash and investments	\$ 145,162	\$ 84	\$ -	\$ 7,152	\$ 43,293	\$ 164,892
Restricted cash - capital purchases	-	-	1,204	-	-	-
Total assets	<u>\$ 145,162</u>	<u>\$ 84</u>	<u>\$ 1,204</u>	<u>\$ 7,152</u>	<u>\$ 43,293</u>	<u>\$ 164,892</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted						
Debt Service	\$ 145,162	\$ 84	\$ 1,204	\$ 7,152	\$ 43,293	\$ 164,892
Total fund balances (deficits)	<u>\$ 145,162</u>	<u>\$ 84</u>	<u>\$ 1,204</u>	<u>\$ 7,152</u>	<u>\$ 43,293</u>	<u>\$ 164,892</u>
Total liabilities and fund balances (deficits)	<u>\$ 145,162</u>	<u>\$ 84</u>	<u>\$ 1,204</u>	<u>\$ 7,152</u>	<u>\$ 43,293</u>	<u>\$ 164,892</u>

2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	2018A G.O. Warrants	2020 G.O. Warrants	2025 G.O. Warrants	Total Nonmajor Debt Service Funds
\$ 17,494	\$ 5,658	\$ 17,220	\$ 40,770	\$ 19,315	\$ -	\$ 461,040
-	-	-	-	-	2,166	3,370
<u>\$ 17,494</u>	<u>\$ 5,658</u>	<u>\$ 17,220</u>	<u>\$ 40,770</u>	<u>\$ 19,315</u>	<u>\$ 2,166</u>	<u>\$ 464,410</u>
\$ 17,494	\$ 5,658	\$ 17,220	\$ 40,770	\$ 19,315	\$ 2,166	\$ 464,410
<u>\$ 17,494</u>	<u>\$ 5,658</u>	<u>\$ 17,220</u>	<u>\$ 40,770</u>	<u>\$ 19,315</u>	<u>\$ 2,166</u>	<u>\$ 464,410</u>
<u>\$ 17,494</u>	<u>\$ 5,658</u>	<u>\$ 17,220</u>	<u>\$ 40,770</u>	<u>\$ 19,315</u>	<u>\$ 2,166</u>	<u>\$ 464,410</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, 2025**

	Bank Service Charges - Various Issues	2009C G.O. ARRA Cap Taxable Warrants	2011 G.O. Private Placement Warrants	2016 G.O. Refunding Warrants	2016C G.O. Warrants Taxable	2017A G.O. Warrants
<b>REVENUES</b>						
Investment income	\$ 4,991	\$ 2,432	\$ -	\$ 45	\$ 12,988	\$ 59,083
Total revenues	<u>4,991</u>	<u>2,432</u>	<u>-</u>	<u>45</u>	<u>12,988</u>	<u>59,083</u>
<b>EXPENDITURES</b>						
Debt service:						
Administrative charges	-	-	296	-	-	-
Interest	-	-	27,428	312,212	333,887	1,957,025
Principal retirement	-	-	620,000	2,053,000	1,525,000	6,545,000
Total expenditures	<u>-</u>	<u>-</u>	<u>647,724</u>	<u>2,365,212</u>	<u>1,858,887</u>	<u>8,502,025</u>
Excess (deficiency) of revenues over expenditures	<u>4,991</u>	<u>2,432</u>	<u>(647,724)</u>	<u>(2,365,167)</u>	<u>(1,845,899)</u>	<u>(8,442,942)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	648,928	2,365,212	1,858,887	8,502,025
Transfers out	(1,500)	(92,451)	-	-	-	-
Total other financing sources (uses)	<u>(1,500)</u>	<u>(92,451)</u>	<u>648,928</u>	<u>2,365,212</u>	<u>1,858,887</u>	<u>8,502,025</u>
Net change in fund balances	3,491	(90,019)	1,204	45	12,988	59,083
Fund balances - beginning	141,671	90,103	-	7,107	30,305	105,809
Fund balances - ending	<u>\$ 145,162</u>	<u>\$ 84</u>	<u>\$ 1,204</u>	<u>\$ 7,152</u>	<u>\$ 43,293</u>	<u>\$ 164,892</u>

2017B G.O. Warrants	2017C G.O. Warrants	2017D G.O. Warrants	2018A G.O. Warrants	2020 G.O. Warrants	2025 G.O. Warrants	Total Nonmajor Debt Service Funds
\$ 528	\$ -	\$ 4,311	\$ 11,600	\$ 1,931	\$ 2,166	\$ 100,075
528	-	4,311	11,600	1,931	2,166	100,075
-	-	-	-	-	-	296
-	-	782,740	738,750	261,000	4,697,433	9,110,475
-	-	8,200,000	-	-	-	18,943,000
-	-	8,982,740	738,750	261,000	4,697,433	28,053,771
528	-	(8,978,429)	(727,150)	(259,069)	(4,695,267)	(27,953,696)
-	-	8,982,740	513,750	266,952	4,697,433	27,835,927
-	-	-	-	-	-	(93,951)
-	-	8,982,740	513,750	266,952	4,697,433	27,741,976
528	-	4,311	(213,400)	7,883	2,166	(211,720)
16,966	5,658	12,909	254,170	11,432	-	676,130
\$ 17,494	\$ 5,658	\$ 17,220	\$ 40,770	\$ 19,315	\$ 2,166	\$ 464,410



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# **SPECIAL REVENUE FUNDS - NONMAJOR**

# **SPECIAL REVENUE FUNDS – NONMAJOR**

**Tax Increment Fund**

**Four-cent Gasoline Tax**

**Five-cent Gasoline Tax**

**Seven-cent Gasoline Tax**

**Fuel Inspection Fees**

**Economic Development Escrow**

**Drug Enforcement Fund**

**Municipal Court Judicial Administration Fund**

**Storm Water Fund**

**Rebuild Alabama Fund**

**Opioid Settlement Fund**

**Tax Increment Fund District 2**

**General Activities Grants**

**RESTORE Act Grants**

**Hurricane Sally Grants**

**Hurricane Zeta Grants**

**Public Safety Grants**

**Housing and Urban Development Grants**

**CITY OF MOBILE, ALABAMA**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**September 30, 2025**

	Tax Increment Fund	Four-Cent Maintenance	Five-Cent Roadway Maintenance	Seven-Cent Roadway Maintenance	Fuel Inspection Fees	Economic Development Escrow	Drug Enforcement Fund	Municipal Court Judicial Admin
<b>ASSETS</b>								
Cash, equity in pooled cash and investments	\$ 24,593,080	\$ 3,871,374	\$ 730,425	\$ -	\$ -	\$ 2,844	\$ 1,104,212	\$ 618,548
Receivables, net	-	149,293	-	-	-	-	-	-
Inventory & prepaids	-	-	-	-	-	-	-	126
Total assets	<u>24,593,080</u>	<u>4,020,667</u>	<u>730,425</u>	<u>-</u>	<u>-</u>	<u>2,844</u>	<u>1,104,212</u>	<u>618,674</u>
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	612,259	-	-	-	-	-	188,069	18,135
Pension employer contributions payable	-	-	-	-	-	-	-	1,462
Unearned revenue	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>612,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,069</u>	<u>19,597</u>
Total liabilities and deferred inflows of resources	<u>612,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,069</u>	<u>19,597</u>
<b>FUND BALANCES (DEFICITS)</b>								
Restricted								
Enabling Legislation	23,980,821	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	916,143	-
Opioid Settlement	-	-	-	-	-	-	-	-
Road and Bridge Construction	-	-	730,425	-	-	-	-	-
Road and Bridge Repair	-	4,020,667	-	-	-	-	-	-
Assigned								
Economic Development	-	-	-	-	-	2,844	-	-
Municipal Court	-	-	-	-	-	-	-	599,077
Total fund balances (deficits)	<u>23,980,821</u>	<u>4,020,667</u>	<u>730,425</u>	<u>-</u>	<u>-</u>	<u>2,844</u>	<u>916,143</u>	<u>599,077</u>
Total liabilities and fund balances (deficits)	<u>\$ 24,593,080</u>	<u>\$ 4,020,667</u>	<u>\$ 730,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,844</u>	<u>\$ 1,104,212</u>	<u>\$ 618,674</u>

Storm Water Fund	Rebuild Alabama Fund	Opioid Settlement Fund	Tax Increment Fund D2	General Activities Grants	Hurricane Sally	Hurricane Zeta	Miscellaneous Public Safety Grants	Housing and Urban Development Grants	Total Nonmajor Special Revenue Funds
\$ 8,199,350	\$ 6,235,180	\$ 963,081	\$ 127,616	\$ 6,027,173	\$ 59,575	\$ 866,901	\$ 259,978	\$ 46,952	\$ 53,706,289
-	-	-	-	1,880,804	295,270	278,230	1,919,120	1,093,235	5,615,952
-	-	-	-	-	-	-	74	209	409
<u>8,199,350</u>	<u>6,235,180</u>	<u>963,081</u>	<u>127,616</u>	<u>7,907,977</u>	<u>354,845</u>	<u>1,145,131</u>	<u>2,179,172</u>	<u>1,140,396</u>	<u>59,322,650</u>
22,389	-	-	-	1,665,126	-	-	224,470	195,360	2,925,808
-	-	-	-	-	-	-	234,111	11,791	247,364
-	-	-	-	752,095	-	-	251,064	-	1,003,159
-	-	-	-	-	-	-	1,020,567	1,734,187	2,754,754
<u>22,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,417,221</u>	<u>-</u>	<u>-</u>	<u>1,730,212</u>	<u>1,941,338</u>	<u>6,931,085</u>
<u>22,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,417,221</u>	<u>-</u>	<u>-</u>	<u>1,730,212</u>	<u>1,941,338</u>	<u>\$ 6,931,085</u>
8,176,961	-	-	127,616	-	-	-	-	-	32,285,398
-	-	-	-	5,490,756	354,845	1,145,131	448,960	(800,942)	6,638,750
-	-	-	-	-	-	-	-	-	916,143
-	-	963,081	-	-	-	-	-	-	963,081
-	6,235,180	-	-	-	-	-	-	-	6,965,605
-	-	-	-	-	-	-	-	-	4,020,667
-	-	-	-	-	-	-	-	-	2,844
-	-	-	-	-	-	-	-	-	599,077
<u>8,176,961</u>	<u>6,235,180</u>	<u>963,081</u>	<u>127,616</u>	<u>5,490,756</u>	<u>354,845</u>	<u>1,145,131</u>	<u>448,960</u>	<u>(800,942)</u>	<u>52,391,565</u>
<u>\$ 8,199,350</u>	<u>\$ 6,235,180</u>	<u>\$ 963,081</u>	<u>\$ 127,616</u>	<u>\$ 7,907,977</u>	<u>\$ 354,845</u>	<u>\$ 1,145,131</u>	<u>\$ 2,179,172</u>	<u>\$ 1,140,396</u>	<u>\$ 59,322,650</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, 2025**

	Tax Increment Fund	Four-Cent Maintenance	Five-Cent Roadway Maintenance	Seven-Cent Roadway Maintenance	Fuel Inspection Fees	Economic Development Escrow	Drug Enforcement Fund	Municipal Court Judicial Admin
<b>REVENUES</b>								
Taxes	\$ 9,176,727	\$ 1,211,681	\$ 597,290	\$ 2,090,515	\$ 80,528	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	183,146	188,241
State and federal assistance	-	-	-	-	-	-	-	-
Investment income	773,724	-	-	-	-	1,003	42,464	-
Total revenues	9,950,451	1,211,681	597,290	2,090,515	80,528	1,003	225,610	188,241
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Engineering, development & build Mobile	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	617,299	512,154
Public works	-	-	-	2,776,166	-	-	-	-
Principal on long-term debt	-	-	-	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Capital outlay:								
Capital outlay	2,107,214	-	-	-	-	-	-	-
Total expenditures	2,107,214	-	-	2,776,166	-	-	617,299	512,154
Excess (deficiency) of revenues over expenditures	7,843,237	1,211,681	597,290	(685,651)	80,528	1,003	(391,689)	(323,913)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	-	-	685,651	-	-	-	-
Transfers out	(5,820,054)	(971,022)	(550,000)	-	(80,528)	-	-	-
Proceeds from disposal of assets	-	-	-	-	-	-	6,303	-
Total other financing sources (uses)	(5,820,054)	(971,022)	(550,000)	685,651	(80,528)	-	6,303	-
Net change in fund balances	2,023,183	240,659	47,290	-	-	1,003	(385,386)	(323,913)
Fund balances - beginning	21,957,638	3,780,008	683,135	-	-	1,841	1,301,529	922,990
Fund balances - ending	\$ 23,980,821	\$ 4,020,667	\$ 730,425	\$ -	\$ -	\$ 2,844	916,143	\$ 599,077

Storm Water Fund	Rebuild Alabama Fund	Opioid Settlement Fund	Tax Increment Fund D2	General Activities Grants	Hurricane Sally	Hurricane Zeta	Miscellaneous Public Safety Grants	Housing and Urban Development Grants	Total Nonmajor Special Revenue Funds
\$ 3,102,776	\$ 1,582,020	\$ -	\$ 127,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,969,153
-	-	-	-	-	-	-	-	-	371,387
-	-	1,039,742	-	7,465,645	-	37,519	1,877,929	4,039,718	14,460,553
-	-	-	-	(1)	-	-	-	-	817,190
<u>3,102,776</u>	<u>1,582,020</u>	<u>1,039,742</u>	<u>127,616</u>	<u>7,465,644</u>	<u>-</u>	<u>37,519</u>	<u>1,877,929</u>	<u>4,039,718</u>	<u>33,618,283</u>
-	-	-	-	6,380,725	1,902,304	-	-	4,840,309	13,123,338
-	-	-	-	13,995	-	-	-	-	13,995
-	-	-	-	268,176	-	-	-	-	268,176
-	-	2,261,643	-	-	-	-	2,248,648	-	5,639,744
1,030,638	-	-	-	2,919,048	-	-	-	-	6,725,852
-	-	-	-	-	-	-	-	42,650	42,650
-	-	-	-	-	-	-	-	157,350	157,350
-	-	-	-	-	-	-	-	-	2,107,214
<u>1,030,638</u>	<u>-</u>	<u>2,261,643</u>	<u>-</u>	<u>9,581,944</u>	<u>1,902,304</u>	<u>-</u>	<u>2,248,648</u>	<u>5,040,309</u>	<u>28,078,319</u>
<u>2,072,138</u>	<u>1,582,020</u>	<u>(1,221,901)</u>	<u>127,616</u>	<u>(2,116,300)</u>	<u>(1,902,304)</u>	<u>37,519</u>	<u>(370,719)</u>	<u>(1,000,591)</u>	<u>5,539,964</u>
-	-	-	-	2,621,879	-	-	-	209,854	3,517,384
(2,568,572)	-	-	-	(676,000)	-	-	-	(209,854)	(10,876,030)
<u>(2,568,572)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,945,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,303</u>
(496,434)	1,582,020	(1,221,901)	127,616	(170,421)	(1,902,304)	37,519	(370,719)	(1,000,591)	(1,812,379)
8,673,395	4,653,160	2,184,982	-	5,661,177	2,257,149	1,107,612	819,679	199,649	54,203,944
<u>\$ 8,176,961</u>	<u>\$ 6,235,180</u>	<u>\$ 963,081</u>	<u>\$ 127,616</u>	<u>\$ 5,490,756</u>	<u>\$ 354,845</u>	<u>\$ 1,145,131</u>	<u>\$ 448,960</u>	<u>\$ (800,942)</u>	<u>\$ 52,391,565</u>



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# ENTERPRISE FUNDS — NONMAJOR



# ENTERPRISE FUNDS — NONMAJOR

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

- Civic Center
- Cruise Terminal
- Saenger Theater
- Transit System
- Convention Center
- Parking Garage
- Mobile Tennis Center
- Emergency Medical Services
- Azalea City Golf Course
- Neighborhood Renewal Program
- Housing Improvement Plan Fund

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2025**

	Civic Center	Cruise Terminal	Saenger Theater	Transit System	Convention Center
<b>ASSETS</b>					
Current assets:					
Cash, equity in pooled cash and investments	\$ 1,007	\$ 2,329,086	\$ 852,996	\$ 261,773	\$ 2,785,856
Receivables, net	144,876	-	-	15,231	239,790
Due from other funds	-	-	-	991,281	-
Inventory & prepaids	16,259	8	-	209,249	63,666
Total current assets	<u>162,142</u>	<u>2,329,094</u>	<u>852,996</u>	<u>1,477,534</u>	<u>3,089,312</u>
Noncurrent assets:					
Non-depreciable capital assets	224,350	-	-	2,972,887	4,999,575
Depreciable capital assets, net	-	12,338,831	1,094,677	20,665,861	24,240,292
Total noncurrent assets	<u>224,350</u>	<u>12,338,831</u>	<u>1,094,677</u>	<u>23,638,748</u>	<u>29,239,867</u>
Total assets	<u><u>386,492</u></u>	<u><u>14,667,925</u></u>	<u><u>1,947,673</u></u>	<u><u>25,116,282</u></u>	<u><u>32,329,179</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred pension outflows	-	-	-	425,936	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>425,936</u>	<u>-</u>
Total assets and deferred outflows of resources	<u><u>386,492</u></u>	<u><u>14,667,925</u></u>	<u><u>1,947,673</u></u>	<u><u>25,542,218</u></u>	<u><u>32,329,179</u></u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	1,795	9,664	349	712,057	1,472,332
Pension employer contributions payable	-	4,142	-	279,223	-
Unearned revenue	-	-	-	-	15,363
Due to other funds	-	-	-	65,000	-
Total current liabilities	<u>1,795</u>	<u>13,806</u>	<u>349</u>	<u>1,056,280</u>	<u>1,487,695</u>
Noncurrent liabilities:					
Net pension liability	-	-	-	1,036,618	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,036,618</u>	<u>-</u>
Total liabilities	<u><u>1,795</u></u>	<u><u>13,806</u></u>	<u><u>349</u></u>	<u><u>2,092,898</u></u>	<u><u>1,487,695</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred service concession arrangement receipts	-	-	-	-	-
Deferred pension inflows	-	-	-	1,788,930	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,788,930</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u><u>1,795</u></u>	<u><u>13,806</u></u>	<u><u>349</u></u>	<u><u>3,881,828</u></u>	<u><u>1,487,695</u></u>
<b>NET POSITION</b>					
Net investment in capital assets	224,350	12,338,831	1,094,677	23,638,748	29,239,867
Unrestricted	160,347	2,315,288	852,647	(1,978,358)	1,601,617
Total net position	<u><u>\$ 384,697</u></u>	<u><u>\$ 14,654,119</u></u>	<u><u>\$ 1,947,324</u></u>	<u><u>\$ 21,660,390</u></u>	<u><u>\$ 30,841,484</u></u>

<u>Parking Garage</u>	<u>Mobile Tennis Center</u>	<u>Emergency Medical Services</u>	<u>Azalea City Golf Course</u>	<u>Neighborhood Renewal Program</u>	<u>Housing Improvement Plan Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 1,961,304	\$ 1,400	\$ -	\$ 1,100	\$ 694,578	\$ 3,079,668	\$ 11,968,768
351,550	-	517,360	-	-	-	1,268,807
-	-	-	-	-	-	991,281
-	98,370	830	64,198	169,816	197,270	819,666
<u>2,312,854</u>	<u>99,770</u>	<u>518,190</u>	<u>65,298</u>	<u>864,394</u>	<u>3,276,938</u>	<u>15,048,522</u>
1,895,790	-	741,324	1,457,640	-	-	12,291,566
1,394,704	518,617	449,899	1,108,490	70,165	-	61,881,536
3,290,494	518,617	1,191,223	2,566,130	70,165	-	74,173,102
<u>5,603,348</u>	<u>618,387</u>	<u>1,709,413</u>	<u>2,631,428</u>	<u>934,559</u>	<u>3,276,938</u>	<u>89,221,624</u>
-	-	2,488,794	-	-	-	2,914,730
-	-	2,488,794	-	-	-	2,914,730
<u>5,603,348</u>	<u>618,387</u>	<u>4,198,207</u>	<u>2,631,428</u>	<u>934,559</u>	<u>3,276,938</u>	<u>92,136,354</u>
-	51,459	222,290	44,867	4,100	15,179	2,534,092
-	6,991	1,022,262	10,937	-	1,805	1,325,360
-	-	2,610	54,649	-	-	72,622
-	-	-	-	-	-	65,000
-	<u>58,450</u>	<u>1,247,162</u>	<u>110,453</u>	<u>4,100</u>	<u>16,984</u>	<u>3,997,074</u>
-	-	(631,785)	-	-	-	404,833
-	-	(631,785)	-	-	-	404,833
-	<u>58,450</u>	<u>615,377</u>	<u>110,453</u>	<u>4,100</u>	<u>16,984</u>	<u>4,401,907</u>
2,844,388	-	-	-	-	-	2,844,388
-	-	244,414	-	-	-	2,033,344
2,844,388	-	244,414	-	-	-	4,877,732
<u>2,844,388</u>	<u>58,450</u>	<u>859,791</u>	<u>110,453</u>	<u>4,100</u>	<u>16,984</u>	<u>9,279,639</u>
3,290,494	518,617	1,191,223	2,566,130	70,165	-	74,173,102
(531,534)	41,320	2,147,193	(45,155)	860,294	3,259,954	8,683,613
<u>\$ 2,758,960</u>	<u>\$ 559,937</u>	<u>\$ 3,338,416</u>	<u>\$ 2,520,975</u>	<u>\$ 930,459</u>	<u>\$ 3,259,954</u>	<u>\$ 82,856,715</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2025**

	Civic Center	Cruise Terminal	Saenger Theater	Transit System	Convention Center
<b>OPERATING REVENUES</b>					
Charges for services	\$ -	\$ 493,846	\$ -	\$ 654,116	\$ 1,608,069
Facility rent	209,709	79,739	-	-	1,173,795
Sales revenue	-	-	-	-	-
Parking fees	-	995,239	-	-	450,222
Concessions	-	-	-	-	1,143,869
Other revenue	544	22,638	-	181,078	59,412
Total operating revenues	<u>210,253</u>	<u>1,591,462</u>	<u>-</u>	<u>835,194</u>	<u>4,435,367</u>
<b>OPERATING EXPENSES</b>					
Personnel services	(4,541)	514,772	-	8,470,564	1,825,238
Commodities	337,746	39,214	-	1,978,764	2,905,843
Utilities	70,174	253,997	2,559	213,323	337,781
Professional and technical	41,632	288,119	780	912,604	560,056
Maintenance and repairs	-	73,963	-	-	38,701
Printing and reproduction	(219)	2,456	681	-	-
Insurance payments	-	50	-	1,018,856	16,331
Event expenses	-	-	334,552	-	1,469,070
Cost of goods sold	-	-	-	-	-
Other charges	51,677	109,603	(1,689)	363,034	3,900,986
Depreciation	-	396,453	160,636	2,446,879	1,398,200
Capital outlay	-	-	-	-	-
Total operating expenses	<u>496,469</u>	<u>1,678,627</u>	<u>497,519</u>	<u>15,404,024</u>	<u>12,452,206</u>
Operating income (loss)	<u>(286,216)</u>	<u>(87,165)</u>	<u>(497,519)</u>	<u>(14,568,830)</u>	<u>(8,016,839)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Taxes	-	-	-	-	13,252,529
State and federal assistance	-	-	-	3,794,708	-
Investment income	-	-	-	-	-
Gain (loss) from disposal of assets	-	(235,331)	-	22,859	(3,351)
Proceeds from disposal of assets	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>(235,331)</u>	<u>-</u>	<u>3,817,567</u>	<u>13,249,178</u>
Income (loss) before contributions and transfers	<u>(286,216)</u>	<u>(322,496)</u>	<u>(497,519)</u>	<u>(10,751,263)</u>	<u>5,232,339</u>
Capital grants and contributions	-	-	-	919,398	-
Transfers in	6,349	-	-	14,399,690	-
Transfers out	-	(200,000)	-	-	(6,765,443)
Transfer of capital assets	-	-	-	-	-
Change in net position	<u>(279,867)</u>	<u>(522,496)</u>	<u>(497,519)</u>	<u>4,567,825</u>	<u>(1,533,104)</u>
Total net position - beginning	664,564	15,176,615	2,444,843	17,092,565	32,374,588
Total net position - ending	<u>\$ 384,697</u>	<u>\$ 14,654,119</u>	<u>\$ 1,947,324</u>	<u>\$ 21,660,390</u>	<u>\$ 30,841,484</u>

Parking Garage	Mobile Tennis Center	Emergency Medical Services	Azalea City Golf Course	Neighborhood Renewal Program	Housing Improvement Plan Fund	Total Nonmajor Enterprise Funds
\$ 106,876	\$ 306,878	\$ 4,696,004	\$ 1,421,067	\$ -	\$ -	\$ 9,286,856
424,918	-	-	3,297	-	-	1,891,458
-	249,979	-	152,407	-	-	402,386
-	-	-	-	-	-	1,445,461
-	9,565	-	-	-	-	1,153,434
-	-	10,426	10	-	-	274,108
<u>531,794</u>	<u>566,422</u>	<u>4,706,430</u>	<u>1,576,781</u>	<u>-</u>	<u>-</u>	<u>14,453,703</u>
-	1,048,749	7,500,046	1,200,001	12,396	139,500	20,706,725
-	55,558	988,000	316,336	-	-	6,621,461
-	78,966	42,694	106,650	-	-	1,106,144
7,807	313,653	101,824	11,527	3,321	100,546	2,341,869
-	63,319	166,281	29,534	-	-	371,798
-	4,595	30	3,469	-	-	11,012
-	-	-	-	-	-	1,035,237
-	-	-	-	-	-	1,803,622
-	138,906	-	109,922	12,841	-	261,669
-	18,903	1,681,030	110,666	1,713	-	6,235,923
201,644	7,285	88,557	192,075	2,799	-	4,894,528
-	-	(741,324)	-	-	-	(741,324)
<u>209,451</u>	<u>1,729,934</u>	<u>9,827,138</u>	<u>2,080,180</u>	<u>33,070</u>	<u>240,046</u>	<u>44,648,664</u>
<u>322,343</u>	<u>(1,163,512)</u>	<u>(5,120,708)</u>	<u>(503,399)</u>	<u>(33,070)</u>	<u>(240,046)</u>	<u>(30,194,961)</u>
-	-	-	-	-	-	13,252,529
-	-	-	-	-	-	3,794,708
42,988	-	-	-	-	-	42,988
-	(14,421)	(34,157)	(20,188)	-	-	(284,589)
-	-	-	50,885	32,210	-	83,095
<u>42,988</u>	<u>(14,421)</u>	<u>(34,157)</u>	<u>30,697</u>	<u>32,210</u>	<u>-</u>	<u>16,888,731</u>
365,331	(1,177,933)	(5,154,865)	(472,702)	(860)	(240,046)	(13,306,230)
-	-	-	-	-	-	919,398
-	1,096,296	6,129,888	252,184	-	3,500,000	25,384,407
-	-	-	-	-	-	(6,965,443)
-	456,858	-	-	-	-	456,858
365,331	375,221	975,023	(220,518)	(860)	3,259,954	6,488,990
2,393,629	184,716	2,363,393	2,741,493	931,319	-	76,367,725
<u>\$ 2,758,960</u>	<u>\$ 559,937</u>	<u>\$ 3,338,416</u>	<u>\$ 2,520,975</u>	<u>\$ 930,459</u>	<u>\$ 3,259,954</u>	<u>\$ 82,856,715</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2025**

	Civic Center	Cruise Terminal	Saenger Theater	Transit System	Convention Center
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ -	\$ 493,846	\$ -	\$ 828,306	\$ 1,608,069
Cash received from sales revenue	-	-	-	-	-
Cash received from facility & other rent	209,709	79,739	32,108	-	1,064,598
Cash received from parking fees	-	995,239	-	-	450,222
Cash received from concessions	-	-	-	-	1,143,869
Cash received from miscellaneous	385,835	22,638	(630,060)	-	59,412
Cash payments for operating expenses	(775,686)	(856,406)	(281,892)	(4,356,289)	(10,253,856)
Cash payments for internal services	-	(36,003)	-	-	-
Cash payments to employees for services	4,542	(500,964)	-	(8,856,703)	-
Net cash provided (used) by operating activities	<u>(175,600)</u>	<u>198,089</u>	<u>(879,844)</u>	<u>(12,384,686)</u>	<u>(5,927,686)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Taxes	-	-	-	-	15,412,529
Non-capital grants and contributions	-	-	-	3,794,708	-
Transfers in from other funds	6,348	-	-	8,738,148	-
Transfers out to other funds	-	(200,000)	-	-	(6,765,443)
Net cash provided (used) by noncapital financing activities	<u>6,348</u>	<u>(200,000)</u>	<u>-</u>	<u>12,532,856</u>	<u>8,647,086</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	28,232	(193,589)
Capital grants and contributions	-	-	-	-	-
Transfers in from other funds	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,232</u>	<u>(193,589)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income received	-	-	-	-	-
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	<u>(169,252)</u>	<u>(1,911)</u>	<u>(879,844)</u>	<u>176,402</u>	<u>2,525,811</u>
Balances - beginning of year	170,259	2,330,997	1,732,840	85,371	260,044
Balances - end of the year	<u>\$ 1,007</u>	<u>\$ 2,329,086</u>	<u>\$ 852,996</u>	<u>\$ 261,773</u>	<u>\$ 2,785,856</u>
Cash	\$ 1,007	\$ 2,329,086	\$ 852,996	\$ 261,773	\$ 2,785,856
Total Cash	<u>\$ 1,007</u>	<u>\$ 2,329,086</u>	<u>\$ 852,996</u>	<u>\$ 261,773</u>	<u>\$ 2,785,856</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating Income	\$ (286,216)	\$ (87,165)	\$ (497,519)	\$ (14,568,830)	\$ (8,016,839)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating					
Depreciation	-	396,453	160,636	2,446,879	1,398,200
Non-cash items included in operating income	-	-	-	(227,562)	-
Changes in assets and liabilities:					
Accounts payable	(453,293)	(89,004)	35,617	130,440	754,561
Accounts receivable	385,291	-	32,109	(6,888)	(99,683)
Compensated absences	-	-	-	(575,838)	-
Inventory and prepaids	178,618	-	19,373	(149)	45,590
Salary and benefits payable	-	(22,195)	-	138,039	-
Pension contribution payable	-	-	-	279,223	-
Advance collections	-	-	(630,060)	-	(9,514)
Net cash provided (used) by operating activities	<u>\$ (175,600)</u>	<u>\$ 198,089</u>	<u>\$ (879,844)</u>	<u>\$ (12,384,686)</u>	<u>\$ (5,927,685)</u>

Parking Garage	Mobile Tennis Center	Emergency Medical Services	Azalea City Golf Course	Neighborhood Renewal Program	Housing Improvement Plan Fund	Total
\$ (11,766)	\$ 306,877	\$ 5,833,763	\$ 1,421,066	\$ -	\$ -	\$ 10,480,161
-	249,979	-	152,407	-	-	402,386
346,237	-	-	3,297	-	-	1,735,688
-	-	-	-	-	-	1,445,461
-	9,565	-	-	-	-	1,153,434
-	13,764	-	4,751	-	-	(143,660)
(72,372)	(708,903)	(1,858,447)	(688,779)	(76,527)	(287,100)	(20,216,256)
-	(87,984)	(1,138,104)	(124,320)	-	-	(1,386,411)
-	(963,964)	(8,216,976)	(1,071,491)	(12,396)	(133,232)	(19,751,184)
<u>262,099</u>	<u>(1,180,666)</u>	<u>(5,379,764)</u>	<u>(303,069)</u>	<u>(88,923)</u>	<u>(420,332)</u>	<u>(26,280,382)</u>
-	-	-	-	-	-	15,412,529
-	-	-	-	-	-	3,794,708
-	1,096,296	6,129,888	252,184	-	-	16,222,864
-	-	-	-	-	-	(6,965,443)
<u>-</u>	<u>1,096,296</u>	<u>6,129,888</u>	<u>252,184</u>	<u>-</u>	<u>-</u>	<u>28,464,658</u>
-	-	(750,124)	-	(23,175)	-	(773,299)
-	84,370	-	50,885	32,210	-	2,108
-	-	-	-	-	-	-
-	-	-	-	-	3,500,000	3,500,000
<u>-</u>	<u>84,370</u>	<u>(750,124)</u>	<u>50,885</u>	<u>9,035</u>	<u>3,500,000</u>	<u>2,728,809</u>
42,988	-	-	-	-	-	42,988
42,988	-	-	-	-	-	42,988
305,087	0	-	0	(79,888)	3,079,668	4,956,073
1,656,218	1,400	-	1,100	774,467	-	7,012,696
<u>\$ 1,961,304</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 1,100</u>	<u>\$ 694,578</u>	<u>\$ 3,079,668</u>	<u>\$ 11,968,768</u>
<u>\$ 1,961,304</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 1,100</u>	<u>\$ 694,578</u>	<u>\$ 3,079,668</u>	<u>\$ 11,968,768</u>
<u>\$ 1,961,304</u>	<u>\$ 1,400</u>	<u>\$ -</u>	<u>\$ 1,100</u>	<u>\$ 694,578</u>	<u>\$ 3,079,668</u>	<u>\$ 11,968,768</u>
\$ 322,343	\$ (1,163,512)	\$ (5,120,708)	\$ (503,399)	\$ (33,069)	\$ (240,046)	\$ (30,194,961)
201,644	7,285	88,557	192,075	2,799	-	4,894,528
-	-	(1,764,997)	-	-	-	(1,992,559)
-	-	-	-	-	-	-
(64,565)	14,850	(11,554)	(6,006)	-	-	311,047
(95,282)	-	1,127,332	-	-	-	1,342,879
-	-	-	-	-	-	(575,838)
-	(36,089)	-	5,330	(58,653)	(186,554)	(32,535)
-	(3,200)	16,754	4,190	-	4,463	138,051
-	-	284,852	-	-	1,805	565,880
(102,041)	-	-	4,741	-	-	(736,874)
<u>\$ 262,099</u>	<u>\$ (1,180,666)</u>	<u>\$ (5,379,764)</u>	<u>\$ (303,069)</u>	<u>\$ (88,923)</u>	<u>\$ (420,332)</u>	<u>\$ (26,280,382)</u>

# INTERNAL SERVICE FUNDS



# INTERNAL SERVICE FUNDS

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

- **Motor Pool Fund**
- **Employee Health Plan Fund**
- **Liability Insurance Fund**

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2025**

	Motor Pool	Employee Health Plan	Liability Insurance	Total Nonmajor Internal Service Funds
<b>ASSETS</b>				
Current assets:				
Cash, equity in pooled cash and investments	\$ 5,445,011	\$ 10,385,502	\$ -	\$ 15,830,513
Receivables, net	60,412	417,427	-	477,839
Inventory & prepaids	7	-	-	7
Total current assets	<u>5,505,430</u>	<u>10,802,929</u>	<u>-</u>	<u>16,308,359</u>
Noncurrent assets:				
Non-depreciable capital assets	5,117,917	-	-	5,117,917
Depreciable capital assets, net	48,922,758	-	-	48,922,758
Total noncurrent assets	<u>54,040,675</u>	<u>-</u>	<u>-</u>	<u>54,040,675</u>
Total assets	<u>\$ 59,546,105</u>	<u>\$ 10,802,929</u>	<u>\$ -</u>	<u>\$ 70,349,034</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	1,223,227	799,163	1,065,426	3,087,816
Pension employer contributions payable	1,760	-	-	1,760
Insurance claims payable	-	2,006,900	-	2,006,900
Total current liabilities	<u>1,224,987</u>	<u>2,806,063</u>	<u>1,065,426</u>	<u>5,096,476</u>
Noncurrent liabilities:				
Self-insured legal liability	-	-	414,514	414,514
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>414,514</u>	<u>414,514</u>
Total liabilities	<u>\$ 1,224,987</u>	<u>\$ 2,806,063</u>	<u>\$ 1,479,940</u>	<u>\$ 5,510,990</u>
<b>NET POSITION</b>				
Net investment in capital assets	54,040,676	-	-	54,040,676
Unrestricted	4,280,442	7,996,866	(1,479,940)	10,797,368
Total net position	<u>\$ 58,321,118</u>	<u>\$ 7,996,866</u>	<u>\$ (1,479,940)</u>	<u>\$ 64,838,044</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended September 30, 2025**

	MOTOR POOL	EMPLOYEE HEALTH PLAN	LIABILITY INSURANCE	Total Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 5,417	\$ -	\$ -	\$ 5,417
Internal charges	2,360	18,748,022	-	18,750,382
Employee contributions	-	7,483,895	-	7,483,895
Total operating revenues	<u>7,777</u>	<u>26,231,917</u>	<u>-</u>	<u>26,239,694</u>
<b>OPERATING EXPENSES</b>				
Personnel services	135,511	-	-	135,511
Commodities	2,708,642	-	-	2,708,642
Utilities	41,726	-	-	41,726
Professional and technical	193	92,370	3,139,935	3,232,498
Maintenance and repairs	(488)	-	-	(488)
Printing and reproduction	30	4,647	-	4,677
Insurance payments	-	26,905,240	-	26,905,240
Increase (decrease) in provision for self-insurance loss	-	125,400	44,514	169,914
Other charges	531,423	11,524	1,105,997	1,648,944
Depreciation	8,269,067	-	-	8,269,067
Total operating expenses	<u>11,686,104</u>	<u>27,139,181</u>	<u>4,290,446</u>	<u>43,115,731</u>
Operating income (loss)	<u>(11,678,327)</u>	<u>(907,264)</u>	<u>(4,290,446)</u>	<u>(16,876,037)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Damaged vehicles reimbursement	183,874	-	-	183,874
Gain (loss) from disposal of assets	(416,074)	-	-	(416,074)
Total nonoperating revenues (expenses)	<u>(232,200)</u>	<u>-</u>	<u>-</u>	<u>(232,200)</u>
Income (loss) before contributions and transfers	(11,910,527)	(907,264)	(4,290,446)	(17,108,237)
Transfers out	(3,880,506)	-	-	(3,880,506)
Transfer of capital assets	(344,000)	-	-	(344,000)
Transfers in	2,144,679	-	3,981,757	6,126,436
Transfer of capital assets	347,626	-	-	347,626
Change in net position	<u>(13,642,728)</u>	<u>(907,264)</u>	<u>(308,689)</u>	<u>(14,858,681)</u>
Total net position - beginning	71,963,846	8,904,130	(1,171,251)	79,696,725
Total net position - ending	<u>\$ 58,321,118</u>	<u>\$ 7,996,866</u>	<u>\$ (1,479,940)</u>	<u>\$ 64,838,044</u>

**CITY OF MOBILE, ALABAMA**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2025**

	Motor Pool	Employee Health Plan	Liability Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers and users	\$ (16,279)	\$ -	\$ -	\$ (16,279)
Cash received from internal billings	2,360	18,748,022	-	18,750,382
Cash received from employee contributions	-	7,483,896	-	7,483,896
Cash payments for operating expenses	(5,891,130)	(108,542)	(3,981,757)	(9,981,429)
Cash payments for insurance claims	-	(26,207,364)	-	(26,207,364)
Cash payments to employees for services	(135,320)	-	-	(135,320)
Net cash provided (used) by operating activities	<u>(6,040,369)</u>	<u>(83,988)</u>	<u>(3,981,757)</u>	<u>(10,106,114)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in from other funds	2,144,679	-	3,981,757	6,126,436
Transfers out to other funds	(3,880,506)	-	-	(3,880,506)
Net cash provided (used) by noncapital financing activities	<u>(1,735,827)</u>	<u>-</u>	<u>3,981,757</u>	<u>2,245,930</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(15,229,270)	-	-	(15,229,270)
Proceeds from sale of capital assets	1,081,480	-	-	1,081,480
Reimbursement for damaged vehicles	183,874	-	-	183,874
Net cash provided (used) by capital and related financing activities	<u>(13,963,916)</u>	<u>-</u>	<u>-</u>	<u>(13,963,916)</u>
Net increase (decrease) in cash and cash equivalents	<u>(21,740,112)</u>	<u>(83,988)</u>	<u>-</u>	<u>(21,824,100)</u>
Balances - beginning of year	27,185,123	10,469,490	-	37,654,613
Balances - end of the year	<u>\$ 5,445,011</u>	<u>\$ 10,385,502</u>	<u>\$ -</u>	<u>\$ 15,830,513</u>
Cash	<u>\$ 5,445,011</u>	<u>\$ 10,385,502</u>	<u>\$ -</u>	<u>\$ 15,830,513</u>
Total Cash	<u>\$ 5,445,011</u>	<u>\$ 10,385,502</u>	<u>\$ -</u>	<u>\$ 15,830,513</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating Income	\$ (11,678,326)	\$ (907,264)	\$ (4,290,446)	\$ (16,876,036)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	8,269,067	-	-	8,269,067
Changes in assets and liabilities:				
Accounts payable	(2,609,604)	697,876	(8,937)	(1,920,665)
Accounts receivable	(21,703)	-	-	(21,703)
Self-insurance liability	-	-	317,626	317,626
Insurance claims payable	-	125,400	-	125,400
Salary and benefits payable	197	-	-	197
Net cash provided (used) by operating activities	<u>\$ (6,040,369)</u>	<u>\$ (83,988)</u>	<u>\$ (3,981,757)</u>	<u>\$ (10,106,114)</u>



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# OTHER SUPPLEMENTARY INFORMATION



# OTHER SUPPLEMENTARY INFORMATION

## General Fund Revenues and Other Financing Sources (Uses)

## Schedule of Bonds, Warrants, and Notes Payable



**CITY OF MOBILE, ALABAMA**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources (Uses)**  
**Budget and Actual (Budgetary Basis)**  
**For the Year Ended September 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
<b>REVENUES</b>				
Taxes				
Property				
Real estate	\$ 20,806,955	\$ 20,806,955	\$ 22,012,312	\$ 1,205,357
Motor vehicle	2,589,154	2,589,154	2,409,455	(179,699)
Sales and use				
Sales tax - City	194,970,288	194,970,288	193,078,817	(1,891,471)
Sales tax - Police Jurisdiction	9,233,077	9,233,077	8,810,686	(422,391)
Sellers use tax	15,354,000	15,354,000	17,499,965	2,145,965
Lease/rental - City	8,873,958	8,873,958	9,684,020	810,062
Lease/rental - Police Jurisdiction	323,031	323,031	418,330	95,299
Room tax - City	8,080,264	8,680,264	8,965,807	285,543
Room tax - Police Jurisdiction	48,731	53,731	56,062	2,331
Motor vehicle rental - City	1,999,353	1,999,353	2,039,513	40,160
Motor vehicle rental - Police Jurisdiction	90,832	90,832	772	(90,060)
Selective sales and use				
Motor fuel				
Regular - City	2,121,421	2,121,421	2,291,121	169,700
Regular - Police Jurisdiction	738,714	738,714	611,557	(127,157)
County equalization	359,591	359,591	370,394	10,803
Alcoholic beverages				
Liquor - City	1,312,540	1,312,540	1,235,189	(77,351)
Liquor - Police Jurisdiction	32,620	32,620	31,288	(1,332)
Liquor - ABC Board	298,799	298,799	987,304	688,505
Table Wine	195,754	195,754	179,377	(16,377)
Beer	967,324	967,324	952,233	(15,091)
Other				
Cigarette stamp tax	1,088,241	1,088,241	950,519	(137,722)
Other tobacco tax - City	856,594	856,594	873,022	16,428
Other tobacco tax - Police Jurisdiction	56,001	56,001	39,678	(16,323)
Business privilege tax	-	-	302,562	302,562
Other tax revenue	2,237,298	2,237,298	1,449,103	(788,195)
Total taxes	<u>272,634,540</u>	<u>273,239,540</u>	<u>275,249,086</u>	<u>2,009,546</u>
Licenses and permits				
Business licenses - City	49,265,883	49,865,883	53,311,304	3,445,421
Business licenses - Police Jurisdiction	2,262,317	2,262,317	2,101,784	(160,533)
Motor vehicle licenses	667,639	667,639	657,312	(10,327)
Dog licenses	283	283	343	60
Alarm ordinance permits	162,610	162,610	157,432	(5,178)
Total licenses and permits	<u>52,358,732</u>	<u>52,958,732</u>	<u>56,228,175</u>	<u>3,269,443</u>
Intergovernmental				
Alcoholic Beverage Control Board	62,918	62,918	44,816	(18,102)
Racing Commission	22,231	22,231	84,028	61,797
Total intergovernmental	<u>85,149</u>	<u>85,149</u>	<u>128,844</u>	<u>43,695</u>

<b>Charges for services</b>				
Health				
Lot cleaning	15,236	15,236	59,718	44,482
Building demolition fee	58,459	58,459	185,832	127,373
Animal shelter	13,853	13,853	6,390	(7,463)
Recycling Fees	1,810	1,810	19,183	17,373
Public safety				
Inspection	2,696,278	2,696,278	3,261,285	565,007
Fire plan review fee	54,862	54,862	61,478	6,616
Police and fire	1,264,759	1,264,759	1,430,451	165,692
Engineering	295,879	295,879	794,358	498,479
Parking meter and management fees	577,782	577,782	661,893	84,111
Property rental	131,559	131,559	278,865	147,306
Franchise fees - miscellaneous	1,784,924	1,784,924	1,651,433	(133,491)
Parks and recreation fees	267,885	267,885	406,661	138,776
Vacation of ROW fee	-	-	-	-
Other	134,713	134,713	215,805	81,092
Total charges for services	<u>7,297,999</u>	<u>7,297,999</u>	<u>9,033,352</u>	<u>1,735,353</u>
<b>Fines and forfeitures</b>				
Municipal offense fines	947	947	978	31
Police fines	400,372	400,372	436,451	36,079
Driver's education	98,823	98,823	161,465	62,642
Bond forfeitures	67,593	67,593	34,153	(33,440)
Court costs	147,462	147,462	198,816	51,354
DA Restitution Unit collection fees	32,999	32,999	39,569	6,570
Corrections fund	395,118	395,118	514,031	118,913
Alarm ordinance fines	(500)	(500)	450	950
Municipal court administrative fee	94,303	94,303	92,741	(1,562)
Probation fees	248,049	248,049	160,013	(88,036)
Total fines and forfeitures	<u>1,485,166</u>	<u>1,485,166</u>	<u>1,638,667</u>	<u>153,501</u>
<b>Investment income</b>				
Investment of idle funds	6,820,000	6,300,000	6,646,026	346,026
Interest on investments	4,900,000	1,150,000	749,688	(400,312)
Dividend income	378,400	5,550,400	5,053,958	(496,442)
Total investment income	<u>12,098,400</u>	<u>13,000,400</u>	<u>12,449,672</u>	<u>(550,728)</u>
<b>Other revenue</b>				
Athletic fund	-	-	54,471	54,471
Miscellaneous	1,310,422	1,310,422	1,641,577	331,155
Total other revenue	<u>1,310,422</u>	<u>1,310,422</u>	<u>1,696,048</u>	<u>385,626</u>
Total revenues	<u>\$ 347,270,408</u>	<u>\$ 349,377,408</u>	<u>\$ 356,423,844</u>	<u>\$ 7,046,436</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	\$ 4,423	\$ 4,423	\$ 2,239,244	\$ 2,234,821
<b>Operating transfers in</b>				
From 5-cent Gasoline Tax Special Revenue Fund	550,000	550,000	550,000	-
From Fuel Inspection Fees Special Revenue Fund	79,812	79,812	80,528	716
From Capital Projects Fund	-	614,346	614,346	-
From Grant Administration Fund	-	64,000	64,000	-
From Motor Pool Fund	-	-	2,775,216	2,775,216
From WAVE Transit	4,637,617	4,637,617	3,101,896	(1,535,721)
Total operating transfers in	<u>\$ 5,267,429</u>	<u>\$ 5,945,775</u>	<u>\$ 7,185,986</u>	<u>\$ 1,240,211</u>

Operating transfers out				
To Capital Improvement Fund	2,000,000	7,999,904	8,115,904	116,000
To 7-Cent Roadway Maintenance Fund	525,000	525,000	685,651	160,651
To Grant Administration Funds	28,750	28,750	-	(28,750)
To Civic Center Enterprise Fund	-	-	6,349	6,349
To Convention Center Enterprise Fund	-	-	-	-
To WAVE Transit Enterprise Fund	10,000,000	10,000,000	17,001,584	7,001,584
To Cruise Terminal Enterprise Fund	825,873	825,873	-	(825,873)
To Emergency Medical Services Enterprise Fund	6,233,180	5,033,180	6,129,888	1,096,708
To Tennis Center Enterprise Fund	1,100,880	1,100,880	1,096,296	(4,584)
To Azalea City Golf Course Enterprise Fund	437,238	437,238	252,184	(185,054)
To 2025 G.O. Warrants Fund	-	-	4,697,433	4,697,433
To Housing Improvement Plan Fund	-	-	1,000,000	1,000,000
To Motor Pool Internal Service Fund	-	32,000	2,069,679	2,037,679
To Liability Insurance Internal Service Fund	2,700,000	3,100,000	3,981,757	881,757
Total operating transfers out	<u>23,850,921</u>	<u>29,082,825</u>	<u>45,036,725</u>	<u>15,953,900</u>
Total other financing sources (uses)	<u>\$ (18,579,069)</u>	<u>\$ (23,132,627)</u>	<u>\$ (35,611,495)</u>	<u>\$ (12,478,868)</u>

**CITY OF MOBILE, ALABAMA**  
**Schedule of Bonds, Warrants, and Notes Payable**  
**For the year ended September 30, 2025**

	Interest Rates Percent	Interest Payment Dates	Issue Dates	Final Maturity Date	Serial Payments
2011 General Obligation Private Placement Warrants	2.84%	2/15-8/15	7/20/11	2/15/26	Semi-annual interest payments with annual principal payments ranging from \$640,000 to \$2,040,000
2016 General Obligation Refunding Warrants	4.5-5.0%	2/15-8/15	2/11/16	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$29,979 to \$521,595
2016C General Obligation Warrants, Taxable	5.4-5.5%	2/15-8/15	12/29/16	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$715,000 to \$1,825,000
2017A General Obligation Warrants, Tax-Exempt	3.0-5.0%	2/15-8/15	2/15/17	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$6,095,000 to \$8,250,000
2017D General Obligation Warrants, Taxable	2.4-3.12%	2/15-8/15	12/6/17	2/15/28	Semi-annual interest payments with semi- annual principal payments ranging from \$3,715,000 to \$8,745,000 beginning in February 2022
2018A General Obligation Warrants	5.0%	2/15-8/15	12/20/18	2/15/30	Semi-annual interest payments with semi- annual principal payments ranging from \$2,490,000 to \$8,715,000 beginning in February 2021
2020 General Obligation Warrants	5.0%	2/15-8/15	8/17/20	2/15/30	Semi-annual interest payments with a single principal payment of \$5,220,000 on February 15, 2030
2025A General Obligation Warrants	5.0%	2/15-8/15	3/13/25	2/15/45	Semi-annual interest payments with annual principal payments ranging from \$105,000 to \$200,000

**TOTAL**

Original Amount of Issue	Balance September 30, 2024	Year Ended September 30, 2025 Issued	Year Ended September 30, 2025 Refunded	Year Ended September 30, 2025 Retired	Balance September 30, 2025	Interest for Year Ended September 2025
\$ 13,715,000	\$ 1,260,000	\$ -	\$ -	\$ 620,000	\$ 640,000	\$ 27,428
39,402,000	13,081,000	-	-	2,053,000	11,028,000	312,212
17,735,000	10,010,000	-	-	1,525,000	8,485,000	333,887
64,610,000	44,315,000	-	-	6,545,000	37,770,000	1,957,025
48,770,000	30,370,000	-	-	8,200,000	22,170,000	782,740
24,350,000	14,775,000	-	-	-	14,775,000	738,750
5,220,000	5,220,000	-	-	-	5,220,000	261,000
222,510,000	-	222,510,000	-	-	222,510,000	4,697,433
<b>\$ 436,312,000</b>	<b>\$ 119,031,000</b>	<b>\$ 222,510,000</b>	<b>\$ -</b>	<b>\$ 18,943,000</b>	<b>\$ 322,598,000</b>	<b>\$ 9,110,474</b>



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# PART III: STATISTICAL SECTION



# PART III: STATISTICAL SECTION



## STATISTICAL SECTION

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

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Financial Trends	
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Revenue Capacity	
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Debt Capacity	
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Demographic and Economic Information	
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<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	174

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

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

	Fiscal Year			
	2025	2024	2023	2022
<b>Governmental activities</b>				
Net investment in capital assets	\$ 706,776,232	\$ 827,110,039	\$ 736,903,171	\$ 616,626,406
Restricted	284,590,704	61,956,643	53,683,907	46,311,820
Unrestricted	69,400,019	97,697,088	79,812,385	10,212,995
Total governmental net position	<u>\$ 1,060,766,955</u>	<u>\$ 986,763,770</u>	<u>\$ 870,399,463</u>	<u>\$ 673,151,221</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 74,173,102	\$ 76,891,829	\$ 80,542,191	\$ 80,915,451
Unrestricted	8,683,613	(524,103)	4,251,257	5,492,060
Total business-type net position	<u>\$ 82,856,715</u>	<u>\$ 76,367,726</u>	<u>\$ 84,793,448</u>	<u>\$ 86,407,511</u>
<b>Primary governmental</b>				
Net investment in capital assets	\$ 780,949,334	\$ 904,001,868	\$ 817,445,362	\$ 697,541,857
Restricted	284,590,704	61,956,643	53,683,907	46,311,820
Unrestricted	78,083,632	97,172,985	84,063,642	15,705,055
Total primary governmental net position	<u>\$ 1,143,623,670</u>	<u>\$ 1,063,131,496</u>	<u>\$ 955,192,911</u>	<u>\$ 759,558,732</u>

		Fiscal Year									
		2021	2020	2019	2018	2017	2016				
\$	576,332,319	\$	524,265,892	\$	478,292,410	\$	463,460,102	\$	466,796,768	\$	417,251,471
	38,477,521		32,621,789		30,378,487		28,640,056		25,668,707		24,152,958
	(68,215,575)		(155,461,266)		(178,363,596)		(223,182,102)		(298,582,917)		(278,066,055)
\$	<u>546,594,265</u>	\$	<u>401,426,415</u>	\$	<u>330,307,301</u>	\$	<u>268,918,056</u>	\$	<u>193,882,558</u>	\$	<u>163,338,374</u>
\$	80,081,067	\$	80,770,671	\$	83,218,826	\$	83,820,996	\$	86,872,399	\$	90,229,705
	5,792,647		12,146,498		3,661,778		(700,561)		1,545,787		458,089
\$	<u>85,873,714</u>	\$	<u>92,917,169</u>	\$	<u>86,880,604</u>	\$	<u>83,120,435</u>	\$	<u>88,418,186</u>	\$	<u>90,687,794</u>
\$	656,413,386	\$	605,036,563	\$	561,511,236	\$	547,281,098	\$	553,669,167	\$	507,481,176
	38,477,521		32,621,789		30,378,487		28,640,056		25,668,707		24,152,958
	(62,422,928)		(143,314,768)		(174,701,818)		(223,882,663)		(297,037,130)		(277,607,966)
\$	<u>632,467,979</u>	\$	<u>494,343,584</u>	\$	<u>417,187,905</u>	\$	<u>352,038,491</u>	\$	<u>282,300,744</u>	\$	<u>254,026,168</u>

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

	Fiscal Year			
	2025	2024	2023	2022
<b>Expenses</b>				
Governmental activities:				
General government	\$ 334,917,042	\$ 95,296,470	\$ 80,586,027	\$ 86,497,165
Culture and recreation	32,621,962	32,252,166	24,576,114	25,651,845
Economic development	1,899,473	1,528,159	1,809,204	1,543,352
Engineering, development & Build Mobile	6,935,090	18,284,322	18,246,105	17,735,162
Finance	7,170,055	6,859,387	5,850,106	4,485,879
Public safety	163,251,029	150,195,861	139,594,394	114,040,474
Public works	52,724,361	44,735,023	39,938,223	37,057,606
Interest on long-term debt	38,595,648	4,194,570	4,791,610	5,387,739
Total governmental activities expenses	<u>638,114,660</u>	<u>353,345,958</u>	<u>315,391,783</u>	<u>292,399,222</u>
Business-type activities:				
Azalea City Golf Course	2,100,368	1,983,776	1,975,540	1,849,610
Civic Center	496,469	8,338,521	5,419,785	3,982,165
Convention Center	12,455,557	11,530,244	11,230,894	10,140,779
Cruise Terminal	1,913,958	2,283,586	1,540,525	2,051,951
Emergency Medical Services	9,861,295	10,285,210	8,722,846	7,717,031
Housing Improvement Plan Fund	240,046	-	-	-
Mobile Tennis Center	1,744,355	1,598,715	1,568,408	1,392,622
Municipal Parking Garage	209,451	273,403	235,847	243,594
Neighborhood Renewal Program	33,070	59,521	12,672	14,659
Saenger Theatre	497,519	1,634,878	2,239,571	2,342,446
Wave Transit System	15,404,024	15,082,121	13,896,958	13,596,862
Total business-type activities expenses	<u>44,956,112</u>	<u>53,069,975</u>	<u>46,843,046</u>	<u>43,331,719</u>
Total primary government expenses	<u>\$ 683,070,772</u>	<u>\$ 406,415,933</u>	<u>\$ 362,234,829</u>	<u>\$ 335,730,941</u>
<b>Program revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 65,947,295	\$ 62,871,344	\$ 57,439,616	\$ 56,441,103
Culture and recreation	897,021	704,893	659,835	577,091
Engineering, development & Build Mobile	4,063,690	3,235,339	2,584,408	2,005,357
Public safety	4,877,082	5,011,111	5,120,179	4,928,677
Public works	19,183	1,810	105	1,600
Operating grants and contributions	22,076,467	28,306,736	-	22,243,577
Capital grants and contributions	255,815,825	2,941,110	-	6,544,513
Total governmental activities program revenues	<u>353,696,563</u>	<u>103,072,343</u>	<u>65,804,143</u>	<u>92,741,918</u>
Business-type activities:				
Charges for services				
Azalea City Golf Course	1,576,781	1,595,519	1,512,856	1,444,043
Civic Center	210,253	2,709,907	3,660,813	2,575,103
Convention Center	4,435,367	2,459,482	4,377,217	2,919,508
Cruise Terminal	1,591,462	3,024,847	655,984	3,017,803
Emergency Medical Services	4,706,430	5,294,634	3,612,459	3,746,742
Housing Improvement Plan Fund	-	-	-	-
Mobile Tennis Center	566,422	631,504	618,140	538,843
Municipal Parking Garage	531,794	431,560	399,599	415,527
Neighborhood Renewal Program	-	5,942	55,700	118,788
Saenger Theatre	-	1,431,687	1,895,300	2,246,922
Wave Transit System	835,194	713,662	681,552	649,651
Operating grants and contributions	3,794,708	4,050,829	5,941,725	4,975,891
Capital grants and contributions	919,398	3,620,106	2,916,364	3,084,250
Total business-type activities program revenues	<u>19,167,809</u>	<u>25,969,679</u>	<u>26,327,709</u>	<u>25,733,071</u>
Total primary government program revenues	<u>\$ 372,864,372</u>	<u>\$ 129,042,022</u>	<u>\$ 92,131,852</u>	<u>\$ 118,474,989</u>
<b>Net (Expense) Revenue</b>				
Government activities	\$ (284,418,097)	\$ (250,273,615)	\$ (249,587,640)	\$ (199,657,304)
Business-type activities	(25,788,303)	(27,100,296)	(20,515,337)	(17,598,648)
Total primary government net expense	<u>\$ (310,206,400)</u>	<u>\$ (277,373,911)</u>	<u>\$ (270,102,977)</u>	<u>\$ (217,255,952)</u>

		Fiscal Year									
		2021	2020	2019	2018	2017	2016				
\$	87,542,082	\$	63,000,678	\$	58,344,738	\$	49,876,175	\$	57,338,003	\$	71,077,484
	23,475,524		22,995,726		26,093,105		24,667,442		25,120,318		24,346,459
	1,424,648		1,163,957		1,084,321		933,158		1,128,267		1,058,324
	20,846,093		14,608,855		15,028,296		15,460,518		15,477,038		15,562,782
	6,399,116		5,771,251		5,741,105		6,324,506		6,184,239		5,792,949
	120,261,674		124,830,422		113,057,091		117,810,593		118,270,320		108,777,473
	37,776,816		33,243,048		34,174,619		38,135,993		36,948,205		32,182,584
	5,928,713		7,874,855		7,546,824		8,015,023		10,956,824		12,523,734
	303,654,666		273,488,792		261,070,099		261,223,408		271,423,214		271,321,789
	1,788,375		1,645,790		1,762,244		1,642,458		1,595,699		1,602,676
	3,047,038		3,263,936		3,762,093		3,644,260		3,539,260		3,794,184
	9,020,710		8,425,129		10,231,659		8,671,027		8,433,850		9,078,055
	1,522,515		2,080,009		3,125,480		2,929,012		2,610,198		1,092,752
	7,503,715		6,785,296		7,187,148		13,452,009		5,163,686		5,796,418
	-		-		-		-		-		-
	1,330,425		960,185		939,773		865,150		793,795		761,823
	247,129		225,036		265,725		228,529		234,118		237,596
	11,189		34,357		35,171		82,219		10,560		11,467
	1,113,292		1,066,242		1,754,621		1,538,821		1,009,011		881,566
	11,402,413		11,867,100		11,705,465		12,083,817		11,645,426		12,169,978
	36,986,801		36,353,080		40,769,379		45,137,302		35,035,603		35,426,515
\$	340,641,467	\$	309,841,872	\$	301,839,478	\$	306,360,710	\$	306,458,817	\$	306,748,304
\$	51,254,438	\$	52,942,764	\$	52,019,172	\$	49,800,454	\$	49,688,127	\$	50,160,158
	437,538		349,077		257,254		228,072		281,967		302,707
	1,996,121		1,755,172		2,410,813		2,417,052		1,922,408		1,601,395
	5,073,375		5,225,899		5,737,922		3,884,100		4,547,998		4,505,318
	5,987		14,240		18,799		7,255		33,027		-
	41,693,392		11,404,607		6,875,901		7,089,334		6,659,324		9,029,824
	28,612,489		9,728,661		3,063,779		1,714,304		2,928,157		3,518,998
	129,073,340		81,420,420		70,383,640		65,140,571		66,061,008		69,118,400
	1,347,266		1,054,498		1,266,633		1,223,954		1,263,235		1,275,404
	602,579		1,421,044		2,010,607		2,087,435		1,891,198		2,367,738
	1,284,866		1,492,930		3,582,654		2,634,263		2,318,069		2,588,337
	209,722		3,147,294		5,957,076		6,307,190		5,312,115		141,063
	3,699,345		2,671,217		2,830,979		9,974,678		3,696,227		3,882,158
	-		-		-		-		-		-
	439,300		189,515		226,868		201,261		246,033		260,707
	301,398		380,410		491,096		432,563		390,964		402,268
	11,390		82,819		25,921		28,198		11,181		100,278
	431,454		424,623		1,350,082		1,292,985		715,930		566,731
	507,295		601,070		1,171,135		968,036		1,015,020		1,048,474
	5,532,081		6,778,453		3,115,987		3,753,467		1,937,095		3,308,904
	2,641,808		1,219,810		2,540,947		546,292		270,091		1,157,458
	17,008,504		19,463,683		24,569,985		29,450,322		19,067,158		17,099,520
\$	146,081,844	\$	100,884,103	\$	94,953,625	\$	94,590,893	\$	85,128,166	\$	86,217,920
\$	(174,581,326)	\$	(192,068,372)	\$	(190,686,459)	\$	(196,082,837)	\$	(205,362,206)	\$	(202,203,389)
	(19,978,297)		(16,889,397)		(16,199,394)		(15,686,980)		(15,968,445)		(18,326,995)
\$	(194,559,623)	\$	(208,957,769)	\$	(206,885,853)	\$	(211,769,817)	\$	(221,330,651)	\$	(220,530,384)

	Fiscal Year			
	2025	2024	2023	2022
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Real and personal property tax	36,828,886	34,488,132	27,676,588	\$ 27,821,791
Sales tax	275,211,809	270,955,131	263,940,669	250,038,158
Gasoline tax	11,159,978	11,419,729	11,165,796	11,363,449
Room tax	10,710,011	9,673,996	9,796,734	9,538,882
Beer and liquor tax	3,385,391	2,776,098	2,645,060	2,755,220
Rental and leasing tax	14,257,949	13,572,167	12,815,674	12,039,128
Cigarette stamp tax	950,519	1,061,944	1,205,005	1,307,756
Other tobacco tax	912,700	964,795	1,016,166	1,079,491
Financial excise tax	1,323,597	1,511,530	2,497,707	2,575,806
Other tax revenue	320,287	321,978	3,404,239	3,360,551
Grants and contributions not restricted to a specific program	-	-	-	-
Investment earnings	19,318,486	16,908,594	10,225,258	609,259
Other	2,917,491	8,811,070	9,052,682	10,214,861
Transfers	(18,875,822)	(5,827,242)	(6,618,070)	(6,490,092)
Total governmental activities	358,421,282	366,637,922	348,823,508	326,214,260
Business-type activities:				
Sales tax	11,299,357	10,749,357	10,774,685	10,140,903
Room tax	1,953,172	1,953,172	1,459,352	1,453,172
Investment earnings	42,988	53,967	33,841	10,045
Other	105,954	90,840	15,327	38,233
Transfers	18,875,822	5,827,242	6,618,070	6,490,092
Total business-type activities	32,277,293	18,674,578	18,901,275	18,132,445
Total primary government	\$ 390,698,575	\$ 385,312,500	\$ 367,724,783	\$ 344,346,705
<b>Change in Net Position</b>				
Government activities	\$ 74,003,185	\$ 116,364,307	\$ 197,248,247	\$ 126,556,956
Business-type activities	6,488,990	(8,425,718)	(1,614,062)	533,797
Total primary government	\$ 80,492,175	\$ 107,938,589	\$ 195,634,185	\$ 127,090,753

		Fiscal Year					
2021	2020	2019	2018	2017	2016		
\$ 27,364,036	\$ 22,593,559	\$ 22,310,001	\$ 21,800,271	\$ 21,054,534	\$ 19,241,503		
236,616,137	205,191,803	194,772,154	186,851,875	179,364,687	179,817,467		
11,259,472	11,072,017	10,475,804	10,497,553	10,535,475	10,471,152		
7,942,423	5,467,713	7,071,430	6,984,611	6,366,006	5,916,535		
2,748,130	2,330,339	2,306,577	2,165,235	2,111,186	2,154,493		
12,076,052	10,343,709	10,572,006	9,536,273	9,342,202	9,465,186		
1,283,276	1,450,373	1,370,651	1,429,212	1,727,163	1,701,496		
1,013,172	915,762	859,699	727,337	453,701	452,886		
2,326,876	2,143,592	1,221,786	905,789	746,838	560,580		
3,321,311	2,660,691	2,659,021	375,176	372,052	357,022		
-	-	-	-	-	-		
682,049	1,475,245	1,964,497	513,561	204,090	135,751		
14,416,717	8,453,833	4,660,755	2,667,025	3,723,468	9,633,119		
(1,300,475)	(10,911,150)	(8,168,677)	1,390,034	(1,885,988)	(5,284,854)		
<u>319,749,176</u>	<u>263,187,486</u>	<u>252,075,704</u>	<u>245,843,952</u>	<u>234,115,414</u>	<u>234,622,336</u>		
10,140,903	10,140,903	9,874,297	9,874,297	9,874,297	9,995,087		
1,453,172	1,844,040	1,903,676	1,903,676	1,903,676	1,965,763		
11,067	9,679	12,913	1,290	1,936	1,954		
29,225	20,190	-	-	32,941	340		
1,300,475	10,911,150	8,168,677	(1,390,034)	1,885,988	5,284,854		
<u>12,934,842</u>	<u>22,925,962</u>	<u>19,959,563</u>	<u>10,389,229</u>	<u>13,698,838</u>	<u>17,247,998</u>		
<u>\$ 332,684,018</u>	<u>\$ 286,113,448</u>	<u>\$ 272,035,267</u>	<u>\$ 256,233,181</u>	<u>\$ 247,814,252</u>	<u>\$ 251,870,334</u>		
\$ 145,167,850	\$ 71,119,114	\$ 61,389,245	\$ 49,761,115	\$ 28,753,208	\$ 32,418,947		
(7,043,455)	6,036,565	3,760,169	(5,297,751)	(2,269,607)	(1,078,997)		
<u>\$ 138,124,395</u>	<u>\$ 77,155,679</u>	<u>\$ 65,149,414</u>	<u>\$ 44,463,364</u>	<u>\$ 26,483,601</u>	<u>\$ 31,339,950</u>		

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

	Fiscal Year			
	2025	2024	2023	2022
<b>General Fund</b>				
Nonspendable				
Inventory	\$ 3,871,197	\$ 5,387,386	\$ 3,546,028	\$ 3,121,145
Prepaid items	34,171	18,644	18,644	18,644
Long-term receivables	-	-	-	-
Restricted				
Grants	-	-	-	-
Law Enforcement	-	-	-	-
Assigned				
Athletic Fund	468,806	404,185	316,935	233,815
Designated and Donated Funds	1,847,759	1,673,875	1,714,896	1,648,744
General Fund Encumbrances	16,425,347	3,054,835	3,849,810	2,289,228
Municipal Court	-	-	-	-
Unassigned	120,046,818	113,556,989	114,665,481	120,089,721
Total general fund	<u>142,694,098</u>	<u>124,095,915</u>	<u>124,111,794</u>	<u>127,401,297</u>
<b>All other governmental funds</b>				
Restricted				
Capital Projects	6,709,616	7,779,311	6,919,586	6,526,489
Debt Service	464,410	676,130	546,719	502,187
Enabling Legislation	32,285,398	-	-	-
Grants	6,851,067	10,262,532	7,571,547	8,419,470
Legal Restriction	225,318,612	-	-	-
Law Enforcement	916,143	1,301,529	1,182,925	1,310,080
Opioid Settlement	963,081	2,184,982	2,022,900	-
Road and Bridge Construction	6,965,605	5,336,295	3,753,181	3,048,316
Road and Bridge Repair	4,020,667	3,780,008	3,953,886	4,070,801
Committed				
Flood Management	93,811	90,979	87,412	85,466
Storm Water	-	8,673,395	7,737,835	4,759,695
Tax Increment Program	-	21,957,638	19,992,917	17,672,910
Assigned				
Capital Improvements Fund	140,152,060	172,757,923	171,643,380	127,958,188
Economic Development	2,844	1,841	578	-
Municipal Court	599,077	922,990	957,422	1,040,130
Strategic Plan Fund	-	-	-	-
Unassigned	-	-	-	-
Total other governmental funds	<u>425,342,391</u>	<u>235,725,553</u>	<u>226,370,288</u>	<u>175,393,732</u>
Total governmental funds	<u>\$ 568,036,489</u>	<u>\$ 359,821,468</u>	<u>\$ 350,482,082</u>	<u>\$ 302,795,029</u>

		Fiscal Year									
		2021	2020	2019	2018	2017	2016				
\$	2,828,968	\$	3,047,309	\$	3,028,287	\$	2,493,996	\$	2,232,695	\$	2,781,282
	18,644		18,644		15,616		15,616		19,164		10,000
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	149,026		115,136		75,592		89,048		60,817		64,832
	1,543,360		1,392,968		1,289,803		1,224,313		1,159,818		1,117,574
	3,555,041		2,500,188		1,827,618		2,247,767		1,276,727		964,058
	-		-		-		-		-		-
	121,737,194		83,532,824		62,151,219		37,935,527		23,909,739		29,753,581
	129,832,233		90,607,069		68,388,135		44,006,267		28,658,960		34,691,327
	6,274,068		7,321,482		6,613,232		6,719,870		5,847,704		6,762,073
	500,665		405,307		1,016,179		153,275		126,125		131,469
	-		-		-		-		-		-
	7,007,673		7,673,500		6,609,463		6,618,812		5,894,771		5,632,013
	-		-		-		-		-		-
	1,301,687		1,260,694		668,188		671,583		750,303		168,455
	-		-		-		-		-		-
	2,400,829		1,259,730		443,084		349,971		268,386		186,373
	3,351,451		2,733,911		2,536,513		2,013,442		2,301,816		2,356,683
	85,391		85,288		84,914		84,054		84,012		83,970
	3,727,888		1,324,853		761,966		2,090		-		-
	13,880,852		11,896,768		12,353,462		12,964,945		11,645,923		9,709,410
	94,640,471		59,605,215		69,863,605		66,559,834		58,617,483		59,340,935
	30,351		30,315		30,146		29,843		29,654		28,460
	1,336,072		1,497,144		1,649,511		1,622,628		1,435,698		1,465,380
	-		-		-		-		-		-
	-		-		-		-		-		-
	134,537,398		95,094,207		102,630,263		97,790,347		87,001,875		85,865,221
\$	264,369,631	\$	185,701,276	\$	171,018,398	\$	141,796,614	\$	115,660,835	\$	120,556,548

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

	Fiscal Year			
	2025	2024	2023	2022
<b>REVENUES</b>				
Taxes	\$ 355,168,907	\$ 346,842,527	\$ 336,163,637	\$ 321,880,232
Licenses and permits	57,350,825	54,279,991	48,158,649	46,751,500
Intergovernmental	128,844	117,388	96,121	158,692
Charges for services	9,051,700	8,066,352	8,060,882	7,469,538
Fines and forfeitures	2,010,054	2,067,713	2,145,908	2,096,804
State and federal assistance	26,071,123	30,647,368	35,244,954	27,857,405
Investment income	19,318,485	16,908,592	10,225,259	609,258
Other revenue	9,274,656	13,429,991	10,128,767	10,382,499
Assessments	-	-	-	-
Total revenues	<u>478,374,595</u>	<u>472,359,922</u>	<u>450,224,177</u>	<u>417,205,928</u>
<b>EXPENDITURES</b>				
Current:				
General government	109,715,938	36,989,437	34,489,466	29,693,477
Culture and recreation	17,827,861	17,911,964	15,784,144	14,688,934
Economic development	1,700,153	1,501,530	1,688,351	1,525,738
Engineering, development & Build Mobile	19,102,623	23,087,553	27,662,431	21,634,050
Finance	6,439,107	6,436,550	5,500,499	4,481,659
Public safety	140,690,119	134,720,823	126,564,659	117,768,546
Public works	42,679,001	43,900,914	42,463,954	38,163,950
Capital Outlay	30,400,933	54,609,052	48,371,949	53,873,932
Principal on long-term debt	42,650	-	-	-
Interest on long-term debt	4,697,433	-	-	-
Debt service:				
Administrative charges	3,596	8,330	10,085	14,873
Bond issuance costs	1,133,966	-	-	-
Interest	4,413,041	5,084,825	5,651,128	6,187,722
Principal retirement	19,100,351	18,457,000	18,899,000	17,672,000
Interest reimbursement	-	-	-	-
Capital outlay:				
Capital outlay	104,931,450	112,553,669	66,139,478	61,855,067
Total expenditures	<u>502,878,222</u>	<u>455,261,647</u>	<u>393,225,144</u>	<u>367,559,948</u>
Excess (deficiency) of revenues over expenditures	<u>(24,503,627)</u>	<u>17,098,275</u>	<u>56,999,033</u>	<u>49,645,980</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from disposal of assets	2,245,547	187,890	142,963	17,872
Capital/refunding-related debt issued	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-
Bond issuance costs	-	-	-	-
Premium (discount) on debt issued	28,627,992	-	-	-
Transfers in	67,768,408	93,165,910	98,158,486	87,074,637
Transfers out	(88,433,299)	(101,112,689)	(107,613,430)	(98,313,091)
Proceeds from issuance of debt	222,510,000	-	-	-
Total other financing sources (uses)	<u>232,718,648</u>	<u>(7,758,889)</u>	<u>(9,311,981)</u>	<u>(11,220,582)</u>
Net change in fund balances	208,215,021	9,339,386	47,687,052	38,425,398
Fund balances - beginning	359,821,468	350,482,081	302,795,030	264,369,631
Adjustments to beginning net position	-	-	-	-
Fund balances - ending	<u>\$ 568,036,489</u>	<u>\$ 359,821,467</u>	<u>\$ 350,482,082</u>	<u>\$ 302,795,029</u>
Debt service as a percentage of noncapital expenditures	6.73%	6.87%	7.51%	7.43%

		Fiscal Year									
		2021	2020	2019	2018	2017	2016				
\$	305,950,886	\$	264,169,558	\$	253,619,129	\$	241,273,331	\$	232,073,844	\$	230,138,319
	40,247,724		42,364,738		41,117,581		39,373,694		39,508,966		39,959,958
	82,582		42,858		-		54,044		49,639		79,906
	7,842,432		7,146,079		7,767,474		6,640,209		6,471,076		6,875,124
	2,402,449		2,309,244		2,995,401		2,365,701		3,013,765		3,102,723
	52,980,260		21,082,295		9,545,250		8,776,025		9,419,670		12,439,232
	682,048		1,475,247		1,964,497		513,563		204,091		138,428
	14,950,880		8,677,216		4,482,822		2,842,577		2,994,613		9,718,968
	-		-		-		-		-		-
	425,139,261		347,267,235		321,492,154		301,839,144		293,735,664		302,452,658
	41,611,072		18,694,602		15,593,547		15,387,108		16,961,736		18,941,344
	13,666,124		13,070,893		13,467,966		13,301,743		13,650,736		13,499,894
	1,446,931		1,087,901		1,079,241		794,389		961,702		939,655
	26,804,303		20,214,392		14,053,800		13,157,307		15,182,785		13,456,972
	5,922,149		5,396,733		5,331,326		5,385,038		5,315,082		5,052,016
	107,090,400		108,855,372		98,771,084		94,288,756		94,207,836		87,812,807
	33,910,740		31,035,085		31,547,770		30,050,984		29,796,292		25,173,163
	50,727,843		48,737,152		45,986,566		49,413,177		46,774,160		43,683,515
	-		-		-		-		-		-
	-		-		-		-		-		-
	11,780		11,575		15,541		13,146		32,785		71,203
	-		135,484		240,155		385,276		623,165		141,408
	6,759,553		7,530,318		7,756,516		8,535,967		10,553,333		12,204,125
	16,860,000		15,699,000		14,513,000		14,718,000		16,629,465		14,935,138
	(170,150)		-		(500,068)		(746,881)		(248,168)		(248,425)
	45,514,630		53,691,681		37,169,790		32,426,531		43,972,849		44,608,499
	350,155,375		324,160,188		285,026,234		277,110,541		294,413,758		280,271,314
	74,983,886		23,107,047		36,465,920		24,728,603		(678,094)		22,181,344
	99,994		30,545		51,103		7,722		433,754		29,921
	-		5,220,000		24,350,000		57,705,000		86,775,000		39,402,000
	-		(6,463,692)		(27,337,395)		(57,858,848)		(95,724,264)		(39,260,592)
	-		-		-		-		-		-
	-		1,379,176		3,223,002		539,124		9,572,429		-
	68,987,529		36,634,391		40,933,304		41,734,459		46,987,427		85,940,776
	(65,403,054)		(45,224,589)		(48,464,150)		(40,720,281)		(52,261,965)		(100,548,803)
	-		-		-		-		-		-
	3,684,469		(8,424,169)		(7,244,136)		1,407,176		(4,217,619)		(14,436,698)
	78,668,355		14,682,878		29,221,784		26,135,779		(4,895,713)		7,744,646
	185,701,276		171,018,398		141,796,614		115,660,835		120,556,548		112,811,902
	-		-		-		-		-		-
\$	264,369,631	\$	185,701,276	\$	171,018,398	\$	141,796,614	\$	115,660,835	\$	120,556,548
	7.56%		8.47%		8.48%		8.92%		10.35%		11.06%

**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
2025	\$ 36,828,886	\$ 286,511,166	\$ 11,159,978	\$ 12,663,183	\$ 3,385,391
2024	34,488,132	270,955,131	11,419,729	9,673,996	2,776,098
2023	27,676,588	263,940,669	11,165,796	9,796,734	2,645,059
2022	27,821,791	250,038,158	11,363,449	9,538,882	2,755,220
2021	27,364,036	236,616,137	11,259,472	7,942,423	2,748,130
2020	22,593,559	205,191,803	11,072,017	5,467,713	2,330,339
2019	22,310,001	194,772,154	10,475,804	7,071,430	2,306,577
2018	21,800,271	186,851,875	10,497,553	6,984,611	2,165,235
2017	21,054,534	179,364,687	10,535,475	6,366,006	2,111,186
2016	19,241,503	179,817,467	10,471,152	5,916,535	2,154,493
2015	18,293,200	178,536,073	10,113,784	5,653,761	2,100,653
2014	17,130,837	171,549,434	9,474,098	5,389,031	2,025,855
2012	16,262,921	133,215,345	9,680,455	5,003,180	2,031,634

<u>Rental and Leasing Tax</u>	<u>Tobacco Tax</u>	<u>Financial Excise Tax</u>	<u>Other Taxes</u>	<u>Total</u>
\$ 14,257,949	\$ 1,863,219	\$ 1,323,597	\$ 320,287	\$ 368,313,656
13,572,167	2,026,739	1,511,530	321,978	346,745,500
12,815,674	2,221,171	2,497,707	3,404,239	336,163,637
12,039,128	2,387,247	2,575,806	3,360,551	321,880,232
12,076,052	2,296,448	2,326,876	3,321,311	305,950,885
10,343,709	2,366,135	2,143,592	2,660,691	264,169,558
10,572,006	2,230,350	1,221,786	2,659,021	253,619,129
9,536,273	2,156,549	905,789	375,176	241,273,332
9,342,202	2,180,864	746,838	372,052	232,073,844
9,465,186	2,154,382	560,580	357,022	230,138,320
9,220,699	2,223,774	382,673	418,363	226,942,980
8,497,843	2,257,373	399,417	366,789	217,090,677
6,309,404	2,611,482	147,964	71,835	175,334,220

**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>
2025	5,639	5.0%
2024	5,586	5.0%
2023	5,604	5.0%
2022	5,279	5.0%
2021	5,033	5.0%
2020	4,458	5.0%
2019	3,819	5.0%
2018	3,709	5.0%
2017	3,569	5.0%
2016	3,582	5.0%

Source: Alabama Department of Revenue

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

Fiscal Year	City of Mobile					City of Mobile Police Jurisdiction <sup>2</sup>				
	General	Auto	Farm Machinery	Manuf. Machinery	Vending	General	Auto	Farm Machinery	Manuf. Machinery	Vending
2025	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2024	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2023	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2022	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2021	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2020	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2019	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2018	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2017	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2016	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%
2015	5.00%	2.25%	2.25%	2.25%	5.00%	2.50%	1.13%	1.13%	1.13%	2.50%

Source: Alabama Department of Revenue

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

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

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

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

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

Taxpayer	2025		2016	
	Rank	Percentage of Total Taxable Sales	Rank	Percentage of Total Taxable Sales
Costco Wholesale #1192	1	3.25%	5	1.37%
Wal-Mart #866	2	2.58%	1	2.54%
Wal-Mart #853	3	2.18%	2	2.22%
Sams Wholesale Club #8102	4	2.04%	4	1.69%
Wal-Mart Supercenter #991	5	1.90%	3	1.88%
Wal-Mart Supercenter #4581	6	1.53%		
Lowe's of Mobile #212	7	1.31%	8	1.01%
Lowe's of West Mobile #549	8	1.15%	6	1.06%
Lowe's Home Centers LLC	9	1.11%	7	1.02%
Home Depot #801	10	1.08%		
Dillard's			10	0.83%
Best Buy				
Target			9	0.85%
Totals		18.13%		14.47%

Source: City of Mobile Revenue Data

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

Fiscal Year Ended September 30	Real Property		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property <sup>1</sup>	Commercial Property <sup>1</sup>	Motor Vehicles	Other					
2025	776,590,380	3,352,604,800	414,385,400	680,675,340	1,584,605,960	3,639,649,960	7 mills	\$ 27,699,754,400	18.86%
2024	744,120,380	3,100,934,780	397,115,160	651,035,020	91,676,260	4,801,529,080	7 mills	26,763,964,367	18.28%
2023	685,585,360	2,695,393,440	378,821,820	588,640,560	80,791,100	4,267,650,080	7 mills	23,793,415,433	18.28%
2022	647,709,040	2,555,836,620	323,544,020	541,341,940	75,966,600	3,992,465,020	7 mills	22,470,957,200	18.11%
2021	617,739,900	2,421,509,240	293,358,660	514,560,560	73,237,720	3,773,930,640	7 mills	21,560,512,833	17.84%
2020	614,561,360	2,260,519,060	268,913,440	509,636,760	75,030,720	3,578,599,900	7 mills	20,642,671,967	17.70%
2019	593,028,380	1,575,900,720	266,181,900	484,226,860	71,890,680	2,847,447,180	7 mills	16,720,643,033	17.46%
2018	588,884,300	1,563,921,620	264,967,900	474,224,840	70,163,120	2,821,835,540	7 mills	16,546,851,700	17.48%
2017	580,403,320	1,492,664,200	278,917,000	425,021,480	68,186,400	2,708,819,600	7 mills	15,843,326,033	17.53%
2016	585,088,500	1,521,698,920	294,187,320	415,461,340	68,384,340	2,748,051,740	7 mills	13,296,813,733	21.18%

Source: Mobile County Revenue Commissioner

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

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

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

Fiscal Year	Overlapping Rates			Total Direct & Overlapping Rates
	City of Mobile Total City Millage	Mobile County Total County Millage	Mobile County School District Total School Millage	
2025	7	20.5	32.5	60
2024	7	20.5	32.5	60
2023	7	20.5	32.5	60
2022	7	20.5	32.5	60
2021	7	20.5	32.5	60
2020	7	20.5	32.5	60
2019	7	20.5	32.5	60
2018	7	20.5	32.5	60
2017	7	20.5	32.5	60
2016	7	20.5	32.5	60

Source: Mobile County Revenue Commissioner

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

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

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Alabama Power Company	\$ 104,275,380	1	2.86%	\$ 68,906,720	1	2.51%
Vertex Refining Alabama LLC	72,100,480	2	1.98%			
Austal USA LLC	60,912,120	3	1.67%			
Mobile Naval Yard LLC	44,754,060	4	1.23%			
Kimberly-Clark Corporation	37,601,460	5	1.03%	42,162,920	2	1.53%
UOP LLC	28,481,000	6	0.78%	37,890,800	3	1.38%
Spire Gulf Inc (form. Mobile Gas)	23,146,760	7	0.64%			
Airbus Americas INC	17,762,940	8	0.49%			
Bell Air Mall Realty Holding LLC	13,758,780	9	0.38%	20,367,220	4	0.74%
Cooper Marine & Timberlands Corp	13,704,580	10	0.38%			
Shell Chemical Company				16,415,740	6	0.60%
Meridian Mobile Owner LLC						
Campus Creat at Mobile				13,727,100	7	0.50%
Bell South Commuications				13,546,100	8	0.49%
Mobile Gas Service Corporation				19,467,120	5	0.71%
Kimberly-Clark Tissue						
ThyssenKruppp Steel						
Gulfstream Natural Gas						
ARG MGMEMBALOO1 LLC						
Florida Gas Transmission Co						
Evonik Degussa Corp						
SSAB Alabama Inc						
Comcast of Alabama						
Delaney Investments Inc.				11,854,400	10	0.50%
Somerby of Mobile,LLC				12,257,960	9	0.45%
BWC Alabama LLC						
Totals	<u>\$ 416,497,560</u>		<u>11.44%</u>	<u>\$ 256,596,080</u>		<u>9.34%</u>

Source: Mobile County Revenue Commissioner

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

Fiscal Year Ended September 30	Tax Year Abstract	Total Tax Levy for Fiscal Year	Amount Collected within the Fiscal Year of the Levy	Percentage of Levy	Collection in Subsequent Years	Total Amount Collected to Date	Percentage of Levy
2025	2024	\$ 21,396,400	\$ 19,004,650	88.82	106,572	19,111,221	89.32
2024	2023	19,565,117	17,755,681	90.75	67,215	17,822,896	91.10
2023	2022	18,386,075	15,624,526	84.98	111,554	15,736,080	85.59
2022	2021	17,990,580	16,482,249	91.62	22,397	16,504,646	91.74
2021	2020	17,818,772	16,430,943	92.21	155,855	16,586,798	93.09
2020	2019	15,978,465	14,803,387	92.65	55,845	14,859,232	93.00
2019	2018	15,507,788	14,461,659	93.25	46,102	14,507,761	93.55
2018	2017	14,897,506	13,787,899	92.55	122,443	13,910,342	93.37
2017	2016	14,964,480	10,218,795	68.29	2,677,700	12,896,495	86.18
2016	2015	13,956,359	12,438,912	89.13	1,501,950	13,940,862	99.89
2015	2014	13,686,098	11,036,067	80.64	2,060,535	13,096,602	95.69

Source: Mobile County Revenue Commissioner

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

Fiscal Year	Governmental Activities					Business Type Activities	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Limited Obligation Bonds	Notes Payable	Leases	Subscriptions	Capital Leases			
2025	354,994,900	-	-	12,948,126	2,061,781	-	370,004,807	*	899
2024	119,031,000	-	200,000	14,437,307	3,777,020	-	137,445,327	*	334
2023	143,907,089	-	390,000	16,034,638	4,728,655	-	165,060,382	*	399
2022	163,251,886	-	975,000	17,564,932		-	181,791,818	*	439
2021	181,269,684	-	1,660,000	-	-	-	182,929,684	0.95%	442
2020	198,495,482	-	2,325,000	-	-	-	200,820,482	1.21%	484
2019	214,670,663	-	2,985,000	-	-	-	217,655,663	1.38%	526
2018	229,342,047	-	1,635,000	-	-	-	230,977,047	1.46%	557
2017	243,512,416	-	2,010,000	-	-	-	245,522,416	1.60%	593
2016	251,195,546	4,670,000	2,495,000	492,519	492,519	-	259,345,584	1.77%	625
2015	270,283,046	5,925,000	2,950,000	1,473,283	1,473,283	-	282,104,612	1.88%	679
2014	272,617,145	6,505,000	3,380,000	2,424,244	2,424,244	-	287,350,633	2.11%	692

\* Data not available

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

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2025	\$ 354,994,900	\$ 464,410	\$ 354,530,490	1.28%	\$ 860
2024	124,609,291	676,130	123,933,161	0.46%	301
2023	143,907,089	546,719	143,360,370	0.60%	349
2022	163,251,886	502,186	162,749,700	0.72%	393
2021	181,269,684	500,666	180,769,018	0.84%	437
2020	198,495,482	405,307	198,090,175	0.96%	478
2019	214,670,663	1,016,179	213,654,484	1.28%	516
2018	229,342,047	153,181	229,188,866	1.39%	553
2017	243,512,416	126,125	243,386,291	1.54%	588
2016	251,195,546	131,469	251,064,077	1.89%	605
2015	270,283,046	382,829	269,900,217	2.18%	650

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

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

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

**CITY OF MOBILE, ALABAMA**  
**Direct and Overlapping Government Debt**  
**as of September 30, 2025**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property taxes: County Subtotal, overlapping debt	\$ 462,411,235	50%	\$ 231,205,618 <u>231,205,618</u>
City of Mobile direct debt	370,004,807	100%	<u>370,004,807</u>
Total direct and overlapping debt			<u><u>\$ 601,210,425</u></u>

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

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

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

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

	Fiscal Year				
	2025	2024	2023	2022	2021
Debt Limit	\$ 727,929,992	\$ 960,305,816	\$ 853,530,016	\$ 798,493,004	\$ 754,786,128
Less: Total net debt applicable to limit	80,039,846	84,854,791	103,451,221	122,399,814	139,573,334
Legal debt margin	<u>\$ 647,890,146</u>	<u>\$ 875,451,025</u>	<u>\$ 750,078,795</u>	<u>\$ 676,093,190</u>	<u>\$ 615,212,794</u>
Total net debt applicable to the limit as a percentage of debt limit	11.0%	8.8%	12.1%	15.3%	18.5%

Legal Debt Margin Calculation for Fiscal Year 2025:

Assessed value of real property, September 30, 2025	\$2,544,589,220	\$3,753,378,900	\$ 3,300,187,700
Assessed value of personal property, September 30, 2025	<u>1,095,060,740</u>	<u>1,048,150,180</u>	<u>967,462,380</u>
Total taxable assessed value	<u>\$3,639,649,960</u>	<u>\$4,801,529,080</u>	<u>4,267,650,080</u>
Debt Limit (20% of total taxable assessed value)	\$727,929,992	\$960,305,816	853,530,016
Less: Total net debt applicable to limit	<u>\$80,039,846</u>	<u>\$84,854,791</u>	<u>103,451,221</u>
Legal debt margin	<u>\$647,890,146</u>	<u>\$ 875,451,025</u>	<u>\$ 750,078,795</u>

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

Fiscal Year				
2020	2019	2018	2017	2016
\$ 715,719,980	\$ 569,489,436	\$ 564,367,108	\$ 541,763,920	\$ 549,610,348
156,548,693	156,612,878	188,977,819	201,023,028	217,182,815
<u>\$ 559,171,287</u>	<u>\$ 412,876,558</u>	<u>\$ 375,389,289</u>	<u>\$ 340,740,892</u>	<u>\$ 332,427,533</u>
21.9%	27.5%	33.5%	37.1%	39.5%

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

Fiscal Year	Population	Personal Income (in millions)	Per Capita Personal Income	Median Age	Education Level in Years of Formal Schooling	Public School Enrollment	Unemployment Rate
2025	412,339	*	*	38.4	High School Graduate	58,481	3.3%
2024	411,640	*	*	38.2	High School Graduate	56,575	3.6%
2023	411,291	20,793	50,513	38.3	High School Graduate	57,910	2.7%
2022	413,977	19,920	48,419	38.1	High School Graduate	57,448	3.0%
2021	414,114	19,174	46,418	37.9	High School Graduate	53,941	4.1%
2020	414,659	16,574	40,112	37.6	High School Graduate	53,967	9.3%
2019	413,757	15,823	38,243	37.3	High School Graduate	55,126	3.0%
2018	414,328	15,823	38,243	37.3	High School Graduate	56,628	4.5%
2017	413,955	15,353	35,951	37.5	High School Graduate	58,537	4.3%
2016	414,836	14,684	35,348	37.0	High School Graduate	59,550	6.9%

\* Data not available

Source: Mobile Chamber of Commerce

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

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

Taxpayer	2025			2016		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
University of South Alabama & USA Medical Facilities	11,000	1	5.71%	6,000	2	3.50%
Mobile County Public School System	7,200	2	3.74%	7,500	1	4.40%
Infirmiry Health Systems	4,700	3	2.44%	5,000	3	2.90%
Austal USA	3,500	4	1.82%	4,000	4	2.40%
Airbus	2,000	5	1.04%			
City of Mobile	2,000	6	1.04%	2,100	5	1.20%
AcrelorMittal Calvert	1,800	7	0.93%			
Altapointe	1,700	8	0.88%			
Springhill Medical Center	1,600	9	0.83%			
County of Mobile	1,600	10	0.83%	1,650	7	1.00%
CPSI				1,950	6	1.10%
AM/NS Calvert				1,600	8	0.90%
Alorica				1,200	10	0.01%
Providence				1,500	9	0.90%
<b>Totals</b>	<b>37,100</b>		<b>19.26%</b>	<b>32,500</b>		<b>18.31%</b>

Source: Mobile Chamber of Commerce

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

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

Function	Full-time Equivalent Employees as of September 30									
	2025	2024	2023	2022	2021	2020	2019	2018*	2017	2016
General government	217	156	143	135	98	84	83	96	96	100
Culture and recreation	100	198	161	184	189	228	197	213	253	336
Economic development	-	8	9	11	12	11	10	8	27	14
Engineering, development, and Build Mobile	189	170	164	160	170	183	186	183	112	210
Finance	58	66	60	55	82	78	74	79	82	85
Public safety	1,049	1,075	1,021	1,036	1,123	1,094	1,097	1,093	1,206	1,242
Public works	293	372	346	312	328	328	323	325	520	423
Cruise Terminal	4	8	6	6	6	7	8	8	2	4
Firemedics	105	76	79	70	71	71	74	77	89	73
Golf course	16	20	16	18	19	17	17	18	13	19
Motor Pool	3	3	2	3	4	4	3	2	3	3
Tennis center	10	15	11	14	14	13	11	11	7	12
<b>Total</b>	<b>2,044</b>	<b>2,167</b>	<b>2,018</b>	<b>2,004</b>	<b>2,116</b>	<b>2,118</b>	<b>2,083</b>	<b>2,113</b>	<b>2,410</b>	<b>2,521</b>

Source: City Payroll Records

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

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

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Streets and Highways</b>										
Paved	1,365.7	1,350.5	1,350.4	1,274.0	1,272.6	1,287.5	1,272.1	1,272.2	1,271.7	1,268.1
Unimproved	14.2	13.8	13.7	15.1	15.3	15.3	15.4	15.5	15.5	18.9
Traffic Signals	307	325	307	312	312	312	312	310	310	316
Street Lights	5,335	6,542	6,542	6,500	6,500	6,500	6,500	5,835	5,528	5,200
<b>Public Safety</b>										
Police Precincts and Mini-Precincts	6	6	6	6	5	5	5	5	5	6
Fire Stations	18	20	20	20	20	20	20	20	20	20
<b>Culture and Recreation</b>										
Parks-Gerard McCants	100	80	80	80	80	77	77	69	69	69
Parks Acreage	1,919	2,126	2,126	1,709	1,709	1,400	1,400	1,294	1,294	1,294
Swimming Pools	5	5	5	5	5	4	4	6	6	6
Wading Pools	0	0	0	6	6	6	6	9	9	9
Spray Grounds	8	7	7	5	5	5	5	5	5	5
Pickle Ball Courts***	21	21								
Tennis Courts	89	95	95	95	95	95	95	93	93	93
Community Centers	22	18	18	18	18	18	18	18	18	18
Senior Centers	4	3	3	3	3	3	3	3	3	3
<b>Motor Pool</b>										
Sanitation Collection Trucks	31	29	29	30	25	27	28	27	27	30

\* Information not available

\*\* Method for reporting has changed.

\*\*\*Added 2024

Source: Various City Departments

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

Function	2025	2024	2023	2022	2021
<b>General Government</b>					
Information Technology					
Buildings with computer equipment	204	196	197	199	199
Miles of fiber	314	312	311	217	216
Wireless sites	1	2	2	7	8
Computer user accounts	2,209	2,221	2,085	1,985	2,338
Email accounts	2,745	3,486	3,644	2,781	2,773
Voicemail accounts	2,115	1,700	1,355	1,812	1,873
Computers/printers supported	3,235	3,218	3,156	3,086	3,396
Servers supported	85	127	123	105	130
City phone extensions	2,115	1,700	1,508	1,794	1,855
Broadband Data Cards	242	179	222	150	186
Software Applications Supported	393	401	397	516	510
MIT Help Desk Cases	7,987	7,481	6,962	6,703	6,332
Cell Phones	440	301	382	402	438
Telecom Help Desk Requests	593	680	751	524	838
Mobile 311					
Calls	96,236	206,806	176,901	99,151	101,780
SROs created	75,260	69,905	63,002	53,510	56,000
<b>Culture and Recreation</b>					
Mobile Public Library					
Items circulated	1,212,745	1,159,420	1,193,697	1,148,587	1,087,807
Customer visits	738,304	777,546	708,279	607,307	446,966
<b>Engineering, development &amp; Build Mobile</b>					
Build Mobile					
Service request orders	8,533	6,990	7,003	6,977	11,593
Municipal offense tickets	664	1,271	1,086	1,022	941
Inspections/investigations	36,071	25,321	****23,461	80,135	60,018
Plan reviews	20,500	23,940	8,967	11,936	16,509
Plan reviews - Right of Way	2,683	2,697	2,342	3,526	2,235
Complete nuisance abatement cases	220	170	174	204	184
Complete weed abatement cases	500	684	430	454	380
Removal of trees	588	267	465	44	195
Trimming removal	809	846	982	839	1,767
Stump removal	80	110	43	13	24
Mobile Historic Development Commission					
Applications reviewed	421	418	431	485	505
Certificates issued	351	377	341	465	483
Applications heard by review board	69	63	66	91	90
Applications denied	2	4	7	6	3

2020	2019	2018	2017	2016
199	202	197	194	194
201	192	188	185	185
10	11	29	29	29
2,366	2,306	3,108	3,436	3,436
2,668	1,796	1,819	1,932	1,932
1,897	1,649	1,479	1,482	1,482
3,527	3,237	3,388	3,375	3,375
123	133	107	95	95
1,605	1,688	2,791	2,802	2,802
162	192	171	70	70
446	435	430	430	430
6,553	7,702	6,294	9,552	9,552
292	376	388	485	485
697	373	675	1,284	1,284
99,616	91,338	99,064	97,485	96,805
78,040	52,133	55,396	54,594	57,886
990,555	1,553,075	1,554,685	1,603,430	1,659,247
468,697	1,089,704	1,108,338	1,251,244	1,375,573
6,113	9,494	11,721	13,677	18,808
1,051	1,023	1,192	1,215	1,369
86,820	83,367	82,890	60,003	51,374
2,685	2,765	2,797	2,833	2,729
3,261	3,431	2,100	2,451	2,444
170	214	173	118	84
488	596	500	840	622
615	183	400	456	524
3,176	1,939	1,500	1,526	4,114
39	53	60	60	204
370	441	375	372	382
302	373	368	316	349
66	68	46	52	27
2	2	7	2	3

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

Function	2025	2024	2023	2022	2021
<b>Public Safety</b>					
Mobile Police Department					
Crime Incidents:					
Murder (or Non-Neg Manslaughter)	36	38	29	43	51
Murder Domestic	*	*	*	*	5
Negligent Manslaughter	*	*	*	*	1
Forcible Rape	40	77	118	140	165
Carjacking	4	9	11	22	25
Robbery	124	108	130	149	196
Aggravated Assault	1,232	1,386	1,478	1,498	1,404
Burglary	733	799	913	2,069	1,304
Larceny	2,917	3,327	4,913	5,993	5,696
Vehicle Theft	448	476	564	896	1,017
Arson	6	10	7	6	13
Simple Assault	5,577	6,065	6,696	7,095	7,790
Sex Offenses	111	77	112	89	102
Narcotic Laws	1,184	1,218	1,372	1,697	1,475
Weapons Offence	239	301	559	913	705
Forgery-Counterfeiting	100	168	155	250	147
D.U.I.	228	206	192	264	309
All Other Offenses	23,758	34,885	24,072	24,480	26,629
Total Tickets					
Following too close	**4	27	15	6	13
Run red light	**12	295	252	342	673
Run stop sign	**15	514	571	232	537
Speeding	**95	2,935	2,248	1,308	3,406
Speeding in school zone	**11	258	332	84	11
Mobile Fire Rescue Department					
Total calls answered	40,751	41,046	38,996	50,893	48,926
Inspections	7,158	6,685	6,345	5,679	3,817
Plans reviewed	1,159	1,118	1,123	1,328	1,376
Permits issued	827	813	813	771	784
Mobile Municipal Court					
Domestic violence cases	1,037	1,290	1,390	1,422	1,511
Environmental cases	1,249	1,277	1,294	1,598	1,286
Traffic cases	23,436	18,031	16,768	10,634	18,937
Criminal cases	3,256	3,625	4,439	4,942	4,924
<b>Finance</b>					
Human Resources					
Medical claims	235	201	188	139	137
Indemnity claims	22	31	30	39	22

2020	2019	2018	2017	2016
34	32	29	45	44
2	4	7	6	*
2	1	1	-	*
150	161	155	119	78
22	22	36	33	*
139	280	352	439	459
1,226	1,175	1,283	1,335	1,165
1,650	2,228	2,820	3,142	2,621
6,643	8,002	9,058	9,583	8,834
914	914	1,345	1,380	850
7	16	35	71	*
7,351	2,826	3,113	3,163	*
102	94	104	103	*
1,665	1,590	1,120	1,024	*
630	504	506	434	*
173	276	323	260	*
304	349	291	298	*
26,726	24,942	29,762	30,160	*
36	43	43	41	65
893	930	651	763	820
531	781	315	537	473
3,515	3,806	5,170	5,816	7,320
8	44	102	14	24
42,187	35,389	38,149	37,658	38,832
2,556	2,915	1,481	795	812
1,317	1,586	943	428	771
1,006	984	857	517	846
1,274	1,395	1,279	1,232	1,130
370	1,437	1,167	1,472	1,765
19,631	24,804	21,020	24,874	29,365
4,771	5,972	4,882	5,318	5,495
212	176	194	205	207
26	31	28	25	31

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

Function	2025	2024	2023	2022	2021
<b>Public works</b>					
Flood control					
Debris removed (cubic yards)	10,585	22,989	16,975	9,001	36,347
Work on ditches (miles)	40	97	51	18	6
Administration					
Disciplinary actions processed	636	886	660	421	355
Claims/reports processed	109	143	105	64	58
Concrete and sidewalk repair					
Concrete poured	285	525	40	144	370
Repairs	25	189	285	63	58
Replacements	2,189	-		-	-
Right-of-way maintenance					
Material hauled (cubic yards)	8,295	432	3,525	4,011	702
Material used (cubic yards)	8,295	432	3,525	4,011	400
Repairs	*	*		212	223
Asphalt street repair					
Asphalt used (tons)	285	270	341	484	518
Repairs	3,538	4,523	5,058	9,698	9,065
Street Sweeping					
Miles sweeper swept	53,229	43,102	27,519	21,121	11,838
Debris removed (cubic yards)	20,032	20,248	14,995	11,092	13,681
Water used (gallons)	247,819	329,786	251,411	297,775	329,750
Dredge					
Material dredged/removed (cubic yards)	-	-		*	*
Storm drain and heavy equipment					
Drains cleaned	8,165	10,315	13,356	9,555	8,800
Material hauled (cubic yards)	18,705	22,650	***11,850	19,365	36,347
Solid waste					
Waste removal (tons)	60,913	60,431	55,889	59,460	62,185
Other waste removal (tons)		-		-	-
Special events (tons)	425	387	313	185	-
Carcass removal	2,694	2,658	1,251	1,082	2,383
Trash division					
Trash picked up	163,236	179,915	170,452	175,984	307,034
Pay pile loads	451	649	685	664	560
Environmental Response Crew					
Collections (gallons)	911	1,074	1,937	1,196	1,008
Other Collections (yards)	-	-		-	-
Cleaned (feet)	-	-		-	-

\* Data not available

\*\* Method for reporting has changed.

Source: Various City Departments

\*\*\*June & July data missing due to the transition from Collection to Nexgen.

\*\*\*\*Information for 2023 gathered differently than past years

2020	2019	2018	2017	2016
24,611	12,830	2,838	1,076	9,620
35	31	25	16	19
110	72	51	88	209
69	51	74	153	171
185	300	278	1,003	1,330
540	500	546	253	480
-	-	-	2	1
710	26,094	25,163	20,474	19,952
350	13,088	6,143	8,105	5,503
175	239	281	200	179
551	633	500	540	860
10,517	10,163	8,388	10,018	13,325
16,458	21,177	12,043	11,634	10,372
14,672	16,486	10,599	12,091	13,715
359,136	513,070	140,250	208,749	208,620
*	*	*	15,000	32,456
6,040	4,409	3,047	2,553	3,885
12,193	2,870	1,920	1,520	615
59,224	41,573	47,756	54,536	57,976
-	14	108	141	436
387	528	217	314	400
1,139	1,217	937	1,126	1,158
213,990	188,486	190,315	200,816	199,331
880	937	604	1,034	1,104
1,706	901	951	1,709	1,447
-	-	-	-	-
-	8,415	7,010	5,190	5,251