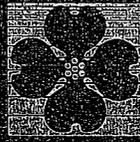


THE CITY OF HOOVER, ALABAMA



Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 1994

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report
For The Fiscal Year Ended
September 30, 1994

Office of the Finance Director

Richard K. Smith, C.P.A.
Finance Director

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THE CITY OF HOOVER, ALABAMA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 1994

TABLE OF CONTENTS

| | <u>Page Number</u> |
|--|------------------------|
| INTRODUCTORY SECTION | |
| Letter of Transmittal | 1 - 15 |
| GFOA Certificate of Achievement | 16 |
| Organization Chart | 17 |
| List of Principal Officials | 18 |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 19 - 20 |
| General Purpose Financial Statements | |
| Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Unit | 21 - 22 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely presented Component Unit | 23 - 24 |
| Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds | 25 - 26 |
| Statements of Revenues, Expenses and Changes in Retained Earnings (Deficit) - Proprietary Fund Type - Sewer Enterprise Fund | 27 |
| Statements of Cash Flows - Proprietary Fund Type - Sewer Enterprise Fund | 28 |
| Notes to the Financial Statements | 29 - 49 |
| Combining Individual Fund and Account Group Statements and Schedules | |
| General Fund | |
| Comparative Balance Sheets | 50 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances | 51 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 52 - 53 |
| Schedule of Current Operations Expenditures - Budget and Actual | 54 - 55 |
| Special Revenue Funds | |
| Combining Balance Sheet | 56 - 57 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 58 - 59 |

| | <u>Page Number</u> |
|--|------------------------|
| E-911 Special Revenue Fund | |
| Comparative Balance Sheets | 60 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances | 61 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 62 |
| State Seven Cent Gasoline Tax Special Revenue Fund | |
| Comparative Balance Sheets | 63 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances | 64 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 65 |
| State Four and Five Cent Gasoline Tax Special Revenue Fund | |
| Comparative Balance Sheets | 66 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances | 67 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 68 |
| Drug Enforcement Special Revenue Fund | |
| Comparative Balance Sheets | 69 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances | 70 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual | 71 |
| Capital Projects Funds | |
| Combining Balance Sheet | 72 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances | 73 |
| One-Half Cent Capital Projects Fund | |
| Balance Sheet | 74 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balance | 75 |

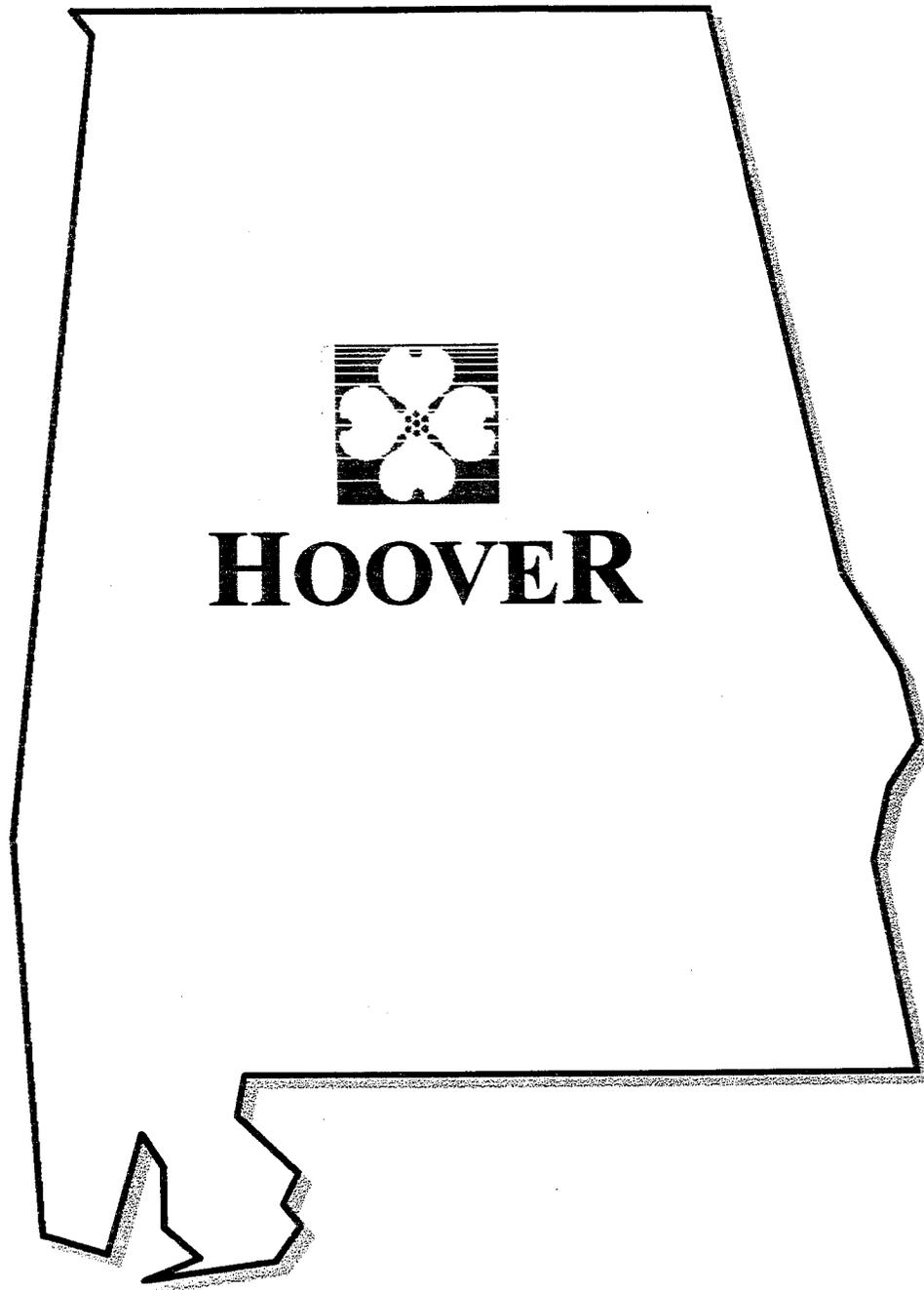
| | <u>Page Number</u> |
|---|------------------------|
| 1990 Capital Projects Fund | |
| Comparative Balance Sheets | 76 |
| Comparative Statements of Revenues, Expenditures and Changes in Fund Balances | 77 |
| Enterprise Fund | |
| Sewer Enterprise Fund | |
| Comparative Balance Sheets | 78 |
| Agency Fund | |
| Deferred Compensation Agency Fund | |
| Statement of Changes in Assets and Liabilities | 79 |
| General Fixed Assets Account Group | |
| Comparative Schedule of General Fixed Assets - By Source | 80 |
| Schedule of General Fixed Assets - By Function and Activity | 81 |
| Schedule of Changes in General Fixed Assets - By Function and Activity | 82 |
| General Long-Term Debt Account Group | |
| Comparative Schedule of General Long-Term Debt | 83 |
| Supplemental Information | |
| Schedule of Pension Plan Funding Progress | 84 |
| STATISTICAL SECTION | |
| Schedule of General Government Tax Revenues By Source | 85 |
| Combined Governmental Expenditures by Functions - All Governmental Fund Types | 86 - 87 |
| Combined Governmental Revenues by Sources - All Governmental Fund Types | 88 - 89 |
| Property Tax Levies and Collections | 90 |
| Assessed and Estimated Actual Value of Taxable Property | 91 - 92 |
| Property Tax Rates - Direct and Overlapping Governments | 93 |
| Principal Property Taxpayers | 94 |

| | <u>Page Number</u> |
|---|------------------------|
| Computation of Legal Debt Margin | 95 |
| Ratio of General Obligation Debt to Assessed Value and General Obligation Debt Per Capita | 96 |
| Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures | 97 |
| Computation of Direct and Overlapping Debt | 98 |
| Demographic Statistics | 99 |
| Construction, Bank Deposits and Retail Sales | 100 |
| Miscellaneous Statistical Data | 101 |

INTRODUCTORY SECTION

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The City of Hoover, Alabama

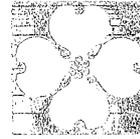


The City of Hoover is located in Jefferson and Shelby counties in north-central Alabama and is included in the Birmingham metropolitan area. Hoover occupies approximately 42 square miles and has a population of approximately 50,000.

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City of Hoover

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HOOVER

February 17, 1995

To the Members of the City Council and the Citizens of the City of Hoover, Alabama

The comprehensive annual financial report of the City of Hoover, Alabama (the City) for the fiscal year ended September 30, 1994, is hereby submitted as mandated by state statutes. These statutes require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants or the State Department of Examiners of Public Accounts. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the city. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The City's comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the principal elected and appointed officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information generally presented on a multi-year basis.

The City is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-128, Audits of State and Local Governments. Insufficient Federal Assistance was received during the fiscal year ended September 30, 1994, to require a single audit.

The financial reporting entity (the Government) includes all the funds and account groups of the primary government (i. e., the City of Hoover, Alabama as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Government provides a full range of

services. These services include public safety (police, fire and inspection), infrastructure maintenance, sanitation, recreation, public library, cultural events, public improvements, planning and zoning, and general administration.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Parks and Recreation Board and the Library Board are reported in the General Fund of the primary government. A discretely presented component unit, the City Board of Education, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the primary government and to differentiate its financial position, results of operations and cash flows from those of the primary government.

Governmental Structure, Local Economic Condition and Outlook

The Government, incorporated in 1967, is located in Jefferson and Shelby Counties in North Central Alabama. Shelby County was recently recognized nationally as one of the fastest growing counties in the Country. The population within the corporate limits of the Government increased from about 40,000 in 1990 to an estimated 50,000 in 1994, a 25% increase. The land area within the corporate limits increased from about 32 square miles in 1990 to approximately 42 square miles in 1994. The Government has the power by state statute to extend its corporate limits by annexation, which is done periodically when considered appropriate by the City Council.

The Government has operated under the Mayor-Council form of government since incorporation. Policy making and legislative authority is vested in the City Council, which consists of five "at large" council members. The City Council is responsible, among other things, for passing resolutions and ordinances, adopting the budget and appointing committees. The Mayor is responsible for carrying out the policies and ordinances of the Government. The Mayor and City Council are elected on a non-partisan basis to concurrent four year terms which begin October 1 in the election year. The next elections will be conducted in the summer of 1996.

The Government's financial condition is the best it has been in several years. Continued economic growth and fiscal conservatism are contributing factors, but the primary reason is a one percent increase in the general sales and use tax effective March 1, 1994. This tax increase, passed by the City Council on January 17, 1994, is estimated to have generated five million dollars revenue in Fiscal 1994, and should, conservatively, generate ten million dollars per year in the future. The Government is substantially dependent on sales and use tax revenue which comprised 64.3% of total revenue in Fiscal 1994. However, the Government enjoys a broad retail sales and use tax base and is not dependent on any one or a few taxpayers for its sales and use tax revenue. Further, even during the recession in the early nineties, when many cities experienced declining revenue, the Government's smallest annual sales and use tax growth was 6.1% in 1991. In addition to sales and use tax, other major revenue sources (i.e. business licenses and property taxes) are broad based and

generally, continue to grow each year. The Government should continue to experience economic growth as it has in recent years well into the next century.

Major Initiatives for 1994

The Government's staff and elected officials have been involved in a variety of projects throughout the year. These projects reflect the Government's commitment to good government and an excellent quality of life for its citizens.

On October 14, 1993, the Government advance refunded those general obligation warrants then outstanding upon which substantial debt service savings could be realized. The Government issued general obligation taxable warrants of \$7,490,000 and general obligation refunding warrants of \$43,155,000 to provide resources to purchase U. S. Government securities. The securities were placed in an irrevocable trust for the purpose of generating resources for future debt service payments on the refunded debt. As a result, the refunded general obligation warrants are considered to be defeased. The advance refunding will reduce total debt service payments over a 27 year period by approximately \$4 million.

By agreement with a major developer, the Government annexed 2,400 acres of unimproved property to the southwest boundary of the City during Fiscal 1994. This provides a corridor for future commercial and residential growth.

The aforementioned sales and use tax increase, which generally is from a rate of 2% to a rate of 3% makes it possible to make infrastructure maintenance expenditures and major capital expenditures that were delayed in earlier years because of limited resources. By City Council resolution, one half of the sales and use tax increase must be spent on major capital expenditures, early retirement of debt or go unspent to build up the General Fund balance.

The new Riverchase Sports Park was substantially completed in Fiscal 1994. New projects begun during the 1994 fiscal year included the landscaping of the major interchanges within the city limits (these projects require close coordination with several other area agencies participating in efforts to improve the appearance of the City), the development of storm shelters for the Government's emergency preparedness program and construction of improvements to city facilities to enable advancements in the Government's telecommunications systems.

The Government's various departments took part in "Hoover Happening" on July 16, 1994. This was a celebration of the opening of the new Hoover High School. It also brought the business community together to showcase its goods and services for visitors to the event. This occasion brought people of the community together. Those involved with schools, city government and commerce, as well as residents, interacted on a personal level.

The Hoover Police Department cleared or solved every single incident of murder (3) and kidnapping (5) committed during the year. Of nine reported rapes, seven were solved and of ten assaults, five were solved. Police personnel recovered \$1,079,000 in stolen or

illegal property. The Investigations Division of the Police Department was assigned 591 cases, mostly fraud, and was able to solve over 55% of those crimes and obtained arrest warrants for 336 individuals who were defrauding commercial and retail residents.

On April 5, 1994, the Fire Department moved its Inverness fire station from a temporary location to the new Fire Station No. 7 on Inverness Parkway at Valleydale Road. This move significantly improved response time to the Inverness business district as well as to Greystone and Altadena subdivisions in the eastern part of the City.

During 1994 the Hoover Fire Department responded to 4,310 fire and/or emergency medical calls. This was approximately 9% more calls than in 1993.

Residential construction within the City continued at a high level during the year. A total of 869 permits were issued for a total of about \$147,000,000. Numerous large commercial and institutional projects were started and in progress in 1994. These include the \$25,000,000 AmSouth Operations Center, Galleria expansion projects of approximately \$8,000,000 and two public schools (Greystone and South Shades Crest) totalling more than \$12,000,000. Total commercial and institutional construction started in fiscal 1994 was approximately \$81,000,000.

During Fiscal 1994, the City Public Works Department, in addition to its other projects, paved approximately 5.5 miles of streets throughout the City of Hoover.

On March 25, 1994 a tornado struck the communities of Quail Run and Valley Station causing extensive damage to that area. As a result the City Public Works Department was called in to clean up storm damage. Public Works also cleaned the entire separately incorporated village of Indian Springs. Mayor Harrington of Indian Springs extended his thanks and appreciation for Hoovers sacrifice of their time and efforts in making the storm damage clean up a complete success. The combined clean up of Quail Run, Valley Station and Indian Springs was a major project of the Public Works Department for several months.

Two events brought the City national attention during 1994: Michael Jordan, basketball great, played his rookie year in baseball with the Birmingham Barons, a double A affiliate of the Chicago White Sox. The Birmingham Barons lease the Hoover Metropolitan Stadium from the City and play their home games there. This brought national media attention to "the Met", especially for the season opener and when Jordan hit his first home run. In September, 1994, Heather Whitestone, who attended public school in the City and whose mother teaches in the Hoover City school system was crowned Miss America for 1995. In October, 1994, her homecoming parade was held in the City.

Other noteworthy occurrences during the year included the second annual "Southern Voices" writer's conference featuring Shelby Foote, Civil War historian and the Bruno's Memorial Golf Classic at Greystone Country Club, a PGA Senior Tour Tournament.

For the Future

The Government's Inverness sewage treatment plant, which was acquired in Fiscal 1990 under terms of the Inverness annexation agreement, is badly in need of extensive and costly repairs. City Officials negotiated with Shelby County in an attempt to get it to take the sewage going to the Inverness plant. The Government was unsuccessful in its negotiations. City Officials are now negotiating with Birmingham Water Works Sewer Board to get it to take the sewage. The Government transferred \$2,865,000 to the Sewer Enterprise Fund in Fiscal 1994 to defray the cost of the proposed transfer or to renovate the Inverness plant.

The Government is presently negotiating for the purchase of two large parcels of property. One parcel consists of about 31 acres and includes an upscale residential dwelling of 3,733 square feet, landscaped grounds, a small lake, a boathouse, a swimming pool and a utility building. The proposed uses of this property would be for citizens' social and civic events as well as park land for non-structured recreation. This property was appraised at \$1,850,000; however, the acquisition, if accomplished, may include a partial donation. The second parcel consists of approximately 179 acres of unimproved land intersected by the Cahaba River. It is proposed that this land be acquired and used for ball fields and passive recreation purposes. The Government estimates that this land may be acquired for \$1,700,000.

The Government's Finance Department and Engineering Department will be moving personnel to a portable building in Fiscal 1995 to alleviate overcrowding at City Hall. This is a temporary measure brought on by the rapid growth of the City and the related increase in personnel required.

The Government has extensive plans for short term as well as long term roadway improvements. Short term improvements include, among others, the installation of turn lanes, extension of turn lanes, traffic signal improvements, sight distance improvements and street widening. Long range roadway improvements in the planning phase include I 459 and U. S. 31 interchange improvements and modifications at the intersection of U. S. 31 and Alabama 150 to improve traffic flow.

Focus - Risk Management Program

In 1990, the City of Hoover stood at a crossroads with regard to its insurance policies and its risk management philosophy. Until that time, the City had purchased, on an annual basis, several policies to insure against a wide variety of losses. The City had also experienced large annual increases in its policy premiums due to rapid growth of municipal activities, changing tort laws, and a general propensity toward civil litigation. Alternate risk management techniques were explored in an effort to minimize the City's future outlays for insurance premiums and claims.

With the assistance of an external insurance professional and after careful analysis of the costs, benefits, and risks involved, the City developed and implemented a customized, limited self-insurance program. This new program was designed in a manner so as to decrease the City's insurance premium expenses, increase the upper coverage limits for the City's insurance policies, and allow City Officials to exercise more control over the City's risk management and claims administration responsibilities. In exchange for these self-insurance program benefits, the City has assumed more risk on small claims and low-dollar losses.

The self-insurance program has proven to be a significant cost-saver for the City in more ways than one. The program had an immediate impact in that it significantly increased the value attained for the City's policy premium expenditures. It has also scored a more far-reaching benefit by allowing the City to organize its risk management activities, control its losses, and counter the claims made against the City. For instance, the City is now able to review all claim information in a timely manner and use its own legal resources for defenses against claims. Also, a new Driver Qualification Program was implemented to ensure that persons driving city vehicles were qualified to do so and were not placing the Municipal Government, Hoover's citizens, or its visitors in peril. Further, an Accident Review Board was founded in order to analyze the causes of city accidents, recommend actions to safeguard the public and its properties, and place responsibility for avoidable accidents on the party at fault. The City of Hoover, through its current Risk Management Program, can now gather claims and loss data, analyze that data, then develop and implement actions needed to protect itself against future claims and losses.

The City's Risk Management Program is administered by its Operations Support Department under the guidance of the City's Director of Operations. Hoover's Municipal Government, through the efforts of its Operations Support Department and the use of external insurance professionals, will perpetually strive to refine its Risk Management Program policies and practices toward the betterment of the Hoover community.

Financial Information

Management of the Government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Government 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. The internal control structure is 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, state and local financial assistance, the Government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

Tests were made of the Government's internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. Although this testing was not sufficient to support an opinion on the Government's internal control system or its compliance with laws and regulations related to nonmajor federal financial assistance programs, the audit for year ended September 30, 1994, disclosed no material internal control weaknesses or material violations of laws and regulations.

The Government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund; however, the City Council may authorize expenditures from time to time during the year without legally amending the previously adopted budget. Encumbrance accounting is not employed. Appropriations automatically lapse at year end.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

General Government Functions

The following schedules present a summary of General Fund and Special Revenue Funds revenues for the fiscal year ended September 30, 1994, and the amount and percentages of increases and decreases in relation to prior year revenues.

| <u>Revenues</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase (Decrease) from 1993</u> | <u>Percent of increase (Decrease)</u> |
|----------------------|----------------------|-----------------------------|--|---|
| Taxes | \$ 30,132,090 | 72.31 % | \$ 8,147,699 | 37.06 % |
| Licenses and Permits | 5,860,897 | 14.06 | (223,095) | (3.67) |
| Intergovernmental | 2,168,119 | 5.20 | 76,430 | 3.65 |
| Fines and forfeits | 496,575 | 1.19 | 35,551 | 7.71 |
| Interest earned | 846,815 | 2.03 | 64,557 | 8.25 |
| Stadium lease | 294,024 | 0.71 | 64,497 | 28.10 |
| Other | <u>1,873,607</u> | <u>4.50</u> | <u>264,391</u> | 16.43 |
| Total | \$ <u>41,672,127</u> | <u>100.00</u> % | \$ <u>8,430,030</u> | 25.36 % |

An analysis of revenue sources in descending order of importance is set forth below:

| <u>Revenues</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase (Decrease) from 1993</u> | <u>Percent of Increase (Decrease)</u> |
|---------------------|----------------------|-----------------------------|--|---|
| Sales and use taxes | \$ 26,809,301 (A) | 64.33 % | \$ 7,838,604 | 41.32 % |
| Business licenses | 3,840,450 (B) | 9.22 | (162,124) | (4.05) |
| Property taxes | 3,143,179 (A) | 7.54 | 244,820 | 8.45 |
| Intergovernmental | 2,168,119 | 5.20 | 76,430 | 3.65 |
| Building permits | 1,604,983 (B) | 3.85 | 166,841 | 11.60 |
| Interest earned | 846,815 | 2.03 | 64,557 | 8.25 |
| E-911 | 620,085 (C) | 1.49 | 210,980 | 51.57 |
| Fines and foreits | 496,575 | 1.19 | 35,551 | 7.71 |
| Stadium lease | 294,024 | 0.71 | 64,497 | 28.10 |
| All other revenue | <u>1,848,596 (D)</u> | <u>4.44</u> | <u>(110,126)</u> | <u>(5.62)</u> |
| Total revenues | \$ <u>41,672,127</u> | <u>100.00 %</u> | \$ <u>8,430,030</u> | 25.36 % |

- (A) Included in taxes above
 (B) Included in licenses and permits above
 (C) Included in other revenue above
 (D) Included in the following:

| | |
|----------------------|---------------------|
| Taxes | \$ 179,610 |
| Licenses and permits | 415,464 |
| Other | <u>1,253,522</u> |
| | \$ <u>1,848,596</u> |

Sales and use taxes are the greatest sources of revenue to the City. Continued commercial expansion has resulted in greater sales and use tax revenues in each of the past ten years. Set forth below is sales and use tax information for the past ten years:

| <u>Fiscal Year</u> | <u>Sales and Use Tax Revenues</u> | <u>Percent of Total Revenues</u> | <u>Percent of Increase from Previous Year</u> |
|--------------------|---|--------------------------------------|---|
| 1985 | \$ 5,028,805 | 53.9 % | 25.6 % |
| 1986 | 7,576,464 | 61.6 | 50.7 |
| 1987 | 10,415,505 | 65.6 | 37.5 |
| 1988 | 11,607,404 | 64.1 | 11.4 |
| 1989 | 12,716,945 | 61.4 | 9.6 |
| 1990 | 15,003,431 | 61.1 | 18.0 |
| 1991 | 15,911,832 | 57.7 | 6.1 |
| 1992 | 17,278,328 | 59.0 | 8.6 |
| 1993 | 18,970,697 | 57.1 | 9.8 |
| 1994 | 26,809,301 | 64.3 | 41.3 |

Sales and Use taxes revenues increased 41.32% from Fiscal 1993 to Fiscal 1994 primarily because the City Council passed a 1% tax rate increase (from 2% to 3%) which became effective March 1, 1994.

Business licenses, which are generally based on gross receipts, have historically been the second largest revenue source for the City. Following is a summary of business licenses revenue for the past decade:

| <u>Fiscal Year</u> | <u>Business Licenses Revenue</u> | <u>Percent of Total Revenue</u> | <u>Percent of Increase from Previous Year</u> |
|--------------------|--|-------------------------------------|---|
| 1985 | \$ 1,191,356 | 12.8 % | 5.6 % |
| 1986 | 1,461,599 | 11.9 | 22.7 |
| 1987 | 2,011,474 | 12.7 | 37.6 |
| 1988 | 2,260,556 | 12.5 | 12.4 |
| 1989 | 2,737,541 | 13.2 | 21.1 |
| 1990 | 3,232,457 | 13.2 | 18.1 |
| 1991 | 3,581,808 | 13.0 | 10.8 |
| 1992 | 3,718,290 | 12.7 | 3.8 |
| 1993 | 4,002,574 | 12.0 | 7.7 |
| 1994 | 3,840,450 | 9.2 | (4.1) |

The third largest revenue source for the City is property tax. A ten year summary of property tax revenue is as follows:

| <u>Fiscal Year</u> | <u>Property Tax Revenue</u> | <u>Percent of Total Revenue</u> | <u>Percent of Increase (Decrease) from Previous Year</u> |
|--------------------|-----------------------------|---------------------------------|--|
| 1985 | \$ 1,111,157 | 11.9 % | 17.5 |
| 1986 | 987,239 | 8.0 | (11.2) |
| 1987 | 1,269,528 | 8.0 | 28.6 |
| 1988 | 1,518,902 | 8.4 | 19.6 |
| 1989 | 2,135,976 | 10.3 | 40.6 |
| 1990 | 2,322,404 | 9.5 | 8.7 |
| 1991 | 2,612,328 | 9.5 | 12.5 |
| 1992 | 2,828,634 | 9.7 | 8.3 |
| 1993 | 2,898,359 | 8.7 | 2.5 |
| 1994 | 3,143,179 | 7.5 | 8.5 |

The City's property tax is 6 1/2 mills for general government use.

Intergovernmental revenues consist primarily of various state and county taxes shared with the City on a pro-rata basis. As the City has grown these revenues have increased.

The following schedule presents a summary of General Fund and Special Revenue Funds expenditures for the fiscal year ended September 30, 1994, and the percentage of increases and decreases in relation to prior year amounts:

| <u>Expenditures</u> | <u>Amount</u> | <u>Percent of Total</u> | <u>Increase (Decrease) from 1993</u> | <u>Percent of Increase (Decrease)</u> |
|--------------------------|----------------------|-------------------------|--|---|
| Current | | | | |
| General Government | \$ 3,161,080 | 8.37 % | \$ 50,439 | 1.62 % |
| Public Safety | 12,863,379 | 34.07 | 1,304,982 | 11.29 |
| Municipal Court | 252,295 | 0.67 | 20,698 | 8.94 |
| Streets and Sanitation | 3,965,613 | 10.50 | 201,024 | 5.34 |
| Recreation | 2,044,093 | 5.41 | 545,011 | 36.36 |
| Library | 1,740,125 | 4.61 | 335,575 | 23.89 |
| Health | 311,847 | 0.83 | 180,023 | 136.56 |
| Capital Outlays | 2,948,761 | 7.81 | 2,354,089 | 395.86 |
| Debt Service | | | | |
| Principal | 1,673,811 | 4.43 | 32,732 | 2.00 |
| Interest | 3,295,617 | 8.73 | (244,972) | (6.92) |
| Issuance Costs | 514,415 | 1.36 | 514,415 | - |
| Intergovernmental | | | | |
| City Board of | | | | |
| Education | <u>4,985,083</u> | <u>13.21</u> | <u>430,274</u> | 9.45 |
| Total Expenditures | <u>\$ 37,756,119</u> | <u>100.00 %</u> | <u>\$ 5,724,290</u> | 17.87 % |

In addition to the above expenditures, operating transfers totalling \$2,865,000, were made to the Sewer Enterprise Fund.

Expenditures for personal services including salaries, retirement contributions and other employee benefits totalled \$16,637,619 in Fiscal 1994, compared to \$14,786,948 in Fiscal 1993. This was an increase of \$1,850,671. The increase resulted from additional employees, a 4% across the board pay increase and merit raises.

Personal services expenditures comprised 68.2% of operating expenditures and 44% of total expenditures in Fiscal 1994 as compared to 66.3% of operating expenditures and 44.9% of total expenditures in Fiscal 1993.

Capital outlays from general and special revenue funds totalled \$2,948,761 in Fiscal 1994, an increase of \$2,354,089. Capital outlays were as follows:

| | <u>Land</u> | <u>Construction</u> | <u>Vehicles</u> | <u>Equipment</u> | <u>Total</u> |
|---------------------------------|-------------------|---------------------|-------------------|---------------------|---------------------|
| General Government | | | | | |
| Administration | - | \$ 879,327 | \$ 13,817 | \$ 479,401 | \$ 1,372,545 |
| Municipal Garage | - | - | - | 3,500 | 3,500 |
| Total General Government | <u>-</u> | <u>879,327</u> | <u>13,817</u> | <u>482,901</u> | <u>1,376,045</u> |
| Public Safety | | | | | |
| Police | - | - | 299,367 | 129,278 | 428,645 |
| Fire | - | - | 32,682 | 41,784 | 74,466 |
| Inspection | - | - | 39,289 | 10,471 | 49,760 |
| Total Public Safety | <u>-</u> | <u>-</u> | <u>371,338</u> | <u>181,533</u> | <u>552,871</u> |
| Municipal Court | <u>-</u> | <u>1,005</u> | <u>-</u> | <u>1,469</u> | <u>2,474</u> |
| Streets and Sanitation | <u>-</u> | <u>4,046</u> | <u>19,343</u> | <u>274,312</u> | <u>297,701</u> |
| Recreation | <u>\$ 368,284</u> | <u>173,982</u> | <u>51,545</u> | <u>59,149</u> | <u>652,960</u> |
| Library | <u>-</u> | <u>2,749</u> | <u>-</u> | <u>63,961</u> | <u>66,710</u> |
| Health | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$ 368,284</u> | <u>\$ 1,061,109</u> | <u>\$ 456,043</u> | <u>\$ 1,063,325</u> | <u>\$ 2,948,761</u> |

General Fund Balance

The unreserved, undesignated fund balance of the General Fund increased 113% in Fiscal 1994. This increase, which totalled \$2,087,735, resulted from continued revenue growth, fiscal conservatism and an increase in the general sales and use tax rate from two to three percent.

Enterprise Operations

The City's only enterprise fund is a Sewer Enterprise Fund which accounts for the operations of the Riverchase and Inverness sewage treatment plants. The Riverchase sewage treatment plant and plant additions are financed by general long-term debt. No long-term debt is recorded in the Sewer Enterprise Fund. The plant and plant additions have been charged as assets in the Sewer Enterprise Fund with a corresponding credit to contributed capital from other funds. The Inverness sewage treatment plant, land and equipment were contributed to the City by the developer of Inverness in connection with the annexation of the commercial portion of Inverness. The plant, land and equipment have been charged as assets in the Sewer Enterprise Fund with a corresponding credit to contributed capital from developers.

The Sewer Enterprise Fund incurred losses (before operating transfers in) of \$532,957 and \$564,580 for Fiscal 1994 and Fiscal 1993 respectively. Net cash used by operating activities totalled \$146,104 and \$420,962 for Fiscal 1994 and Fiscal 1993 respectively. Operating transfers to the Sewer Enterprise Fund from other funds totalled \$2,864,000 in Fiscal 1994 and \$338,287 in Fiscal 1993. As mentioned above, the large transfer of funds to the Sewer Enterprise Fund in Fiscal 1994 is to defray the cost of a proposed transfer of the Inverness sewage to another sewage treatment system or to renovate the Inverness plant.

Pension Administration

The City contributes to the Employers' Retirement System of Alabama, an agent multiple-employer retirement system that acts as a common investment and administrative agent for state employees and public organizations. The City's annual actuarial valuation continues to reflect a positive trend in the City's and employee's funding of the pension trust fund.

Debt Administration

At year end, the City had a number of debt issues outstanding. These issues included general obligation warrants totalling \$64,126,353 and capital leases totalling \$46,691. The City has maintained its A rating from Moody's Investor Service and its A+ rating from Standard and Poor's Corporation.

As mentioned above, the City advance refunded certain of its then outstanding general obligation warrants during the year thereby saving debt service payments over a 27 year period by approximately \$4 million.

Cash Management

The City utilizes a bank "lock box" system under which the majority of its revenue is sent by the taxpayers directly to its depository. The City also utilizes a "zero balance" checking account under which all deposits go directly into an interest bearing bank public funds investment account. Cash is transferred from the investment account to the checking account on a daily basis to cover issued checks presented for payment. Using this method the City is assured that all funds are invested. The bank public funds investment account interest rate is set at thirty basis points above the current interest rate on three month Treasury Bills which changes weekly. In addition to the public funds investment account, the City also invests in certificates of deposits with local banks. The average yield on investments for Fiscal 1994 was 3.58%.

The City's investment policy at present is to keep all idle funds invested at the best short-term rates available in financially sound local banks; also, to keep all invested funds insured by the FDIC or collateralized. All collateral is held in the City's name by a third party, The Federal Reserve Bank of Atlanta, Georgia.

Risk Management

The City has a limited self-insurance retention plan, using a professional claims handler, to account for its uninsured risks of loss. All insurance coverage, except workers compensation, is carried with a retention of \$50,000 per occurrence. The aggregate annual retention on all claims is \$275,000. Excess insurance is provided for catastrophic occurrences.

The City also contracts with a professional claims handling firm to supervise and pay workers compensation claims from a fund provided by the City. Since benefits may be statutory, an excess policy provides statutory limits over \$275,000.

Other Information

Independent Audit

State statutes require an annual audit by the State Department of Examiners of Public Accounts or by independent certified public accountants. The accounting firm of Livings & Company performed the audit. As mentioned earlier, insufficient federal assistance was received during Fiscal 1994 to require the City to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of

Management and Budget Circular A-128, Audits of State and Local Governments. The independent auditor's report on the general purpose financial statements and combining, individual fund and account group statements is included in the financial section of this report.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Government for its comprehensive annual financial report for the fiscal year ended September 30, 1993. This was the twelfth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of this comprehensive annual financial report was made possible by the dedicated service of the Finance Department staff and our accountants, Livings & Company. We wish to express our appreciation to them. Further, we wish to thank the City Council for their continued support as we strive to excel in financial reporting.

Sincerely,



Frank S. Skinner, Jr.
Mayor



Richard K. Smith
Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

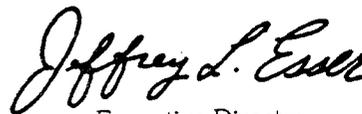
City of Hoover,
Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1993

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



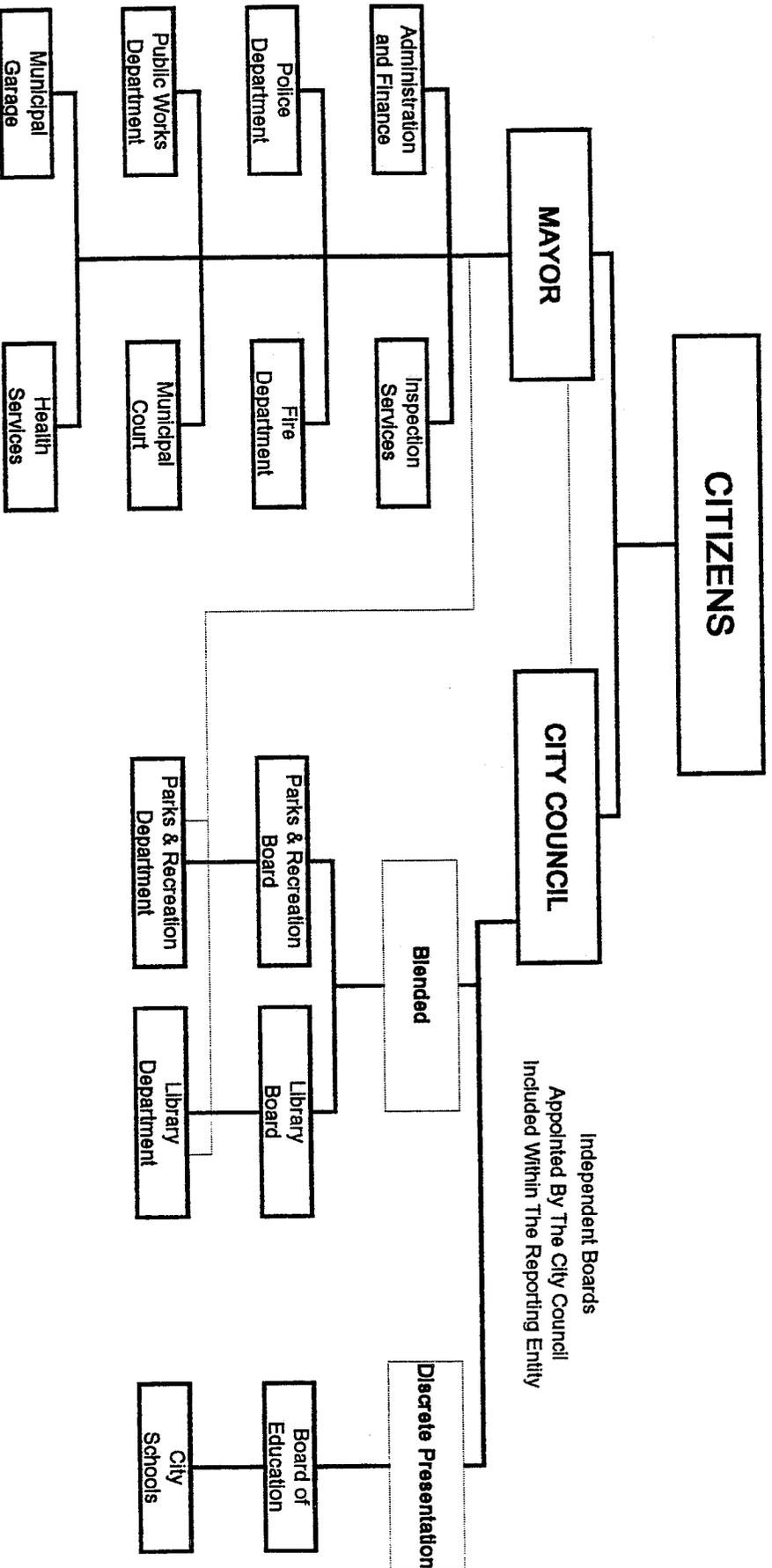
President



Executive Director

The City of Hoover, Alabama

Organization Chart



**Officials of The City of Hoover, Alabama
September 30, 1994**

Mayor

Frank S. Skinner, Jr.

City Council

William J. Billingsley, President

David L. Bradley

Johanna J. Hutto

Barbara B. McCollum

Brian L. Skelton

Assistant to the Mayor

Edward R. Braden

Director of Operations

Allen Pate

Heads of Departments

| | |
|---------------------------|--|
| Finance | Richard K. Smith, Director |
| City Clerk. | Linda H. Crump, City Clerk |
| Police. | David A. Cummings, Chief |
| Fire. | Thomas E. Bradley, Chief |
| Inspection Services | Gerald R. Smith, Building Official |
| Public Works. | Steven W. Brown, Director |
| Parks & Recreation. | James E. Fisher, Director |
| Library. | Linda R. Andrews, Director |
| Court. | Susan Vincent, Supervising Court Clerk |

City Attorney
Jack H. Harrison

Municipal Judge
T. Brad Bishop

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FINANCIAL SECTION

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Living's & Company

Certified Public Accountants

19

Post Office Box 157
The Wheelock Building • 118 North 22nd Street
Birmingham, Alabama 35201-0157
(205) 252-7900 • Fax (205) 254-1126

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
the City Council
City of Hoover, Alabama

We have audited the accompanying general purpose financial statements of the City of Hoover, Alabama, and the combining, individual fund and account group financial statements of the City of Hoover, Alabama, as of and for the years ended September 30, 1994 and 1993, as listed in the table of contents. These financial statements are the responsibility of the City of Hoover, Alabama's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the City of Hoover, Alabama Board of Education, which represent the amounts shown as the component unit, Board of Education. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Hoover, Alabama Board of Education is based solely on the report of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits, and the report of other auditors, provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Hoover, Alabama, at September 30, 1994 and 1993, and the results of its operations and the cash flows of its proprietary fund for the years then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Hoover, Alabama, at September 30, 1994 and 1993, and the results of operations of such funds and the cash flows of the proprietary fund for the years then ended, in conformity with generally accepted accounting principles.

Continued on Page 20.

Our audits were made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Hoover, Alabama. The information in these schedules has been subjected to the auditing procedures applied in the audits of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Livingston & Company

December 21, 1994

**GENERAL PURPOSE FINANCIAL
STATEMENTS**

THE CITY OF HOOVER, ALABAMA
Combined Balance Sheet
All Fund Types, Account Groups and Component Unit
September 30, 1994
(with comparative totals for September 30, 1993)

| | Governmental Fund Types | | | Proprietary Fund Type | Fiduciary Fund Type |
|--|--------------------------------|----------------------------|-----------------------------|----------------------------------|--------------------------------|
| | General | Special Revenue | Capital Projects | Sewer Enterprise | Agency |
| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Sewer Enterprise</u> | <u>Agency</u> |
| Assets and other debits | | | | | |
| Assets | | | | | |
| Pooled cash and investments | \$4,167,923 | \$582,546 | \$215,627 | \$2,957,030 | \$332,806 |
| Receivables | | | | | |
| Taxes | 118,086 | - | - | - | - |
| Accounts | 143,632 | - | - | 74,179 | - |
| Interest | - | - | - | - | - |
| Loan receivable - Board of Education | 8,165,000 | - | - | - | - |
| Due from other governments | | | | | |
| County | 334,273 | - | - | - | - |
| State | - | 60,163 | - | - | - |
| Federal | - | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Inventory | - | - | - | 3,100 | - |
| Prepaid items | 62,679 | - | - | - | - |
| Fixed assets (net, where applicable, of accumulated depreciation) | - | - | - | 3,170,527 | - |
| Deposits | 10,000 | - | - | - | - |
| Deferred compensation plan assets | - | - | - | - | - |
| Other debits | | | | | |
| Amount to be provided for retirement of general long-term debt | - | - | - | - | - |
| Total assets | <u><u>\$13,001,593</u></u> | <u><u>\$642,709</u></u> | <u><u>\$215,627</u></u> | <u><u>\$6,204,836</u></u> | <u><u>\$332,806</u></u> |
| Liabilities, equity and other credits | | | | | |
| Liabilities | | | | | |
| Accounts payable & accrued expenses | \$616,043 | \$171 | - | \$53,325 | - |
| Due to other funds | - | - | - | - | - |
| Loan payable - City of Hoover | - | - | - | - | - |
| Notes and capital leases payable | - | - | - | - | - |
| General obligation warrants payable | - | - | - | - | - |
| Refundable deposits | 55,972 | - | - | 5,000 | - |
| Accrued compensated leave | 159,631 | - | - | - | - |
| Deferred compensation benefits payable | - | - | - | - | \$332,806 |
| Total liabilities | <u><u>831,646</u></u> | <u><u>171</u></u> | <u><u>-</u></u> | <u><u>58,325</u></u> | <u><u>332,806</u></u> |
| Equity and other credits | | | | | |
| Investment in general fixed assets | - | - | - | - | - |
| Contributed capital | - | - | - | 7,755,397 | - |
| Retained earnings (deficit) | - | - | - | (1,608,886) | - |
| Fund balances | | | | | |
| Reserved for noncurrent loans receivable | 8,165,000 | - | - | - | - |
| Reserved for prepaid items | 62,679 | - | - | - | - |
| Reserved for inventories | - | - | - | - | - |
| Reserved for building commitments | - | - | - | - | - |
| Reserved for encumbrances | - | - | - | - | - |
| Unreserved, designated for acquisition, construction and improvements | - | - | \$215,627 | - | - |
| Unreserved, undesignated | 3,942,268 | 642,538 | - | - | - |
| Total equity and other credits | <u><u>12,169,947</u></u> | <u><u>642,538</u></u> | <u><u>215,627</u></u> | <u><u>6,146,511</u></u> | <u><u>-</u></u> |
| Total liabilities, equity and other credits | <u><u>\$13,001,593</u></u> | <u><u>\$642,709</u></u> | <u><u>\$215,627</u></u> | <u><u>\$6,204,836</u></u> | <u><u>\$332,806</u></u> |

| Account Groups | | Total (Memorandum Only) | Component Unit | Totals (Memorandum Only) | |
|-------------------------|---------------------------|-------------------------------|-----------------------|-----------------------------|----------------------|
| General Fixed Assets | General Long-term Debt | Primary Government | Board of Education | Reporting Entity | |
| | | | | 1994 | 1993 |
| - | - | \$8,255,932 | \$19,898,005 | \$28,153,937 | \$39,819,550 |
| - | - | 118,086 | - | 118,086 | 110,544 |
| - | - | 217,811 | - | 217,811 | 278,987 |
| - | - | - | 140,721 | 140,721 | - |
| - | - | 8,165,000 | - | 8,165,000 | 8,465,000 |
| - | - | 334,273 | 9,575 | 343,848 | 421,758 |
| - | - | 60,163 | 24,443 | 84,606 | 74,535 |
| - | - | - | 47,541 | 47,541 | 66,965 |
| - | - | - | - | - | 62,986 |
| - | - | 3,100 | 24,131 | 27,231 | 34,190 |
| - | - | 62,679 | - | 62,679 | 93,721 |
| \$58,798,658 | - | 61,969,185 | 94,608,976 | 156,578,161 | 123,806,547 |
| - | - | 10,000 | - | 10,000 | 10,000 |
| - | - | - | 655,087 | 655,087 | 489,711 |
| - | \$66,700,653 | 66,700,653 | 83,111,165 | 149,811,818 | 133,494,796 |
| <u>\$58,798,658</u> | <u>\$66,700,653</u> | <u>\$145,896,882</u> | <u>\$198,519,644</u> | <u>\$344,416,526</u> | <u>\$307,229,290</u> |
| - | - | \$669,539 | \$1,265,986 | \$1,935,525 | \$3,720,789 |
| - | - | - | - | - | 62,986 |
| - | - | - | 8,165,000 | 8,165,000 | 8,465,000 |
| - | \$46,691 | 46,691 | 635,236 | 681,927 | 182,833 |
| - | 64,126,353 | 64,126,353 | 74,310,929 | 138,437,282 | 122,666,488 |
| - | - | 60,972 | - | 60,972 | 17,018 |
| - | 2,527,609 | 2,687,240 | - | 2,687,240 | 2,309,548 |
| - | - | 332,806 | 764,992 | 1,097,798 | 869,751 |
| - | 66,700,653 | 67,923,601 | 85,142,143 | 153,065,744 | 138,294,413 |
| \$58,798,658 | - | 58,798,658 | 94,608,976 | 153,407,634 | 120,324,457 |
| - | - | 7,755,397 | - | 7,755,397 | 7,493,643 |
| - | - | (1,608,886) | - | (1,608,886) | (3,939,929) |
| - | - | 8,165,000 | - | 8,165,000 | 8,465,000 |
| - | - | 62,679 | - | 62,679 | 93,721 |
| - | - | - | 20,350 | 20,350 | 29,431 |
| - | - | - | 4,739,745 | 4,739,745 | - |
| - | - | - | 1,033,908 | 1,033,908 | 1,032,813 |
| - | - | 215,627 | - | 215,627 | 15,574,752 |
| - | - | 4,584,806 | 12,974,522 | 17,559,328 | 19,860,989 |
| 58,798,658 | - | 77,973,281 | 113,377,501 | 191,350,782 | 168,934,877 |
| <u>\$58,798,658</u> | <u>\$66,700,653</u> | <u>\$145,896,882</u> | <u>\$198,519,644</u> | <u>\$344,416,526</u> | <u>\$307,229,290</u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
Combined Statements of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types and Component Unit
For the fiscal year ended September 30, 1994
(with comparative totals for the fiscal year ended September 30, 1993)

| | Governmental Fund Types | | | Totals (Memorandum Only) |
|--|-------------------------|--------------------|---------------------|--------------------------------|
| | General | Special Revenue | Capital Projects | Primary Government |
| Revenues | | | | |
| Taxes | \$30,132,090 | - | - | \$30,132,090 |
| Licenses and permits | 5,860,897 | - | - | 5,860,897 |
| Intergovernmental | 1,502,770 | \$665,349 | - | 2,168,119 |
| Fines & forfeits | 496,575 | - | - | 496,575 |
| Interest on pooled cash and investments | 224,156 | 24,859 | \$12,577 | 261,592 |
| Interest on Board of Education loan | 597,800 | - | - | 597,800 |
| Stadium lease | 294,024 | - | - | 294,024 |
| Other | 1,253,522 | 620,085 | - | 1,873,607 |
| Total revenues | <u>40,361,834</u> | <u>1,310,293</u> | <u>12,577</u> | <u>41,684,704</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | 3,161,080 | - | - | 3,161,080 |
| Public safety | 12,260,063 | 603,316 | - | 12,863,379 |
| Municipal court | 252,295 | - | - | 252,295 |
| Streets and sanitation | 3,357,519 | 608,094 | - | 3,965,613 |
| Recreation | 2,044,093 | - | - | 2,044,093 |
| Library | 1,740,125 | - | - | 1,740,125 |
| Health | 311,847 | - | - | 311,847 |
| Instructional services | - | - | - | - |
| Instructional support services | - | - | - | - |
| Operation and maintenance | - | - | - | - |
| Auxiliary services | - | - | - | - |
| Fixed charges | - | - | - | - |
| Other | - | - | - | - |
| Total | <u>23,127,022</u> | <u>1,211,410</u> | <u>-</u> | <u>24,338,432</u> |
| Capital outlays | 2,948,761 | - | 371,955 | 3,320,716 |
| Debt service | | | | |
| Principal | 1,673,811 | - | - | 1,673,811 |
| Interest and fiscal charges | 3,810,032 | - | - | 3,810,032 |
| Intergovernmental | | | | |
| City Board of Education | 4,985,083 | - | - | 4,985,083 |
| Total expenditures | <u>36,544,709</u> | <u>1,211,410</u> | <u>371,955</u> | <u>38,128,074</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,817,125</u> | <u>98,883</u> | <u>(359,378)</u> | <u>3,556,630</u> |
| Other financing sources (uses) | | | | |
| Operating transfers in | - | - | 2,501,000 | 2,501,000 |
| Operating transfers out | (2,865,000) | - | (2,500,000) | (5,365,000) |
| Proceeds of general obligation warrants notes payable and capital leases | - | - | - | - |
| Proceeds of refunding warrants | 48,551,307 | - | - | 48,551,307 |
| Payment to refunding warrant escrow agent | (47,746,739) | - | - | (47,746,739) |
| Total other financing sources (uses) | <u>(2,060,432)</u> | <u>-</u> | <u>1,000</u> | <u>(2,059,432)</u> |
| Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 1,756,693 | 98,883 | (358,378) | 1,497,198 |
| Fund balances at beginning of year | <u>10,413,254</u> | <u>543,655</u> | <u>574,005</u> | <u>11,530,914</u> |
| Fund balances at end of year | <u>\$12,169,947</u> | <u>\$642,538</u> | <u>\$215,627</u> | <u>\$13,028,112</u> |

| Component Unit | Totals | |
|-----------------------|---------------------|---------------------|
| | (Memorandum Only) | |
| | Reporting Entity | |
| Board of Education | 1994 | 1993 |
| - | \$30,132,090 | \$21,984,391 |
| - | 5,860,897 | 6,083,992 |
| \$40,522,559 | 42,690,678 | 38,431,346 |
| - | 496,575 | 461,024 |
| - | 261,592 | 217,108 |
| - | 597,800 | 619,800 |
| - | 294,024 | 229,527 |
| 5,380,535 | 7,254,142 | 5,122,999 |
| <u>45,903,094</u> | <u>87,587,798</u> | <u>73,150,187</u> |
| 1,053,240 | 4,214,320 | 4,010,768 |
| - | 12,863,379 | 11,558,397 |
| - | 252,295 | 231,597 |
| - | 3,965,613 | 3,764,589 |
| - | 2,044,093 | 1,499,082 |
| - | 1,740,125 | 1,404,550 |
| - | 311,847 | 131,824 |
| 18,760,848 | 18,760,848 | 14,472,139 |
| 4,294,287 | 4,294,287 | 3,792,241 |
| 3,329,137 | 3,329,137 | 2,807,159 |
| 3,022,748 | 3,022,748 | 2,700,744 |
| 6,305,062 | 6,305,062 | 5,757,952 |
| 682,133 | 682,133 | 577,381 |
| <u>37,447,455</u> | <u>61,785,887</u> | <u>52,708,423</u> |
| 28,254,605 | 31,575,321 | 23,640,780 |
| 1,423,393 | 3,097,204 | 2,839,800 |
| 4,041,062 | 7,851,094 | 7,090,923 |
| - | 4,985,083 | 4,554,809 |
| <u>71,166,515</u> | <u>109,294,589</u> | <u>90,834,735</u> |
| (25,263,421) | (21,706,791) | (17,684,548) |
| - | 2,501,000 | - |
| - | (5,365,000) | (338,288) |
| 10,506,154 | 10,506,154 | 16,622,665 |
| - | 48,551,307 | 47,665,006 |
| - | (47,746,739) | (47,665,006) |
| <u>10,506,154</u> | <u>8,446,722</u> | <u>16,284,377</u> |
| (14,757,267) | (13,260,069) | (1,400,171) |
| 33,525,792 | 45,056,706 | 46,456,877 |
| <u>\$18,768,525</u> | <u>\$31,796,637</u> | <u>\$45,056,706</u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General and Special Revenue Funds
For the fiscal year ended September 30, 1994

| | General Fund | | Variance Favorable (Unfavorable) |
|---|--------------------|---------------------|--|
| | Budget | Actual | |
| Revenues | | | |
| Taxes | \$30,462,438 | \$30,132,090 | (\$330,348) |
| Licenses and permits | 5,788,994 | 5,860,897 | 71,903 |
| Intergovernmental | 1,442,904 | 1,502,770 | 59,866 |
| Fines & forfeits | 441,401 | 496,575 | 55,174 |
| Interest on pooled cash and investments | 130,000 | 224,156 | 94,156 |
| Interest on Board of Education loan | 597,800 | 597,800 | - |
| Stadium lease | 250,000 | 294,024 | 44,024 |
| Other | 1,102,290 | 1,253,522 | 151,232 |
| Total revenues | <u>40,215,827</u> | <u>40,361,834</u> | <u>146,007</u> |
| Expenditures | | | |
| Current operations | | | |
| General government | 3,422,975 | 3,161,080 | 261,895 |
| Public safety | 12,093,383 | 12,260,063 | (166,680) |
| Municipal court | 256,904 | 252,295 | 4,609 |
| Streets and sanitation | 4,253,188 | 3,357,519 | 895,669 |
| Recreation | 2,073,497 | 2,044,093 | 29,404 |
| Library | 1,801,674 | 1,740,125 | 61,549 |
| Health | 224,589 | 311,847 | (87,258) |
| Total | <u>24,126,210</u> | <u>23,127,022</u> | <u>999,188</u> |
| Capital outlays | 3,242,789 | 2,948,761 | 294,028 |
| Debt service | | | |
| Principal | 1,673,811 | 1,673,811 | - |
| Interest and fiscal charges | 3,245,753 | 3,810,032 | (564,279) |
| Intergovernmental | | | |
| City Board of Education | 4,931,667 | 4,985,083 | (53,416) |
| Total expenditures | <u>37,220,230</u> | <u>36,544,709</u> | <u>675,521</u> |
| Excess of revenues over expenditures | <u>2,995,597</u> | <u>3,817,125</u> | <u>821,528</u> |
| Other financing uses | | | |
| Operating transfers out | (2,865,000) | (2,865,000) | - |
| Proceeds of refunding warrants | - | 48,551,307 | 48,551,307 |
| Payment to refunding warrant escrow agent | - | (47,746,739) | (47,746,739) |
| Total other financing uses | <u>(2,865,000)</u> | <u>(2,060,432)</u> | <u>804,568</u> |
| Excess of revenues over expenditures and other financing uses | <u>\$130,597</u> | 1,756,693 | <u>\$1,626,096</u> |
| Fund balances at beginning of year | | <u>10,413,254</u> | |
| Fund balances at end of year | | <u>\$12,169,947</u> | |

| <u>Special Revenue Funds</u> | | |
|------------------------------|------------------|---|
| <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
| - | - | - |
| - | - | - |
| \$625,147 | \$665,349 | \$40,202 |
| - | - | - |
| 9,000 | 24,859 | 15,859 |
| - | - | - |
| - | - | - |
| 639,726 | 620,085 | (19,641) |
| <u>1,273,873</u> | <u>1,310,293</u> | <u>36,420</u> |
| - | - | - |
| 605,122 | 603,316 | 1,806 |
| - | - | - |
| 623,298 | 608,094 | 15,204 |
| - | - | - |
| - | - | - |
| <u>1,228,420</u> | <u>1,211,410</u> | <u>17,010</u> |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>1,228,420</u> | <u>1,211,410</u> | <u>17,010</u> |
| <u>45,453</u> | <u>98,883</u> | <u>53,430</u> |
| - | - | - |
| - | - | - |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$45,453</u> | 98,883 | <u>\$53,430</u> |
| | <u>543,655</u> | |
| | <u>\$642,538</u> | |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
Statements of Revenues, Expenses and Changes in
Retained Earnings (Deficit) - Proprietary Fund Type
Sewer Enterprise Fund
For the fiscal year ended September 30

| | <u>1994</u> | <u>1993</u> |
|--|----------------------------|-----------------------|
| Operating Revenues | | |
| Charges for services | 344.01-01 \$765,608 | 344.01-02 \$684,058 |
| Operating expenses | | |
| Depreciation | 412,024 | 403,656 |
| Management fees | 409,373 | 405,664 |
| Repairs and maintenance | 110,797 | 108,685 |
| Utilities | 195,343 | 197,437 |
| Personal services | 40,073 | 26,941 |
| Professional fees | - | 3,726 |
| Collection fees | 27,456 | 22,122 |
| Supplies | 42,741 | 19,166 |
| Telephone | 3,881 | 3,662 |
| Engineering fees | 84,426 | 57,579 |
| Total operating expenses | 242.00-00 <u>1,326,114</u> | <u>1,248,638</u> |
| Operating loss | (560,506) | (564,580) |
| Non-operating revenue - interest | 361.01-01 <u>27,549</u> | <u>-</u> |
| Loss before operating transfers | (532,957) | (564,580) |
| Operating transfers in | 391.00-00 <u>2,864,000</u> | <u>338,287</u> |
| Net income (loss) | 2,331,043 | (226,293) |
| Retained earnings (deficit) at beginning of year | (3,939,929) | 279-00-00 (3,713,636) |
| Retained earnings (deficit) at end of year | <u>(\$1,608,886)</u> | <u>(\$3,939,929)</u> |

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Statements of Cash Flows
Proprietary Fund Type - Sewer Enterprise Fund
Increase (Decrease) in Cash and Cash Equivalents
For the fiscal year ended September 30

| | 1994 | 1993 |
|--|-------------|-----------|
| Cash flows from operating activities: | | |
| Cash received from customers | \$772,619 | \$653,189 |
| Cash payments to suppliers | (472,287) | (640,796) |
| Cash payments to management companies | (409,373) | (405,664) |
| Cash payments to employees | (37,063) | (26,941) |
| Deposits refunded | - | (750) |
| Net cash used by operating activities | (146,104) | (420,962) |
| Cash flows from noncapital financing activities: | | |
| Operating transfers in | 2,864,000 | 338,287 |
| Net cash provided by noncapital financing activities | 2,864,000 | 338,287 |
| Cash flows from capital and related financing activities: | | |
| Acquisition and construction of capital assets (193.73-01) | (100,462) | (12,932) |
| Capital contributed by customers 261.02-01 | 261,755 | 108,020 |
| Net cash provided by capital and related financing activities | 161,293 | 95,088 |
| Cash flows from investing activities: | | |
| Interest earned on pooled cash and investments | 27,549 | - |
| Net cash provided by investing activities | 27,549 | - |
| Net increase in pooled cash and investments | 2,906,738 | 12,413 |
| Pooled cash and investments, beginning of year | 50,292 | 37,879 |
| Pooled cash and investments, end of year | \$2,957,030 | \$50,292 |

Reconciliation of operating loss to net cash used by operating activities:

| | | |
|---|-------------|-------------|
| Operating loss | (\$560,506) | (\$564,580) |
| Adjustments to reconcile operating loss to net cash used by operating activities: | | |
| Depreciation 193.73-99 & 194.74-99 | 412,024 | 403,656 |
| Change in assets and liabilities: | | |
| (Increase) decrease in accounts receivable 11/4.01-00 | 7,011 | (30,868) |
| Increase in accrued expenses 203.00-00 | 3,010 | - |
| Increase (decrease) in accounts payable 202.00-00 | (7,643) | 52,107 |
| Increase (decrease) in advance from General Fund | - | (280,527) |
| Decrease in refundable deposits | - | (750) |
| Net cash used by operating activities | (\$146,104) | (\$420,962) |

The accompanying notes to the financial statements are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

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THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
September 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Hoover, Alabama (the City) was incorporated as a municipality on May 18, 1967. The City operates under the Mayor-Council form of government and provides the following services: public safety (police, fire and inspection), infrastructure maintenance, sanitation, recreation, public library, cultural events, public improvements, planning and zoning, and general administration.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity.

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended and discretely presented component unit has a September 30 year end.

The following is a brief review of each component unit included within the reporting entity.

Blended Component Units

City of Hoover Public Library -

The governing board of the City of Hoover Public Library (the Library Board) is appointed by the City Council. While the Library Board selects the management of the Library, the City has the ability to significantly influence the operations of the Library, and is accountable for the Library's fiscal matters. The legal liability for the Library's debt remains with the City. Further, the Library Board provides services almost entirely for the benefit of the Primary Government.

City of Hoover Parks and Recreation Board -

The City of Hoover Parks and Recreation Board (the Parks and Recreation Board) is appointed by the City Council. While the Parks and Recreation Board appoints its own management, the City has the ability to significantly influence the operations of Parks and Recreation, and is accountable for the Parks and Recreation fiscal matters. The legal liability for the Park and Recreation's debt remains with the City. Further, the Parks and Recreation Board provides services almost entirely for the benefit of the Primary Government.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Reporting Entity - Continued

Blended Component Units - Continued

Included within the Reporting Entity - Discretely Presented Component Unit

The Hoover City Board of Education (the Board of Education) is appointed by the City Council and provides services to the citizens of the City. During the fiscal year ended September 30, 1989, the City issued general obligation school warrants and loaned the proceeds to the Board of Education. The City also has voluntarily committed to make annual contributions to the Board of Education. This commitment called for contributions from the City to the Board of Education during the fiscal year ended September 30, 1994 of the greater of 24% of sales and use tax collections through February, 1994, then 24% of two-thirds of sales and use tax collections (after the 1% sales and use tax approved by the City Council effective March 1, 1994), or \$4,500,000. These contributions normally make up approximately 12% of the Board of Education's annual revenues. The remaining 88% of the Board of Education's funding comes from federal, state and county governments and from a 14 mill City school ad valorem tax. The Board of Education is presented as a governmental fund type.

The Component Unit column in the Combined Financial Statements includes the financial data of the Board of Education. The Board of Education is reported in a separate column to emphasize that it is legally separate from the City. The Board of Education is included within the reporting entity because the City is financially accountable for the Board of Education. The City is financially accountable for the Board of Education primarily because of the substantial financial support the City provides the Board of Education. However, the City cannot influence the Board of Education's daily operations, cannot approve the Board of Education's budget, is not responsible to finance the Board of Education's deficits, is not entitled to the Board of Education's surpluses, is not responsible for the Board of Education's debt, and does not hold title to any of the Board of Education's assets.

Financial statements for the discretely presented component unit Board of Education are presented in the Combined Financial Statements within this report. Complete financial statements of the Board of Education can be obtained from its administrative office or from the county clerk's office at the courthouse.

Administrative Office
Hoover City Board of Education
100 Municipal Drive, Suite 200
Birmingham, AL 35216

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources

The City funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental Funds:

Governmental funds are used to account for the government's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Court fines and forfeits, property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditures-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Sales and use taxes, business licenses, permits and stadium lease revenues are not susceptible to accrual (unless as a result of sales and use tax audits) because generally they are not measurable until received in cash.

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of city government which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Special Revenue Funds - Special Revenue Funds are operating funds for which the use of revenues is restricted or designated by outside sources.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources designated to construct or acquire general fixed assets and make major improvements.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Proprietary Fund:

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. The government applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations. Proprietary funds include enterprise fund types:

Enterprise Fund - An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises or where the governing body has decided that periodic determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund:

Fiduciary funds are the trust and agency funds used to account for assets held by a government unit in a trustee capacity or as an agent for individuals, private organizations, other government units and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups:

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for fixed assets of the City which are not accounted for in the proprietary fund.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for unmatured long-term indebtedness, which is backed by the full faith and credit of the City and the non-current portion of other long-term obligations of governmental funds.

C. Budgets

Budgets are adopted on a basis consistent with GAAP. Although not required by state or local law, annual appropriated budgets are adopted for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for the Capital Projects Funds, which have no legally adopted budgets.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, all departments of the City submit requests for appropriation to the City's Finance Director so that a budget may be prepared. The budget is prepared by fund, function and activity and includes actual information on the past year, current year estimates and requested appropriations for the next fiscal year.
2. Prior to October 1, the Mayor submits the appropriated budget to the City Council for the next fiscal year.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Budgets - Continued

3. The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Finance Director.

4. Expenditures may not legally exceed budgeted appropriations at the activity level. Management may not amend or transfer appropriations within the budget at or above the activity level without the approval of the City Council. The City Council may authorize expenditures from time to time during the year without legally amending the previously adopted budget. The City Council may legally amend the budget at any time during the fiscal year. During the year several supplementary appropriations were necessary.

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of the formal budgetary process.

D. Pooled Cash and Investments

The City maintains a cash management system in which substantially all cash is held in a bank public funds investment account. The City generally follows the practice of pooling cash of all funds within this investment account in order to maximize return. Interest earned is allocated to each fund based upon the approximate proportionate balances of each fund's pooled cash and investments. It is the policy of the City not to allow individual funds to expend more monies than are available in their respective pooled cash and investment accounts.

Pooled cash includes amounts in demand deposits and short-term investments with an original maturity date of three months or less. State statutes authorize the City to invest in U.S. Government obligations, U.S. corporate debt, U.S. corporate equities, State of Alabama obligations, county obligations and other municipal obligations as well as bank certificates of deposit and bank public funds investment accounts. Investments are stated at cost, except for investments in the deferred compensation agency fund which are reported at market value. For purposes of the statements of cash flows, the Sewer Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

E. Property Tax

Property is assessed and property taxes are collected by Jefferson and Shelby Counties. Property is assessed and property taxes attach as an enforceable lien on property as of October 1 of each fiscal year. The taxes are due and payable October 1 of the subsequent fiscal year and delinquent after January 1.

Property tax revenues are accounted for using the modified accrual basis of accounting. Tax collections received by the county tax collectors are remitted to the City on a monthly basis. All amounts remitted to the City within the bill paying period are included in revenue. Taxes collected by the county tax collectors within the fiscal year but remitted to the City after the fiscal year-end are accrued.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

G. Inventory

Inventory in the Proprietary Fund is valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 1994, are recorded as prepaid items.

I. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of the sewer treatment plants and equipment in the proprietary fund is computed using the straight-line method over their estimated useful lives (15 years and 7 years, respectively). Cost of constructed fixed assets includes interest during the construction period.

J. Compensated Absences

Vested or accumulated vacation leave and overtime pay that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave and overtime pay that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Governmental Accounting Standards Board Statement 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Compensated Absences - Continued

However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The liability is measured using the pay or salary rates effective at September 30, 1994 and the additional amounts have been accrued for salary-related payments of employer's share of Social Security, Medicare taxes, retirement and insurance benefits. City employees had unused overtime pay, vacation pay and vested sick leave benefits totalling \$2,687,240 at September 30, 1994.

K. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in that fund.

For governmental funds types, General Obligation Warrant premiums and discounts, as well as issuance costs, are recognized during the current period. General Obligation Warrant proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld for the actual net proceeds received, are reported as debt service expenditures.

L. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

M. Interfund Transactions

All interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis and do not represent consolidated financial information. Data in these columns do not present financial position, results of operations or cash flows in conformity with GAAP. Interfund eliminations have not been made in the aggregation of this data.

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

O. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 1994, the City's bank balance of deposits was entirely covered by federal depository insurance or collateralized with securities held by the City's agent in the City's name.

The carrying amount of deposits for the Board of Education, a discretely presented component unit was \$10,316,634 and the bank balance was \$13,711,034. At September 30, 1994, the bank balance was either covered by Federal Depository Insurance or by collateral held by the entity's agent in the Board of Education's name.

Investments are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the government or its agent in the government's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name.
- (3) Uninsured or unregistered, with securities held by the counterparty, or by its trust department or agent but not in the government's name.

At September 30, 1994, the Board of Education's investment balances were as follows:

| | <u>Category</u> | | | <u>Carrying Amount</u> | <u>Market Value</u> |
|------------------------------------|------------------|--------------------|-------------|----------------------------|-------------------------|
| | <u>1</u> | <u>2</u> | <u>3</u> | | |
| U.S. Treasury Bills and Notes | \$ - | \$6,083,979 | \$ - | \$6,083,979 | \$5,862,909 |
| U.S. Government Agencies | - | 3,396,985 | - | 3,396,985 | 3,460,423 |
| Other - Certificates of Deposit | <u>100,407</u> | <u>-</u> | <u>-</u> | <u>100,407</u> | <u>100,407</u> |
| | <u>\$100,407</u> | <u>\$9,480,964</u> | <u>\$ -</u> | <u>\$9,581,371</u> | <u>\$9,423,739</u> |

The Board of Education does not expect to incur losses due to the market fluctuations of government securities since it is anticipated that the securities will be held to maturity.

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 2 - DEPOSITS AND INVESTMENTS- Continued

A reconciliation of pooled cash and investments as shown on the Combined Balance Sheet for the Component Unit - Board of Education is as follows:

| | |
|--|----------------------------|
| Carrying Amount of Deposits | \$10,316,634 |
| Carrying Amount of Investments | <u>9,581,371</u> |
| Total Pooled Cash and Investments | <u>\$19,898,005</u> |

NOTE 3 - RECEIVABLES

Taxes Receivable -

A summary of the items included in taxes receivable at September 30, 1994 is set forth below:

| | <u>1994</u> |
|---------------------------------|-------------------------|
| Gasoline tax | \$ 32,663 |
| Sales and use taxes | 7,433 |
| Beer tax | 35,674 |
| Motor vehicle registration fees | 11,946 |
| Property tax | 25,573 |
| Tobacco tax | <u>4,797</u> |
| Total | <u>\$118,086</u> |

Sales and use taxes are collected by the City and are recognized as revenue when cash is received by the City, or when taxes are assessed as the result of sales and use tax audits.

A summary of the items included in accounts receivable at September 30, 1994 is set forth below:

| | <u>1994</u> |
|--|-------------------------|
| General Fund: | |
| Intergovernmental receivables | \$ 7,269 |
| Due from stadium lease | 129,492 |
| Other | <u>6,871</u> |
| Total General Fund accounts receivables | 143,632 |
| Sewer Enterprise Fund: | |
| Sewer service charges | <u>74,179</u> |
| Total accounts receivable | <u>\$217,811</u> |

No significant uncollectible accounts are anticipated on these receivables.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 4 - LOAN RECEIVABLE - BOARD OF EDUCATION

In fiscal 1989 the City issued general obligation school warrants of \$9 million and loaned the net proceeds to the Board of Education (the Board), the amount of which totalled \$8,908,239 (See Note 7). In order for the Board to receive this loan from the City, the following conditions were agreed upon by the two entities:

1. The \$8,908,239 will be used for capital expenditures only.
2. The Board will repay all principal and interest amounts as and when due.
3. So long as the City's commitment outlined in Note 11 is in effect, the City has the right to deduct amounts as and when due for the school warrants from the amounts due the Board per the commitment.
4. In the event the commitment above is terminated, the Board will still be responsible for repayment of the school warrant obligation.

The outstanding balance at September 30, 1994 was \$8,165,000.

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets is set forth below:

| | Balance October 1, 1993 | Additions | Deductions | Balance September 30, 1994 |
|---|-------------------------------|--------------------|--------------------|----------------------------------|
| Land | \$10,977,239 | \$ 368,284 | - | \$11,345,523 |
| Buildings | 18,859,653 | 1,012,517 | - | 19,872,170 |
| Improvements other than buildings | 17,872,482 | 932,162 | - | 18,804,644 |
| Equipment and vehicles | 7,421,354 | 1,519,368 | \$ 164,401 | 8,776,321 |
| Construction in progress | <u>511,616</u> | <u>371,955</u> | <u>883,571</u> | <u>-</u> |
| Total | <u>\$55,642,344</u> | <u>\$4,204,286</u> | <u>\$1,047,972</u> | <u>\$58,798,658</u> |

Proprietary Fund property, plant and equipment at September 30, 1994 and 1993 consisted of:

| | <u>Sewer Enterprise Fund</u> | |
|---------------------------------|------------------------------|--------------------|
| | <u>1994</u> | <u>1993</u> |
| Equipment | \$ 159,584 | \$ 159,584 |
| Land | 643,000 | 643,000 |
| Sewage treatment plants | <u>5,461,559</u> | <u>5,361,097</u> |
| Total | 6,264,143 | 6,163,681 |
| Less - Accumulated depreciation | <u>(3,093,616)</u> | <u>(2,681,591)</u> |
| Net | <u>\$3,170,527</u> | <u>\$3,482,090</u> |

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS - CONTINUED

The following is a summary of changes in the general fixed assets account group during the fiscal year for the component unit Board of Education:

| | Balance October 1, <u>1993</u> | <u>Additions</u> | <u>Deductions</u> | Balance September 30, <u>1994</u> |
|---------------------------|--------------------------------------|---------------------|---------------------|---|
| Land and improvements | \$ 3,316,677 | \$1,802,186 | \$ - | \$ 5,118,863 |
| Building and improvements | 37,872,867 | 31,620,618 | - | 69,493,485 |
| Equipment and Vehicles | 3,601,680 | 462,514 | 10,166,343 | |
| Construction in process | <u>16,465,392</u> | <u>8,259,615</u> | <u>14,894,722</u> | <u>9,830,285</u> |
| | <u>\$64,682,113</u> | <u>\$45,284,099</u> | <u>\$15,357,236</u> | <u>\$94,608,976</u> |

NOTE 6 - LEASE-PURCHASE AGREEMENT

The City has entered into a lease-purchase agreement for financing the acquisition of exercise equipment for the Recreation Center. This lease agreement qualifies as a capital lease for accounting purposes (title transfers at the end of the lease term) and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception. This equipment is included in the General Fixed Assets.

The following is a schedule of the future minimum lease payments under this agreement and the present value of the net minimum lease payments at September 30, 1994.

| <u>Fiscal Year Ending September 30,</u> | <u>General Long-term Debt</u> |
|--|---------------------------------------|
| 1995 | \$23,277 |
| 1996 | 23,277 |
| 1997 | <u>11,639</u> |
| Total minimum lease payments | 58,193 |
| Less: Amount representing interest | <u>11,502</u> |
| Present value of future minimum lease payments | <u>\$46,691</u> |

Continued on Page 40.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 7 - GENERAL LONG-TERM DEBT

General long-term debt of the City consists of general obligation warrants and other long-term liabilities reported in the General Long-Term Debt Account Group. A summary of general long-term debt transactions for the year ended September 30, 1994 is as follows:

| | |
|---|---------------------|
| General long-term debt at October 1, 1993 | \$59,527,330 |
| Issuance of General Obligation Refunding Warrants | 50,645,000 |
| Additions to accrued compensated leave | 347,134 |
| Lease purchase principal payments | (18,676) |
| Warrants retired | (1,655,135) |
| Warrants defeased | <u>(42,145,000)</u> |
| General long-term debt at September 30, 1994 | <u>\$66,700,653</u> |

Advance Refundings

On October 14, 1993, the City refunded several general obligation warrant issues with two separate general obligations refundings. The proceeds of the refunding warrants provided the resources to purchase U.S. Government securities that were placed in irrevocable trusts for the purpose of generating resources for all future debt service payments on a total of \$42,145,000 of refunded debt. As a result, all refunded warrants are considered to be defeased and the liabilities have been removed from the General Long-Term Debt Account Group. The details of the two refundings are described in the following paragraphs.

\$43,155,000 General Obligation Refunding Warrants.

These refunding warrants were issued to advance refund General Obligation Warrant Issues with \$35,475,000 in total principal outstanding. This advance refunding was undertaken to reduce total debt service requirements over the next twenty-seven years by \$2,838,884 and to obtain an economic gain (the difference between the present value of the debt service requirements of the old and the new warrants) of \$2,786,220.

\$7,490,000 General Obligation Taxable Refunding Warrants.

These refunding warrants were issued to advance refund a General Obligation Warrant Issue with \$6,670,000 in principal outstanding. This advance refunding was undertaken to reduce total debt service requirements over the next fourteen years by \$1,114,834 and to obtain an economic gain of \$984,508.

Continued on Page 41.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 7 - GENERAL LONG-TERM DEBT - CONTINUED

At September 30, 1994, \$35,475,000 of outstanding General Obligation Warrants are considered defeased.

General long-term debt at September 30, 1994 is comprised of the following:

General obligation warrants:

- | | | |
|-----|--|-------------|
| (A) | \$17,500,000 general obligation warrants; dated September 1, 1988; issued September 29, 1988; due \$480,000 to \$1,705,000 annually beginning September 1, 1991; interest at 5.90% to 7.375% due semi-annually commencing March 1, 1989. | \$1,340,000 |
| (B) | \$9,000,000 general obligation school warrants, dated September 1, 1989; due \$260,000 to \$850,000 annually beginning September 1, 1992; interest at 6.50% to 8.00% due semi-annually commencing March 1, 1990 (See Note 4) | 8,165,000 |
| (C) | \$450,000 general obligation warrant, dated May 1, 1989, due \$50,000 annually beginning May 1, 1990 plus interest at 7.25% | 200,000 |
| (D) | \$14,590,000 general obligation warrants, dated September 1, 1990; due \$305,000 to \$1,250,000 annually beginning March 1, 1994; interest at 6.30% to 7.40% due semi-annually commencing March 1, 1991. | 2,275,000 |
| (E) | \$2,200,000 (principal and imputed interest) general obligation warrant dated May 15, 1992; due \$200,000 to \$400,000 annually beginning October 1, 1993; interest is imputed at rate of 6.8%. | 1,501,353 |
| (F) | \$7,490,000 general obligation warrants; dated September 1, 1993; issued October 4, 1993; due \$275,000 to \$870,000 annually beginning May 1, 1996; interest at 4.40% to 6.30% due semi-annually commencing May 1, 1994. | 7,490,000 |

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 7 - GENERAL LONG-TERM DEBT - CONTINUED

| | |
|---|---------------------|
| (G) \$43,155,000 general obligation warrants; dated September 1, 1993; due \$870,000 to \$2,950,000 annually beginning March 1, 1998; interest at 3.875% to 5.00% due semi-annually commencing March 1, 1994. | <u>43,155,000</u> |
| Total general obligation warrants | 64,126,353 |
| Lease Purchase: | |
| \$93,500 municipal lease-purchase agreement dated March 16, 1992; due \$1,939.76 monthly including imputed interest of 9.029% collateralized by exercise equipment. (See Note 6) | <u>\$ 46,691</u> |
| Total general obligation warrants and leases payable | 64,173,044 |
| Accrued compensated leave | <u>2,527,609</u> |
| Total general long-term debt | <u>\$66,700,653</u> |

Continued on Page 43.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 7 - GENERAL LONG-TERM DEBT - CONTINUED

Annual debt service requirements to maturity for general long-term debt (including interest) at September 30, 1994 are as follows:

| <u>Year Ending</u> <u>September 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|---------------------|---------------------|----------------------|
| 1995 | \$ 1,541,345 | \$ 3,341,849 | \$ 4,883,194 |
| 1996 | 1,911,345 | 3,249,247 | 5,160,592 |
| 1997 | 1,547,075 | 3,159,826 | 4,706,901 |
| 1998 | 2,482,737 | 3,058,727 | 5,541,464 |
| 1999 | 3,030,271 | 2,937,700 | 5,967,971 |
| 2000 | 3,185,271 | 2,789,652 | 5,974,923 |
| 2001 | 3,040,000 | 2,540,581 | 5,580,581 |
| 2002 | 3,205,000 | 2,386,664 | 5,591,664 |
| 2003 | 3,375,000 | 2,220,920 | 5,595,920 |
| 2004 | 3,565,000 | 2,042,949 | 5,607,949 |
| 2005 | 3,755,000 | 1,850,621 | 5,605,621 |
| 2006 | 3,970,000 | 1,644,633 | 5,614,633 |
| 2007 | 4,275,000 | 1,419,610 | 5,694,610 |
| 2008 | 3,590,000 | 1,176,375 | 4,766,375 |
| 2009 | 3,800,000 | 988,650 | 4,788,650 |
| 2010 | 1,310,000 | 837,550 | 2,147,550 |
| 2011 | 1,370,000 | 777,250 | 2,147,250 |
| 2012 | 1,425,000 | 714,363 | 2,139,363 |
| 2013 | 1,490,000 | 648,775 | 2,138,775 |
| 2014 | 1,560,000 | 576,250 | 2,136,250 |
| 2015 | 1,635,000 | 496,375 | 2,131,375 |
| 2016 | 1,665,000 | 413,875 | 2,078,875 |
| 2017 | 1,740,000 | 328,750 | 2,068,750 |
| 2018 | 1,820,000 | 239,750 | 2,059,750 |
| 2019 | 1,900,000 | 146,750 | 2,046,750 |
| 2020 | 1,985,000 | 49,625 | 2,034,625 |
| | <u>\$64,173,044</u> | <u>\$40,037,317</u> | <u>\$104,210,361</u> |

General obligation warrants are secured by the full faith and credit of the City.

All general long-term debt payments are made from the General Fund.

The City is in compliance with all significant limitations and restrictions contained in the ordinances authorizing the general obligation warrants.

Component Unit - Board of Education

In fiscal 1989, the City issued general obligation school warrants of \$9 million and loaned the net proceeds to the Board of Education, the amount of which totalled \$8,908,239 (see Note 4). The outstanding balance at September 30, 1994 was \$8,165,000. Other than the aforementioned loan, the City is not obligated in any manner for the debt of the Board of Education.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 8 - INTERFUND BALANCES

There were no individual interfund balances at September 30, 1994.

NOTE 9 - SEWER ENTERPRISE FUND

The Sewer Enterprise Fund, which accounts for the operations of the sewage treatment plants, is the only proprietary fund maintained by the City. Segment information required to be disclosed by GAAP is effectively provided by the Sewer Enterprise Fund financial statements presented on Pages 24 and 25.

The Riverchase sewage treatment plant and plant additions are financed by general long-term debt. No long-term debt is recorded in the Sewer Enterprise Fund. The plant and plant additions have been charged as assets in the Sewer Enterprise Fund with a corresponding credit to contributed capital from other funds.

The Inverness sewage treatment plant, land and equipment were contributed to the City by the developer of Inverness in connection with the annexation of the commercial portion of the Inverness development. The plant, land and equipment have been charged as assets in the Sewer Enterprise Fund with a corresponding credit to contributed capital from developers.

The Sewer Enterprise Fund had income of \$2,331,043 and incurred a loss of \$226,293 for the fiscal years ended September 30, 1994 and 1993, respectively. The Sewer Enterprise Fund has an accumulated deficit of \$1,608,886 at September 30, 1994. The City acquired the sewage treatment plants as a part of the Riverchase and Inverness annexations. It was anticipated that the plants would operate at a deficit, but that the deficit incurred would be greatly offset by taxes and licenses revenue derived from the annexed areas as well as by contributed capital from new customers in the form of tap fees. The City has received revenue from the annexed areas substantially in excess of the Sewer Enterprise Fund operating deficit. Additionally, tap fees collected through September 30, 1994 totalled \$1,685,512.

NOTE 10 - CONTRIBUTED CAPITAL - SEWER ENTERPRISE FUND

Contributed capital increased as follows:

| | <u>1994</u> | <u>1993</u> |
|--|--------------------|--------------------|
| Customer tap fee | \$ 261,754 | \$ 108,020 |
| Net increase in contributed capital | 261,754 | 108,020 |
| Contributed capital at beginning of year | <u>7,493,643</u> | <u>7,385,623</u> |
| Contributed capital at end of year | <u>\$7,755,397</u> | <u>\$7,493,643</u> |

NOTE 11 - COMMITMENTS

By resolution of the City Council on October 1, 1990, the City is committed to make annual contributions to the City Board of Education. The amount of the annual contribution is to be the greater of twenty-four (24) percent of the City revenues from sales and use tax collections through February, 1994, then 24% of two-thirds of sales and use tax collections (after the 1% sales and use tax approved by the City Council effective March 1, 1994), or \$4,500,000. The City Council may modify or terminate the contribution at its discretion.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 12 - DEFINED BENEFIT PENSION PLAN

Plan Description and Provisions:

The City contributes to the Employees' Retirement System of Alabama (the System), an agent multiple-employer retirement system that acts as a common investment and administrative agent for state employees and public organizations. The City's payroll for employees covered by the System for the year ended September 30, 1994 was \$12,550,824; total payroll was \$13,152,090. At September 30, 1993, the date of the most recent actuarial valuation, membership in the System was comprised of the following:

| <u>Group</u> | |
|------------------------------|-----|
| Retirees and beneficiaries | |
| currently receiving benefits | 4 |
| Active employees | 343 |

All full-time employees are eligible to participate in the System. Benefits vest after 10 years of service. City employees who retire at or after age 60 with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.0125 percent of their final average compensation for each year of credited service. Final average compensation is defined as the average annual compensation of a member during the 3 years in the last 10 years of creditable service for which such average is highest. The System also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

City employees are required to contribute 5 percent of their annual compensation to the System. The City is required to contribute the remaining amounts necessary to fund the System, using the entry age normal actuarial method as specified by statute.

Funding Status and Progress:

The amount shown on the following page as the "pension benefit obligation" (PBO) is a standardized disclosure measure of the present value of pension benefits, adjusted for projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the funding status of the System on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among public employees retirement plans. This measure is independent of the funding method used to determine contributions to the System.

The PBO was determined as part of the most recent actuarial valuation which was performed as of September 30, 1993. Significant actuarial assumptions used in determining the PBO include: (a) a rate of return on investments of 8% compounded annually, (b) projected annual salary increases of 5.8% per year compounded annually, attributable to inflation and (c) projected annual salary increases ranging up to 1.95%, depending on age, attributable to seniority/merit.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 12 - DEFINED BENEFIT PENSION PLAN - CONTINUED

Total surplus PBO applicable to the City's employees was \$892,290 at September 30, 1993, as follows:

Pension Benefit Obligation

| | |
|---|-------------------|
| Retirees, beneficiaries and terminated employees currently receiving benefits | \$ 208,268 |
| Current employees | |
| Employee contributions | 4,031,406 |
| Employer financed - vested | 1,054,572 |
| Employer financed - nonvested | <u>4,970,812</u> |
| Total PBO | 10,265,058 |
| Net assets available for benefits, at cost (market value is \$11,852,840) | <u>11,157,348</u> |
| Surplus PBO | <u>\$ 892,290</u> |

The system values its assets for balance sheet purposes based on cost.

Contributions Required and Contributions Made:

The System's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the City's employee group as a whole has tended to remain level as a percentage of annual covered payroll. The contribution rate for normal cost is determined using the entry age normal actuarial cost method with proration based on service. The unfunded liability contributions are determined by subtracting the present value of prospective employer assets held from the present value of expected benefits to be paid by the System. Any unfunded liability is amortized over a 30 year period.

The contribution to the System for fiscal 1994 of \$1,214,623 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of September 30, 1993. The total employer contributions of \$619,144 represented 4.93% of current year covered payroll, and the total employee contributions of \$595,479 represented 5.00% of current year covered payroll. The employee contributions were a component of normal cost. The employer contributions consisted of \$490,552 for normal cost (4.32% of current year covered payroll), \$70,403 for amortization of the actuarial accrued liability (.62% of current year covered payroll), \$17,033 for death benefits (.15% of current year covered payroll), \$20,440 for administrative expenses of the System (.18% of current year covered payroll), and \$20,716 for cost of living adjustments.

The last valuation was September 30, 1993. The System has informed the City that no significant changes have occurred during fiscal 1994. Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 12 - DEFINED BENEFIT PENSION PLAN - CONTINUED

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. For the three years ended September 30, 1991, 1992 and 1993, respectively, available assets were sufficient to fund 109.96, 109.68 and 108.69 percent of PBO. Surplus PBO represents 6.27, 7.81 and 7.87 percent of the annual payroll for employees covered by the System for the same three year period. Showing unfunded or surplus PBO as a percentage of covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three year period, the City's contributions to the System, all made in accordance with actuarially determined requirements was 5.31 percent of annual covered payroll in 1991, 1992 and 1993. The City joined the System in August, 1982. The first actuarial determination was made as of September 30, 1983. Therefore, the information disclosed above represents the PBO, net assets available for benefits and the unfunded liability since the City joined the System. The required historical trend information disclosure is shown on Page 85 of this report in order to maintain the stand alone nature of the general purpose financial statements.

NOTE 13 - CONTINGENT LIABILITIES

Various lawsuits are pending against the City. In addition, numerous claims have been filed which have not yet resulted in lawsuits. In the opinion of the City Attorney, the potential adverse impact of all these claims would not be material to the financial statements of the City.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grant. City management believes such disallowances, if any, will be immaterial.

Continued on Page 48.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 14 - APPROPRIATIONS AND EXPENDITURES

The total amounts of expenditures (over) under appropriations for the fiscal year ended September 30, 1994, at the legal level of control (the activity level), in individual funds are as follows:

| <u>Activity</u> | <u>General Fund</u> | <u>E-911 Fund</u> | <u>State Seven Cent Gasoline Tax Fund</u> | <u>State Four and Five Cent Gasoline Tax Fund</u> | <u>Drug Enforcement Fund</u> | <u>Total Expenditures (Over) Under Appropriations</u> |
|------------------------|---------------------|-------------------|---|---|------------------------------|---|
| Administration | \$257,336 | \$ - | \$ - | \$ - | \$ - | \$257,336 |
| Municipal garage | 4,559 | - | - | - | - | 4,559 |
| Police | (308,164) | 4,704 | - | - | (2,898) | (306,358) |
| Fire | 61,705 | - | - | - | - | 61,705 |
| Inspection | 79,779 | - | - | - | - | 79,779 |
| Municipal court | 4,609 | - | - | - | - | 4,609 |
| Streets and sanitation | 895,669 | - | 100 | 15,104 | - | 910,873 |
| Recreation | 29,404 | - | - | - | - | 29,404 |
| Library | 61,549 | - | - | - | - | 61,549 |
| Health | (87,258) | - | - | - | - | (87,258) |

The excess of expenditures over appropriations in the police activities resulted from unavoidable overtime pay and additional expenditures authorized by the City Council without legally amending the budget.

NOTE 15 - BUDGETED AND FUND BALANCE DEFICITS

None of the governmental funds had a budgeted deficiency for the year or a fund balance deficit at September 30, 1994.

The Mayor and City Council are committed to building and maintaining substantial unreserved, undesignated fund balances as a cushion against periods of recession. They are also committed to avoiding budgeted deficiencies in all funds to the extent possible.

NOTE 16 - DEFERRED COMPENSATION PLAN

Since fiscal 1991, the City has offered to its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all city employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees or their beneficiaries until termination, retirement, death or unforeseen emergency. The plan is accounted for in the deferred compensation agency fund.

All amounts of compensation deferred under the plan, 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 City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1994

NOTE 16 - DEFERRED COMPENSATION PLAN - CONTINUED

are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of City management that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor in selecting the plan administrator to manage the plan investments. The City believes that it is unlikely that it will use the plan assets to satisfy the claims of general creditors in the future.

NOTE 17 - STADIUM LEASE

On April 7, 1988 the City entered into a ten year agreement with a professional baseball club to lease Hoover Metropolitan Stadium. The lease was renegotiated and amended on March 14, 1991 after the club had a change in ownership. Rental income under the lease is based on percentages of skybox rentals, ticket sales, concessions, parking fees and income from other events. Revenue from the lease totalled \$294,024 in fiscal 1994. There are no minimum future lease payments to be received.

NOTE 18 - RISK MANAGEMENT

During fiscal 1992 the City established a self-insurance retention plan, using a professional claims handler, to account for its uninsured risks of loss. All insurance coverage, except workers compensation, is carried with a retention of \$50,000 per occurrence. The aggregate annual retention of all claims is \$275,000. Excess insurance is provided for catastrophic occurrences. The City also contracts with a professional claims handling firm to supervise and pay workers compensation claims from a fund provided by the City. Since benefits may be statutory, one excess policy provides statutory limits over \$250,000. Risk management expenditures totalled \$629,287 and \$598,805 in fiscal 1994 and fiscal 1993 respectively.

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**COMBINING, INDIVIDUAL FUND
AND ACCOUNT GROUP STATEMENTS
AND SCHEDULES**

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GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

THE CITY OF HOOVER, ALABAMA
General Fund
Comparative Balance Sheets
September 30

| | 1994 | 1993 |
|--|--------------|--------------|
| Assets | | |
| Pooled cash and investments | \$4,167,923 | \$2,279,997 |
| Receivables | | |
| Taxes | 118,086 | 110,544 |
| Accounts | 143,632 | 197,797 |
| Loan receivable - Board of Education | 8,165,000 | 8,465,000 |
| Due from county government | 334,273 | 319,129 |
| Prepaid items | 62,679 | 93,721 |
| Deposits | 10,000 | 10,000 |
| | | |
| Total assets | \$13,001,593 | \$11,476,188 |
| Liabilities and fund balances | | |
| Accounts payable | \$616,043 | \$858,857 |
| Due to other funds | | |
| Seven cent gasoline tax fund | - | 42,697 |
| Four and five cent gasoline tax fund | - | 59 |
| E-911 fund | - | 20,230 |
| Refundable deposits | 55,972 | 12,018 |
| Accrued compensated leave | 159,631 | 129,073 |
| Total liabilities | 831,646 | 1,062,934 |
| Fund balances | | |
| Reserved for noncurrent loans receivable | 8,165,000 | 8,465,000 |
| Reserved for prepaid items | 62,679 | 93,721 |
| Unreserved, undesignated | 3,942,268 | 1,854,533 |
| Total fund balances | 12,169,947 | 10,413,254 |
| | \$13,001,593 | \$11,476,188 |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA

General Fund

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

For the fiscal years ended September 30

| | <u>1994</u> | <u>1993</u> |
|--|---------------------|---------------------|
| Revenues | | |
| Taxes | \$30,132,090 | \$21,984,391 |
| Licenses and permits | 5,860,897 | 6,083,992 |
| Intergovernmental | 1,502,770 | 1,442,157 |
| Fines & forfeits | 496,575 | 461,024 |
| Interest on pooled cash and investments | 224,156 | 151,735 |
| Interest on Board of Education loan | 597,800 | 619,800 |
| Stadium lease | 294,024 | 229,527 |
| Other | 1,253,522 | 1,112,639 |
| Total revenues | <u>40,361,834</u> | <u>32,085,265</u> |
| Expenditures | | |
| Current operations | | |
| General government | 3,161,080 | 3,110,641 |
| Public safety | 12,260,063 | 11,151,835 |
| Municipal court | 252,295 | 231,597 |
| Streets and sanitation | 3,357,519 | 3,313,053 |
| Recreation | 2,044,093 | 1,499,082 |
| Library | 1,740,125 | 1,404,550 |
| Health | 311,847 | 131,824 |
| Total | <u>23,127,022</u> | <u>20,842,582</u> |
| Capital outlays | 2,948,761 | 594,672 |
| Debt service | | |
| Principal | 1,673,811 | 1,641,079 |
| Interest | 3,295,617 | 3,540,589 |
| Bond issuance costs | 514,415 | - |
| Intergovernmental | | |
| City Board of Education | 4,985,083 | 4,554,809 |
| Total expenditures | <u>36,544,709</u> | <u>31,173,731</u> |
| Excess of revenues over expenditures | <u>3,817,125</u> | <u>911,534</u> |
| Other financing sources (uses) | | |
| Operating transfers out | (2,865,000) | (304,368) |
| Proceeds of refunding warrants | 48,551,307 | - |
| Payment to refunding warrant escrow agent | (47,746,739) | - |
| Total other financing sources (uses) | <u>(2,060,432)</u> | <u>(304,368)</u> |
| Excess of revenues and other financing sources over expenditures and other financing uses | 1,756,693 | 607,166 |
| Fund balances at beginning of year | <u>10,413,254</u> | <u>9,806,088</u> |
| Fund balances at end of year | <u>\$12,169,947</u> | <u>\$10,413,254</u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal years ended September 30

| | 1994 | | Variance Favorable (Unfavorable) |
|--|--------------------|---------------------|--|
| | Budget | Actual | |
| Revenues | | | |
| Taxes | \$30,462,438 | \$30,132,090 | (\$330,348) |
| Licenses and permits | 5,788,994 | 5,860,897 | 71,903 |
| Intergovernmental | 1,442,904 | 1,502,770 | 59,866 |
| Fines and forfeits | 441,401 | 496,575 | 55,174 |
| Interest on pooled cash and investments | 130,000 | 224,156 | 94,156 |
| Interest on Board of Education loan | 597,800 | 597,800 | - |
| Stadium lease | 250,000 | 294,024 | 44,024 |
| Other | 1,102,290 | 1,253,522 | 151,232 |
| Total revenues | <u>40,215,827</u> | <u>40,361,834</u> | <u>146,007</u> |
| Expenditures | | | |
| Current operations | | | |
| General government | 3,422,975 | 3,161,080 | 261,895 |
| Public safety | 12,093,383 | 12,260,063 | (166,680) |
| Municipal court | 256,904 | 252,295 | 4,609 |
| Streets and sanitation | 4,253,188 | 3,357,519 | 895,669 |
| Recreation | 2,073,497 | 2,044,093 | 29,404 |
| Library | 1,801,674 | 1,740,125 | 61,549 |
| Health | 224,589 | 311,847 | (87,258) |
| Total | <u>24,126,210</u> | <u>23,127,022</u> | <u>999,188</u> |
| Capital outlays | 3,242,789 | 2,948,761 | 294,028 |
| Debt service | | | |
| Principal | 1,673,811 | 1,673,811 | - |
| Interest | 3,245,753 | 3,295,617 | (49,864) |
| Bond issuance costs | - | 514,415 | (514,415) |
| Intergovernmental | | | |
| City Board of Education | 4,931,667 | 4,985,083 | (53,416) |
| Total expenditures | <u>37,220,230</u> | <u>36,544,709</u> | <u>675,521</u> |
| Excess of revenues over expenditures | <u>2,995,597</u> | <u>3,817,125</u> | <u>821,528</u> |
| Other financing sources (uses) | | | |
| Operating transfers out | (2,865,000) | (2,865,000) | - |
| Proceeds of refunding warrants | - | 48,551,307 | 48,551,307 |
| Payment to refunding warrant escrow agent | - | (47,746,739) | (47,746,739) |
| Total other financing sources (uses) | <u>(2,865,000)</u> | <u>(2,060,432)</u> | <u>804,568</u> |
| Excess of revenues and other financing sources over expenditures and other financing uses | <u>\$130,597</u> | <u>1,756,693</u> | <u>\$1,626,096</u> |
| Fund balances at beginning of year | | <u>10,413,254</u> | |
| Fund balances at end of year | | <u>\$12,169,947</u> | |

| 1993 | | |
|-------------------|---------------------|--|
| Budget | Actual | Variance Favorable (Unfavorable) |
| \$22,493,000 | \$21,984,391 | (\$508,609) |
| 5,849,000 | 6,083,992 | 234,992 |
| 1,138,000 | 1,442,157 | 304,157 |
| 400,000 | 461,024 | 61,024 |
| 169,500 | 151,735 | (17,765) |
| 619,800 | 619,800 | - |
| 250,000 | 229,527 | (20,473) |
| 1,108,000 | 1,112,639 | 4,639 |
| <u>32,027,300</u> | <u>32,085,265</u> | <u>57,965</u> |
| 3,177,426 | 3,110,641 | 66,785 |
| 11,318,578 | 11,151,835 | 166,743 |
| 233,232 | 231,597 | 1,635 |
| 3,291,061 | 3,313,053 | (21,992) |
| 1,505,438 | 1,499,082 | 6,356 |
| 1,466,198 | 1,404,550 | 61,648 |
| 124,945 | 131,824 | (6,879) |
| <u>21,116,878</u> | <u>20,842,582</u> | <u>274,296</u> |
| 792,945 | 594,672 | 198,273 |
| 1,641,079 | 1,641,079 | - |
| 3,540,593 | 3,540,589 | 4 |
| - | - | - |
| 4,616,400 | 4,554,809 | 61,591 |
| <u>31,707,895</u> | <u>31,173,731</u> | <u>534,164</u> |
| 319,405 | 911,534 | 592,129 |
| (300,000) | (304,368) | (4,368) |
| - | - | - |
| - | - | - |
| <u>(300,000)</u> | <u>(304,368)</u> | <u>(4,368)</u> |
| <u>\$19,405</u> | 607,166 | <u>\$587,761</u> |
| | <u>9,806,088</u> | |
| | <u>\$10,413,254</u> | |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
General Fund
Schedule of Current Operations Expenditures
Budget and Actual

For the fiscal year ended September 30, 1994
(with comparative actual amounts for the fiscal year ended September 30, 1993)

| <u>Expenditures - Current Operations</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>1993 Actual</u> |
|--|-------------------|-------------------|---|------------------------|
| General government | | | | |
| Administrative | | | | |
| Personal services | \$1,372,090 | \$1,251,117 | \$120,973 | \$1,063,810 |
| Other | 1,903,173 | 1,766,810 | 136,363 | 1,912,402 |
| Total | <u>3,275,263</u> | <u>3,017,927</u> | <u>257,336</u> | <u>2,976,212</u> |
| Municipal garage | | | | |
| Personal services | 129,615 | 125,206 | 4,409 | 119,676 |
| Other | 18,097 | 17,947 | 150 | 14,753 |
| Total | <u>147,712</u> | <u>143,153</u> | <u>4,559</u> | <u>134,429</u> |
| Total general government | <u>3,422,975</u> | <u>3,161,080</u> | <u>261,895</u> | <u>3,110,641</u> |
| Public safety | | | | |
| Police | | | | |
| Personal services | 4,576,283 | 4,732,291 | (156,008) | 4,301,142 |
| Other | 518,677 | 670,833 | (152,156) | 604,193 |
| Total | <u>5,094,960</u> | <u>5,403,124</u> | <u>(308,164)</u> | <u>4,905,335</u> |
| Fire | | | | |
| Personal services | 5,690,386 | 5,678,147 | 12,239 | 5,317,373 |
| Other | 515,652 | 466,186 | 49,466 | 355,422 |
| Total | <u>6,206,038</u> | <u>6,144,333</u> | <u>61,705</u> | <u>5,672,795</u> |
| Inspection services | | | | |
| Personal services | 724,780 | 649,512 | 75,268 | 533,837 |
| Other | 67,605 | 63,094 | 4,511 | 39,868 |
| Total | <u>792,385</u> | <u>712,606</u> | <u>79,779</u> | <u>573,705</u> |
| Total public safety | <u>12,093,383</u> | <u>12,260,063</u> | <u>(166,680)</u> | <u>11,151,835</u> |
| Municipal court | | | | |
| Personal services | 213,863 | 216,680 | (2,817) | 202,697 |
| Other | 43,041 | 35,615 | 7,426 | 28,900 |
| Total municipal court | <u>256,904</u> | <u>252,295</u> | <u>4,609</u> | <u>231,597</u> |
| Streets and sanitation | | | | |
| Personal services | 569,953 | 604,303 | (34,350) | 513,320 |
| Other | 3,683,235 | 2,753,216 | 930,019 | 2,799,733 |
| Total streets and sanitation | <u>4,253,188</u> | <u>3,357,519</u> | <u>895,669</u> | <u>3,313,053</u> |

Continued on Page 55

THE CITY OF HOOVER, ALABAMA
General Fund
Schedule of Current Operations Expenditures
Budget and Actual

For the fiscal year ended September 30, 1994
(with comparative actual amounts for the fiscal year ended September 30, 1993)

| <u>Expenditures - Current Operations</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>1993 Actual</u> |
|--|---------------------|---------------------|---|------------------------|
| Recreation | | | | |
| Personal services | 1,298,227 | 1,251,248 | 46,979 | 1,004,814 |
| Other | 775,270 | 792,845 | (17,575) | 494,268 |
| Total recreation | <u>2,073,497</u> | <u>2,044,093</u> | <u>29,404</u> | <u>1,499,082</u> |
| Library | | | | |
| Personal services | 1,216,099 | 1,144,067 | 72,032 | 969,437 |
| Other | 585,575 | 596,058 | (10,483) | 435,113 |
| Total library | <u>1,801,674</u> | <u>1,740,125</u> | <u>61,549</u> | <u>1,404,550</u> |
| Health | | | | |
| Personal services | 66,758 | 63,857 | 2,901 | 62,313 |
| Other | 157,831 | 247,990 | (90,159) | 69,511 |
| Total health | <u>224,589</u> | <u>311,847</u> | <u>(87,258)</u> | <u>131,824</u> |
| Total expenditures - current operations | <u>\$24,126,210</u> | <u>\$23,127,022</u> | <u>\$999,188</u> | <u>\$20,842,582</u> |

Continued from Page 54

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

E-911 Special Revenue Fund accounts for funds received from citizens for the development and operation of the City wide emergency telephone system.

State Seven Cent Gasoline Tax Special Revenue Fund accounts for proceeds of a seven cent State gasoline tax. The use of these funds is restricted to expenditures related to construction, improvement and maintenance of highways, bridges and streets.

State Four and Five Cent Gasoline Tax Special Revenue Fund accounts for proceeds of a four and five cent State gasoline tax. The use of these funds is restricted to expenditures for the construction, renovation, rehabilitation, and resurfacing of City streets and bridges.

Drug Enforcement Special Revenue Fund accounts for funds confiscated in drug enforcement activities. These funds are restricted for use in drug enforcement only.

THE CITY OF HOOVER, ALABAMA
Special Revenue Funds
Combining Balance Sheets
September 30, 1994
(with comparative totals for September 30, 1993)

| | <u>E-911</u> | <u>State Seven Cent Gasoline Tax</u> | <u>State Four and Five Cent Gasoline Tax</u> |
|--------------------------------------|------------------|--|--|
| Assets | | | |
| Pooled cash and investments | \$159,613 | \$141,290 | \$242,795 |
| Due from other governments | | | |
| State | - | 32,314 | 27,849 |
| Due from General Fund | - | - | - |
| | <u>\$159,613</u> | <u>\$173,604</u> | <u>\$270,644</u> |
| Liabilities and fund balances | | | |
| Liabilities | | | |
| Accounts payable | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | |
| Unreserved, undesignated | <u>\$159,613</u> | <u>\$173,604</u> | <u>\$270,644</u> |
| Total liabilities and fund balances | <u>\$159,613</u> | <u>\$173,604</u> | <u>\$270,644</u> |

| Drug Enforce- ment | Totals | |
|--------------------------|------------------|------------------|
| | 1994 | 1993 |
| \$38,848 | \$582,546 | \$434,781 |
| - | 60,163 | 60,930 |
| - | - | 62,986 |
| <u>\$38,848</u> | <u>\$642,709</u> | <u>\$558,697</u> |
| | | |
| <u>\$171</u> | <u>\$171</u> | <u>\$15,042</u> |
| <u>171</u> | <u>171</u> | <u>15,042</u> |
| | | |
| <u>38,677</u> | <u>642,538</u> | <u>543,655</u> |
| | | |
| <u>\$38,848</u> | <u>\$642,709</u> | <u>\$558,697</u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the fiscal year ended September 30, 1994

(with comparative totals for the fiscal year ended September 30, 1993)

| | <u>E-911</u> | <u>State Seven Cent Gasoline Tax</u> | <u>State Four and Five Cent Gasoline Tax</u> |
|--|-------------------------|--|--|
| Revenues | | | |
| Intergovernmental | - | \$344,075 | \$321,274 |
| Interest on pooled cash and investments | \$4,950 | 8,845 | 9,370 |
| Telephone surcharge | 612,138 | - | - |
| Confiscated drug funds | - | - | - |
| Total revenues | <u>617,088</u> | <u>352,920</u> | <u>330,644</u> |
| Expenditures | | | |
| Current Operations | | | |
| Public safety | | | |
| Police | | | |
| Personal services | 555,918 | - | - |
| Other | - | - | - |
| Streets and sanitation | | | |
| Personal services | - | 325,200 | - |
| Other | - | - | 282,894 |
| Total expenditures | <u>555,918</u> | <u>325,200</u> | <u>282,894</u> |
| Excess (deficiency) of revenues over (under) expenditures | 61,170 | 27,720 | 47,750 |
| Fund balances at beginning of year | <u>98,443</u> | <u>145,884</u> | <u>222,894</u> |
| Fund balances at end of year | <u><u>\$159,613</u></u> | <u><u>\$173,604</u></u> | <u><u>\$270,644</u></u> |

| Drug Enforcement | Totals | |
|-----------------------------|------------------|------------------|
| | 1994 | 1993 |
| - | \$665,349 | \$649,532 |
| \$1,694 | 24,859 | 10,723 |
| - | 612,138 | 409,105 |
| 7,947 | 7,947 | 87,472 |
| <u>9,641</u> | <u>1,310,293</u> | <u>1,156,832</u> |
| - | 555,918 | 375,249 |
| 47,398 | 47,398 | 31,313 |
| - | 325,200 | 323,280 |
| - | 282,894 | 128,256 |
| <u>47,398</u> | <u>1,211,410</u> | <u>858,098</u> |
| (37,757) | 98,883 | 298,734 |
| <u>76,434</u> | <u>543,655</u> | <u>244,921</u> |
| <u>\$38,677</u> | <u>\$642,538</u> | <u>\$543,655</u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
E-911 Special Revenue Fund
Comparative Balance Sheets
September 30

| | <u>1994</u> | <u>1993</u> |
|--|-------------------------|------------------------|
| Assets | | |
| Pooled cash and investments | \$159,613 | \$78,213 |
| Due from General Fund | - | 20,230 |
| | <u>\$159,613</u> | <u>\$98,443</u> |
| Total assets | <u><u>\$159,613</u></u> | <u><u>\$98,443</u></u> |
| | | |
| Liabilities and fund balances | | |
| Fund balances | | |
| Unreserved, undesignated | <u>\$159,613</u> | <u>\$98,443</u> |
| | <u>\$159,613</u> | <u>\$98,443</u> |
| Total liabilities and fund balances | <u><u>\$159,613</u></u> | <u><u>\$98,443</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
E-911 Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal years ended September 30

| | <u>1994</u> | <u>1993</u> |
|---|-------------------------|------------------------|
| Revenues | | |
| Telephone surcharge | \$612,138 | \$409,105 |
| Interest on pooled cash and investments | 4,950 | 1,499 |
| | <u>617,088</u> | <u>410,604</u> |
| Total revenues | | |
| Expenditures | | |
| Current operations | | |
| Public safety | | |
| Police | | |
| Personal services | 555,918 | 375,249 |
| | <u>555,918</u> | <u>375,249</u> |
| Total expenditures | | |
| | 61,170 | 35,355 |
| Excess of revenues over expenditures | | |
| Fund balances at beginning of year | <u>98,443</u> | <u>63,088</u> |
| Fund balances at end of year | <u><u>\$159,613</u></u> | <u><u>\$98,443</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
E-911 Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal years ended September 30

| | <u>1994</u> | | | <u>1993</u> | | |
|---|-----------------|------------------|---|----------------|-----------------|---|
| | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
| Revenues | | | | | | |
| Telephone surcharge | \$589,726 | \$612,138 | \$22,412 | \$395,000 | \$409,105 | \$14,105 |
| Interest on pooled cash and investments | 3,000 | 4,950 | 1,950 | 1,500 | 1,499 | (1) |
| Total revenues | <u>592,726</u> | <u>617,088</u> | <u>24,362</u> | <u>396,500</u> | <u>410,604</u> | <u>14,104</u> |
| Expenditures | | | | | | |
| Current operations | | | | | | |
| Public safety | | | | | | |
| Police | | | | | | |
| Personal services | 560,622 | 555,918 | 4,704 | 395,000 | 375,249 | 19,751 |
| Total expenditures | <u>560,622</u> | <u>555,918</u> | <u>4,704</u> | <u>395,000</u> | <u>375,249</u> | <u>19,751</u> |
| Excess of revenues over expenditures | <u>\$32,104</u> | 61,170 | <u>\$29,066</u> | <u>\$1,500</u> | 35,355 | <u>\$33,855</u> |
| Fund balances at beginning of year | | <u>98,443</u> | | | <u>63,088</u> | |
| Fund balances at end of year | | <u>\$159,613</u> | | | <u>\$98,443</u> | |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
State Seven Cent Gasoline Tax Special Revenue Fund
Comparative Balance Sheets
September 30

| | <u>1994</u> | <u>1993</u> |
|--------------------------------------|-------------------|-------------------|
| Assets | | |
| Pooled cash and investments | \$141,290 | \$70,625 |
| Due from state government | 32,314 | 32,562 |
| Due from General Fund | - | 42,697 |
| | <u> </u> | <u> </u> |
| Total assets | <u>\$173,604</u> | <u>\$145,884</u> |
| | | |
| Liabilities and fund balances | | |
| Fund balances | | |
| Unreserved, undesignated | <u>\$173,604</u> | <u>\$145,884</u> |
| | <u> </u> | <u> </u> |
| Total liabilities and fund balances | <u>\$173,604</u> | <u>\$145,884</u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
State Seven Cent Gasoline Tax Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal years ended September 30

| | <u>1994</u> | <u>1993</u> |
|---|-------------------------|-------------------------|
| Revenues | | |
| Intergovernmental | \$344,075 | \$336,803 |
| Interest on pooled cash and investments | <u>8,845</u> | <u>3,631</u> |
| Total revenues | <u>352,920</u> | <u>340,434</u> |
| Expenditures | | |
| Current operations | | |
| Streets and sanitation | | |
| Personal services | <u>325,200</u> | <u>323,280</u> |
| Total expenditures | <u>325,200</u> | <u>323,280</u> |
| Excess of revenues over expenditures | 27,720 | 17,154 |
| Fund balances at beginning of year | <u>145,884</u> | <u>128,730</u> |
| Fund balances at end of year | <u><u>\$173,604</u></u> | <u><u>\$145,884</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
State Seven Cent Gasoline Tax Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal years ended September 30

| | 1994 | | | 1993 | | |
|---|----------------|------------------|--|-----------------|------------------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues | | | | | | |
| Intergovernmental | \$329,149 | \$344,075 | \$14,926 | \$389,000 | \$336,803 | (\$52,197) |
| Interest on pooled cash and investments | 3,000 | 8,845 | 5,845 | 4,400 | 3,631 | (769) |
| Total revenues | <u>332,149</u> | <u>352,920</u> | <u>20,771</u> | <u>393,400</u> | <u>340,434</u> | <u>(52,966)</u> |
| Expenditures | | | | | | |
| Current operations | | | | | | |
| Streets and sanitation | | | | | | |
| Personal services | 325,300 | 325,200 | 100 | 365,976 | 323,280 | 42,696 |
| Total expenditures | <u>325,300</u> | <u>325,200</u> | <u>100</u> | <u>365,976</u> | <u>323,280</u> | <u>42,696</u> |
| Excess of revenues over expenditures | <u>\$6,849</u> | 27,720 | <u>\$20,871</u> | <u>\$27,424</u> | 17,154 | <u>(\$10,270)</u> |
| Fund balances at beginning of year | | <u>145,884</u> | | | <u>128,730</u> | |
| Fund balances at end of year | | <u>\$173,604</u> | | | <u>\$145,884</u> | |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
State Four and Five Cent Gasoline Tax Special Revenue Fund
Comparative Balance Sheets
September 30

| | <u>1994</u> | <u>1993</u> |
|--|-------------------------|-------------------------|
| Assets | | |
| Pooled cash and investments | \$242,795 | \$209,509 |
| Due from state government | 27,849 | 28,368 |
| Due from General Fund | - | 59 |
| Total assets | <u><u>\$270,644</u></u> | <u><u>\$237,936</u></u> |
| Liabilities and fund balances | | |
| Liabilities | | |
| Accounts payable | - | \$15,042 |
| Total liabilities | - | 15,042 |
| Fund balances | | |
| Unreserved, undesignated | <u>\$270,644</u> | <u>222,894</u> |
| Total liabilities and fund balances | <u><u>\$270,644</u></u> | <u><u>\$237,936</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
State Four and Five Cent Gasoline Tax Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal years ended September 30

| | <u>1994</u> | <u>1993</u> |
|---|-------------------------|-------------------------|
| Revenues | | |
| Intergovernmental | \$321,274 | \$312,729 |
| Interest on pooled cash and investments | <u>9,370</u> | <u>3,696</u> |
| Total revenues | <u>330,644</u> | <u>316,425</u> |
| Expenditures | | |
| Current operations | | |
| Streets and sanitation | | |
| Other | <u>282,894</u> | <u>128,256</u> |
| Total expenditures | <u>282,894</u> | <u>128,256</u> |
| Excess of revenues over expenditures | 47,750 | 188,169 |
| Fund balances at beginning of year | <u>222,894</u> | <u>34,725</u> |
| Fund balances at end of year | <u><u>\$270,644</u></u> | <u><u>\$222,894</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
State Four and Five Cent Gasoline Tax Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal years ended September 30

| | 1994 | | | 1993 | | |
|---|-----------|-----------|--|-----------|-----------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues | | | | | | |
| Intergovernmental | \$295,998 | \$321,274 | \$25,276 | \$347,000 | \$312,729 | (\$34,271) |
| Interest on pooled cash and investments | 2,000 | 9,370 | 7,370 | 1,600 | 3,696 | 2,096 |
| Total revenues | 297,998 | 330,644 | 32,646 | 348,600 | 316,425 | (32,175) |
| Expenditures | | | | | | |
| Current operations | | | | | | |
| Streets and sanitation | | | | | | |
| Other | 297,998 | 282,894 | 15,104 | 144,000 | 128,256 | 15,744 |
| Total expenditures | \$297,998 | 282,894 | 15,104 | 144,000 | 128,256 | 15,744 |
| Excess of revenues over expenditures | - | 47,750 | \$47,750 | \$204,600 | 188,169 | (\$16,431) |
| Fund balances at beginning of year | | 222,894 | | | 34,725 | |
| Fund balances at end of year | | \$270,644 | | | \$222,894 | |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
Drug Enforcement Special Revenue Fund
Comparative Balance Sheets
September 30

| | 1994 | 1993 |
|--|-------------|-------------|
| Assets | | |
| Pooled cash and investments | \$38,848 | \$76,434 |
| Total assets | \$38,848 | \$76,434 |
| Liabilities and fund balances | | |
| Liabilities | | |
| Accounts payable | \$171 | - |
| Total liabilities | 171 | - |
| Fund balances | | |
| Unreserved, undesignated | 38,677 | \$76,434 |
| Total liabilities and fund balances | \$38,848 | \$76,434 |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
Drug Enforcement Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal years ended September 30

| | <u>1994</u> | <u>1993</u> |
|--|------------------------|------------------------|
| Revenues | | |
| Confiscated drug funds | \$7,947 | \$87,472 |
| Interest on pooled cash and investments | <u>1,694</u> | <u>1,897</u> |
| Total revenues | <u>9,641</u> | <u>89,369</u> |
| Expenditures | | |
| Current operations | | |
| Public safety | | |
| Police | | |
| Other | <u>47,398</u> | <u>31,313</u> |
| Total expenditures | <u>47,398</u> | <u>31,313</u> |
| Excess (deficiency) of revenues over (under) expenditures | (37,757) | 58,056 |
| Fund balances at beginning of year | <u>76,434</u> | <u>18,378</u> |
| Fund balances at end of year | <u><u>\$38,677</u></u> | <u><u>\$76,434</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
Drug Enforcement Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal years ended September 30

| | 1994 | | | 1993 | | |
|---|----------|----------|--|----------|----------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues | | | | | | |
| Confiscated drug funds | \$50,000 | \$7,947 | (\$42,053) | \$45,000 | \$87,472 | \$42,472 |
| Interest on pooled cash and investments | 1,000 | 1,694 | 694 | 2,000 | 1,897 | (103) |
| Total revenues | 51,000 | 9,641 | (41,359) | 47,000 | 89,369 | 42,369 |
| Expenditures | | | | | | |
| Current operations | | | | | | |
| Public safety | | | | | | |
| Police | | | | | | |
| Other | 44,500 | 47,398 | (2,898) | 25,735 | 31,313 | (5,578) |
| Total expenditures | 44,500 | 47,398 | (2,898) | 25,735 | 31,313 | (5,578) |
| Excess (deficiency) of revenues over (under) expenditures | \$6,500 | (37,757) | (\$44,257) | \$21,265 | 58,056 | \$36,791 |
| Fund balances at beginning of year | | 76,434 | | | 18,378 | |
| Fund balances at end of year | | \$38,677 | | | \$76,434 | |

The accompanying notes to the financial statements are an integral part of this statement

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CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

One-Half Cent Capital Projects Fund accounts for financial resources to be used from the proceeds of a one cent sales and use tax increase passed during fiscal 1994. By resolution, the City Council voted to use one-half of the increase generally for the acquisition or construction of major capital projects.

1990 Capital Projects Fund accounts for the proceeds of the general obligation warrants dated September 1, 1990, which are to be used for the acquisition or construction of major capital facilities.

THE CITY OF HOOVER, ALABAMA
Capital Projects Funds
Combining Balance Sheet
September 30, 1994
(with comparative totals for September 30, 1993)

| | One-half Cent Capital Projects | 1990 Capital Projects | Totals | |
|---|---|--------------------------------------|------------------|------------------|
| | | | 1994 | 1993 |
| Assets | | | | |
| Pooled cash and investments | \$1,000 | \$214,627 | \$215,627 | \$738,542 |
| Total assets | <u>\$1,000</u> | <u>\$214,627</u> | <u>\$215,627</u> | <u>\$738,542</u> |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts payable | - | - | - | \$164,537 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>164,537</u> |
| Fund balances | | | | |
| Unreserved, designated for acquisition, construction and improvements | \$1,000 | \$214,627 | \$215,627 | 574,005 |
| Total liabilities and fund balances | <u>\$1,000</u> | <u>\$214,627</u> | <u>\$215,627</u> | <u>\$738,542</u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 1994
(with comparative totals for the fiscal year ended September 30, 1993)

| | <u>One-half Cent Capital Projects</u> | <u>1990 Capital Projects</u> | <u>Totals</u> | |
|--|---|--------------------------------------|------------------|------------------|
| | | | <u>1994</u> | <u>1993</u> |
| Revenues | | | | |
| Interest on pooled cash and investments | - | \$12,577 | \$12,577 | \$53,578 |
| Total revenues | - | 12,577 | 12,577 | 53,578 |
| Expenditures | | | | |
| Capital outlays | - | 371,955 | 371,955 | 1,611,240 |
| Total expenditures | - | 371,955 | 371,955 | 1,611,240 |
| Deficiency of revenues under expenditures | - | (359,378) | (359,378) | (1,557,662) |
| Other financing uses | | | | |
| Operating transfers in | \$2,501,000 | - | 2,501,000 | - |
| Operating transfers out | (2,500,000) | - | (2,500,000) | - |
| Total other financing uses | 1,000 | - | 1,000 | - |
| Excess (deficiency) of revenues over (under) expenditures and other financing uses | 1,000 | (359,378) | (358,378) | (1,557,662) |
| Fund balances at beginning of year | - | 574,005 | 574,005 | 2,131,667 |
| Fund balances at end of year | <u>\$1,000</u> | <u>\$214,627</u> | <u>\$215,627</u> | <u>\$574,005</u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
One-half Cent Capital Projects Fund
Balance Sheet
September 30, 1994

| | <u>1994</u> |
|--|-----------------------|
| Assets | |
| Pooled cash and investments | <u>\$1,000</u> |
| Total assets | <u><u>\$1,000</u></u> |
| | |
| Liabilities and fund balances | |
| Fund balances | |
| Unreserved, designated for acquisition, construction and improvements | <u>\$1,000</u> |
| Total liabilities and fund balances | <u><u>\$1,000</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
One-half Cent Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended September 30

| | 1994 |
|--|----------------|
| Other financing sources (uses) | |
| Operating transfers from General Fund | \$2,501,000 |
| Operating transfers out | (2,500,000) |
| Total other financing sources (uses) | 1,000 |
| Fund balance at beginning of year | - |
| Fund balance at end of year | \$1,000 |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
1990 Capital Projects Fund
Comparative Balance Sheets
September 30

| | <u>1994</u> | <u>1993</u> |
|--|-------------------------|-------------------------|
| Assets | | |
| Pooled cash and investments | <u>\$214,627</u> | <u>\$738,542</u> |
| Total assets | <u><u>\$214,627</u></u> | <u><u>\$738,542</u></u> |
| | | |
| Liabilities and fund balances | | |
| Liabilities | | |
| Accounts payable | <u>-</u> | <u>\$164,537</u> |
| Total liabilities | <u>-</u> | <u>164,537</u> |
| | | |
| Fund balances | | |
| Unreserved, designated for acquisition, construction and improvements | <u>\$214,627</u> | <u>574,005</u> |
| Total liabilities and fund balances | <u><u>\$214,627</u></u> | <u><u>\$738,542</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

THE CITY OF HOOVER, ALABAMA
1990 Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal years ended September 30

| | <u>1994</u> | <u>1993</u> |
|--|-----------------------------|-----------------------------|
| Revenues | | |
| Interest on pooled cash and investments | <u>\$12,577</u> | <u>\$53,578</u> |
| Total revenues | <u>12,577</u> | <u>53,578</u> |
| Expenditures | | |
| Arbitrage rebate | - | 24,528 |
| Capital outlays | | |
| Recreation center | - | 802,500 |
| Library | - | 1,635 |
| Fire station | 371,955 | 464,463 |
| Recreation facility improvements | <u>-</u> | <u>318,114</u> |
| Total expenditures | <u>371,955</u> | <u>1,611,240</u> |
| Deficiency of revenues under expenditures | <u>(359,378)</u> | <u>(1,557,662)</u> |
| Fund balances at beginning of year | 574,005 | 2,131,667 |
| Fund balances at end of year | <u><u>\$214,627</u></u> | <u><u>\$574,005</u></u> |

The accompanying notes to the financial statements are an integral part of this statement

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ENTERPRISE FUND

An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprise - where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

The Sewer Enterprise Fund accounts for the sewer services to the Riverchase, Southlake, and Inverness communities. All activities necessary to provide such services are accounted for in this fund. This is the City's only enterprise fund.

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THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Balance Sheets*
September 30

| | 1994 | 1993 |
|--------------------------------------|---|-----------------|
| Assets | | |
| Current assets | | |
| Pooled cash and investments | \$2,957,030 <i>101.01-01</i> | \$50,292 |
| Accounts receivable | 74,179 <i>144.01-00</i> | 81,190 |
| Inventory | 3,100 <i>185.01-01</i> | 3,100 |
| Total current assets | 3,034,309 | 134,582 |
| Property, plant and equipment | | |
| Equipment | 159,584 <i>194.74-01</i> | 159,584 |
| Land | 643,000 <i>191.71-01</i> | 643,000 |
| Sewage treatment plants | 5,461,559 <i>193.73-01</i> | 5,361,097 |
| Total property, plant and equipment | 6,264,143 | 6,163,681 |
| Less accumulated depreciation | <i>193.73-99</i> (3,093,616) <i>194.74-99</i> | (2,681,591) |
| Net property, plant and equipment | 3,170,527 | 3,482,090 |
| Total assets | \$6,204,836 | \$3,616,672 |
| Liabilities and equity | | |
| Current liabilities | | |
| Accounts payable | \$50,315 <i>202.00-00</i> | \$57,958 |
| Refundable deposits | 5,000 <i>206.03-01</i> | 5,000 |
| Accrued expenses | 3,010 <i>203.00-00</i> | - |
| Total current liabilities | 58,325 | 62,958 |
| Equity | | |
| Contributed capital | | |
| Government | 4,250,000 <i>261.01-01</i> | 4,250,000 |
| Customers | 1,685,512 <i>261.02-01</i> | 1,423,758 |
| Developers | 1,819,885 <i>261.03-01</i> | 1,819,885 |
| Total contributed capital | 7,755,397 | 7,493,643 |
| Retained earnings (deficit) | (1,608,886) <i>E of Y</i> | (3,939,929) |
| Total equity | 6,146,511 | 3,553,714 |
| Total liabilities and equity | \$6,204,836 | \$3,616,672 |

*A statement of revenues, expenses and changes in retained earnings (deficit) for the Sewer Enterprise Fund is presented on Page 27 of this report. A statement of cash flows for the Sewer Enterprise Fund is presented on Page 28 of this report.

The accompanying notes to the financial statements are an integral part of this statement

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AGENCY FUND

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Deferred Compensation Fund accounts for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

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THE CITY OF HOOVER, ALABAMA
Deferred Compensation Agency Fund
Statement of Changes in Assets and Liabilities
For the fiscal year ended September 30, 1994

| | <u>Balance</u> <u>October 1, 1993</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>September 30, 1994</u> |
|--|--|------------------|------------------|---|
| Assets | | | | |
| Pooled cash and investments | <u>\$193,480</u> | <u>\$139,326</u> | <u>-</u> | <u>\$332,806</u> |
| Liabilities | | | | |
| Deferred compensation benefits payable | <u>\$193,480</u> | <u>\$139,326</u> | <u>-</u> | <u>\$332,806</u> |

The accompanying notes to the financial statements are an integral part of this statement

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GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets are assets of the City which possess three attributes: (1) a tangible nature; (2) a life longer than the year of acquisition; and (3) a significant value. The significant value test is important because governmental units will have many individual assets which are tangible and long-lived but whose value is so small that the time and expense of maintaining detailed accounting and inventory records on them is not justified.

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THE CITY OF HOOVER, ALABAMA
Comparative Schedule of General Fixed Assets by Source
September 30

| | 1994 | 1993 |
|---|--------------|--------------|
| General Fixed Assets | | |
| Land | \$11,345,523 | \$10,977,239 |
| Buildings | 19,872,170 | 18,859,653 |
| Improvements other than buildings | 18,804,644 | 17,872,482 |
| Equipment and vehicles | 8,776,321 | 7,421,354 |
| Construction in progress | - | 511,616 |
| Total general fixed assets | \$58,798,658 | \$55,642,344 |
| Investment in General Fixed Assets | | |
| Park and recreation board bond | \$427,146 | \$427,146 |
| General obligation warrants | 37,626,689 | 37,254,734 |
| Long-term notes payable | 899,334 | 899,334 |
| Federal grants | 1,256,344 | 1,256,344 |
| General revenues | 14,983,155 | 12,567,080 |
| Capital leases payable | 93,500 | 93,500 |
| Donations and annexations | 3,512,490 | 3,144,206 |
| Total investment in general fixed assets | \$58,798,658 | \$55,642,344 |

THE CITY OF HOOVER, ALABAMA
Schedule of General Fixed Assets by Function and Activity
September 30, 1994

| <u>Function and Activity</u> | <u>Land</u> | <u>Buildings</u> | <u>Improvements Other than Buildings</u> | <u>Equipment and Vehicles</u> | <u>Total</u> |
|--|---------------------|---------------------|--|---------------------------------------|---------------------|
| General government | | | | | |
| Administration | \$2,176,056 | \$4,314,450 | \$12,181 | \$1,185,353 | \$7,688,040 |
| Municipal garage | - | 254,492 | - | 59,859 | 314,351 |
| Total general government | <u>2,176,056</u> | <u>4,568,942</u> | <u>12,181</u> | <u>1,245,212</u> | <u>8,002,391</u> |
| Public safety | | | | | |
| Police | - | - | - | 2,065,956 | 2,065,956 |
| Fire | 385,277 | 3,082,641 | 97,138 | 2,829,597 | 6,394,653 |
| Inspection | - | - | - | 221,735 | 221,735 |
| Total public safety | <u>385,277</u> | <u>3,082,641</u> | <u>97,138</u> | <u>5,117,288</u> | <u>8,682,344</u> |
| Municipal Court | - | - | 1,005 | 49,323 | 50,328 |
| Streets and sanitation | - | 508,985 | - | 1,159,501 | 1,668,486 |
| Recreation | 8,784,190 | 6,198,376 | 18,691,571 | 649,998 | 34,324,135 |
| Library | - | 5,513,226 | 2,749 | 536,485 | 6,052,460 |
| Health | - | - | - | 18,514 | 18,514 |
| Total general fixed assets allocated to functions and activities | <u>\$11,345,523</u> | <u>\$19,872,170</u> | <u>\$18,804,644</u> | <u>\$8,776,321</u> | <u>\$58,798,658</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Changes in General Fixed Assets by Function and Activity
For the fiscal year ended September 30, 1994

| <u>Function and Activity</u> | <u>General Fixed assets October 1, 1993</u> | <u>Additions</u> | <u>Deletions</u> | <u>General Fixed Assets September 30, 1994</u> |
|------------------------------|---|---------------------------|---------------------------|--|
| General government | | | | |
| Administration | \$7,179,110 | \$513,832 | \$4,902 | \$7,688,040 |
| Municipal garage | 314,351 | - | - | 314,351 |
| Total general government | <u>7,493,461</u> | <u>513,832</u> | <u>4,902</u> | <u>8,002,391</u> |
| Public safety | | | | |
| Police | 1,798,076 | 427,379 | 159,499 | 2,065,956 |
| Fire | 5,423,629 | 971,024 | - | 6,394,653 |
| Inspection | 171,957 | 49,778 | - | 221,735 |
| Total public safety | <u>7,393,662</u> | <u>1,448,181</u> | <u>159,499</u> | <u>8,682,344</u> |
| Municipal Court | <u>47,853</u> | <u>2,475</u> | - | <u>50,328</u> |
| Streets and sanitation | <u>1,395,278</u> | <u>273,208</u> | - | <u>1,668,486</u> |
| Recreation | <u>32,785,772</u> | <u>1,538,363</u> | - | <u>34,324,135</u> |
| Library | <u>5,996,188</u> | <u>56,272</u> | - | <u>6,052,460</u> |
| Health | <u>18,514</u> | - | - | <u>18,514</u> |
| Construction in progress | <u>511,616</u> | <u>371,955</u> | <u>883,571</u> | - |
| Total general fixed assets | <u><u>\$55,642,344</u></u> | <u><u>\$4,204,286</u></u> | <u><u>\$1,047,972</u></u> | <u><u>\$58,798,658</u></u> |

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GENERAL LONG-TERM DEBT ACCOUNT GROUP

General obligation warrants and other forms of long-term debt supported by general revenues are obligations of the City as a whole and not its individual constituent funds. In addition, the proceeds of such debt may be spent on facilities which are utilized in the operations of several funds. Moreover, since the budgetary requirements of other funds usually require the allocation of resources on a twelve month cycle, long-term obligations should be separated from funds that contain current assets and current liabilities. For these reasons, the amount of unmatured long-term indebtedness which is backed by the full faith and credit of the City is presented in a separate self-balancing account group titled "General Long-Term Debt Account Group". This account group includes general obligation warrants, bonds and other obligations which have a maturity of more than one year.

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THE CITY OF HOOVER, ALABAMA
Comparative Schedule of General Long-Term Debt
September 30

| | <u>1994</u> | <u>1993</u> |
|---|----------------------------|----------------------------|
| Amounts available and to be provided for the payment of general long-term debt | | |
| Amount to be provided from General Fund revenues | <u>\$66,700,653</u> | <u>\$59,527,330</u> |
| Total available and to be provided | <u><u>\$66,700,653</u></u> | <u><u>\$59,527,330</u></u> |
| General Long-term debt | | |
| General obligation warrants payable | \$64,126,353 | \$57,281,488 |
| Capital lease payable | 46,691 | 65,367 |
| Accrued compensation leave | <u>2,527,609</u> | <u>2,180,475</u> |
| Total general long-term debt | <u><u>\$66,700,653</u></u> | <u><u>\$59,527,330</u></u> |

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SUPPLEMENTAL INFORMATION

PRIMARY GOVERNMENT

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THE CITY OF HOOVER, ALABAMA
Schedule of Pension Plan Funding Progress*

| Plan year Ended September 30 (A) | (1) Net Assets Available for Benefits | (2) Pension Benefit Obligation | (3) Percentage Funded (1)/(2) | (4) Surplus (Unfunded) PBO (1)-(2) | (5) Annual Covered Payroll | Surplus (Unfunded) PBO As a Percentage of Covered Payroll (4)/(5) |
|--|--|---|--|--|-------------------------------------|---|
| 1984 | 664,838 | 1,081,851 | 61.45% | (417,013) | 2,339,581 | (17.82%) |
| 1985 | 1,027,524 | 1,364,869 | 75.28% | (337,345) | 3,127,442 | (10.79%) |
| 1986 | 1,682,417 | 1,876,066 | 89.68% | (193,649) | 4,668,667 | (4.15%) |
| 1987 | 2,453,819 | 2,669,871 | 91.91% | (216,052) | 6,712,481 | (3.22%) |
| 1988 | 3,273,891 | 3,632,448 | 90.13% | (358,557) | 7,806,751 | (4.59%) |
| 1989 | 4,559,086 | 4,719,410 | 96.60% | (160,324) | 8,272,042 | (1.94%) |
| 1990 | 5,876,911 | 5,532,292 | 106.23% | 344,619 | 9,997,353 | 3.45% |
| 1991 | 7,454,756 | 6,779,817 | 109.96% | 674,939 | 10,760,283 | 6.27% |
| 1992 | 9,219,844 | 8,405,849 | 109.68% | 813,995 | 11,861,860 | 6.86% |
| 1993 | 11,157,348 | 10,265,058 | 108.69% | 892,290 | 12,550,824 | 7.11% |

* Unaudited

(A) Date of actuarial valuation.

Source: Employee's Retirement System of Alabama

PBO = Pension Benefit Obligation

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STATISTICAL SECTION
PRIMARY GOVERNMENT

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THE CITY OF HOOVER, ALABAMA
Schedule of General Government Tax Revenues By Source
 Last Nine Fiscal Years

| <u>Fiscal Year</u> | <u>Sales and Use Tax</u> | <u>Property Tax</u> | <u>In Lieu of Property Tax</u> | <u>Auto Tax</u> | <u>Rental Tax</u> | <u>Total</u> |
|--------------------|--------------------------|---------------------|--------------------------------|-----------------|-------------------|--------------|
| 1986 | \$7,576,464 | \$899,553 | \$41,622 | \$87,686 | \$50,824 | \$8,656,149 |
| 1987 | 10,415,505 | 1,154,186 | 38,217 | 115,342 | 47,928 | 11,771,178 |
| 1988 | 11,607,404 | 1,380,883 | 28,146 | 138,019 | 47,719 | 13,202,171 |
| 1989 | 12,716,945 | 1,980,915 | 34,836 | 155,060 | 49,046 | 14,936,802 |
| 1990 | 15,003,431 | 2,157,136 | 25,400 | 165,269 | 47,310 | 17,398,546 |
| 1991 | 15,911,832 | 2,383,888 | 20,663 | 228,440 | 62,750 | 18,607,573 |
| 1992 | 17,278,328 | 2,692,524 | 20,664 | 136,111 | 107,422 | 20,235,049 |
| 1993 | 18,970,697 | 2,681,425 | 19,162 | 216,934 | 96,173 | 21,984,391 |
| 1994 | 26,809,301 (A) | 2,925,759 | 53,062 | 217,420 | 126,548 (A) | 30,132,090 |

(A) The City Council passed a 1% increase effective March 1, 1994.

Source: City annual financial reports.

THE CITY OF HOOVER, ALABAMA
Combined Government Expenditures by Functions
All Governmental Fund Types (A)
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>General Government</u> | <u>Public Safety (B)</u> | <u>Streets and Sanitation</u> | <u>Recreation</u> | <u>Library</u> |
|--------------------|---------------------------|--------------------------|-------------------------------|-------------------|----------------|
| 1985 | \$949,720 | \$3,433,347 | \$1,560,209 | \$181,071 | \$391,958 |
| 1986 | 1,752,087 | 5,050,302 | 1,797,103 | 251,955 | 428,796 |
| 1987 | 2,069,240 | 6,025,411 | 2,272,864 | 491,369 | 507,896 |
| 1988 | 2,504,863 | 6,999,518 | 2,288,101 | 630,564 | 571,997 |
| 1989 | 2,078,774 | 7,964,689 | 2,542,297 | 823,782 | 632,757 |
| 1990 | 2,244,350 | 9,600,102 | 2,760,175 | 918,109 | 766,368 |
| 1991 | 2,824,151 | 10,164,111 | 3,020,169 | 893,962 | 867,755 |
| 1992 | 2,808,843 | 10,920,575 | 3,533,030 | 1,170,117 | 1,294,110 |
| 1993 | 3,110,641 | 11,789,994 | 3,764,589 | 1,499,082 | 1,404,550 |
| 1994 | 3,161,080 | 13,115,674 | 3,965,613 | 2,044,093 | 1,740,125 |

Continued on Page 87

(A) This schedule includes the General, Special Revenue and Capital Projects Funds.

(B) Includes Municipal Court.

(C) City Board of Education was formed October 5, 1987 and began operation of the school system on August 29, 1988.

Source: City annual financial reports.

| <u>Health</u> | <u>Capital Outlays</u> | <u>Debt Service</u> | <u>City Board of Education (C)</u> | <u>Total</u> |
|---------------|----------------------------|-------------------------|--|--------------|
| \$56,638 | \$5,354,721 | \$1,103,150 | - | \$13,030,814 |
| 62,995 | 3,688,824 | 1,432,019 | - | 14,464,081 |
| 84,646 | 8,650,166 | 1,472,053 | - | 21,573,645 |
| 105,317 | 16,204,594 | 3,881,644 | \$3,100,000 | 36,286,598 |
| 124,523 | 1,835,289 | 3,082,645 | 3,733,239 | 22,817,995 |
| 135,333 | 1,060,623 | 4,124,387 | 4,453,850 | 26,063,297 |
| 126,752 | 7,150,715 | 4,393,214 | 4,500,000 | 33,940,829 |
| 105,953 | 8,466,176 | 4,969,769 | 4,500,000 | 37,768,573 |
| 131,824 | 2,226,812 | 5,181,668 | 4,554,809 | 33,663,969 |
| 311,847 | 3,320,716 | 5,483,843 | 4,985,083 | 38,128,074 |

Continued from Page 86

THE CITY OF HOOVER, ALABAMA
Combined Government Revenues By Source
All Governmental Fund Types (A)
Last Ten Fiscal Years

| Fiscal Year | Taxes | Licenses and Permits | Intergovernmental | Fines and Forfeits |
|------------------------|--------------|-------------------------------------|--------------------------|-------------------------------|
| 1985 | \$6,191,443 | \$1,745,746 | \$885,437 | \$176,043 |
| 1986 | 8,656,149 | 1,902,237 | 889,399 | 207,288 |
| 1987 | 11,771,178 | 2,631,011 | 890,915 | 255,711 |
| 1988 | 13,202,171 | 2,719,683 | 1,021,781 | 295,758 |
| 1989 | 14,936,802 | 3,219,790 | 1,043,063 | 404,469 |
| 1990 | 17,398,546 | 3,721,613 | 1,395,944 | 380,592 |
| 1991 | 18,607,573 | 4,848,791 | 1,259,986 | 491,556 |
| 1992 | 20,235,049 | 5,221,673 | 1,420,471 | 454,527 |
| 1993 | 21,984,391 | 6,083,992 | 2,091,689 | 461,024 |
| 1994 | 30,132,090 | 5,860,897 | 2,168,119 | 496,575 |

Continued on Page 89

- (A) This schedule includes the General, Special Revenue and Capital Projects Funds.
- (B) Lease agreement with Birmingham Baseball Club, Inc., effective March 15, 1988, as tenant of the Hoover Metropolitan Stadium for a period of ten years.
- (C) Includes interest earned on loan to Board of Education, which is used for debt service on the general obligation school warrants dated September 1, 1989.

Source: City annual financial reports.

| <u>Interest</u> | <u>Stadium Lease (B)</u> | <u>Other</u> | <u>Total</u> |
|-----------------|------------------------------|--------------|--------------|
| \$677,996 | - | \$47,718 | \$9,724,383 |
| 161,037 | - | 527,031 | 12,343,141 |
| 207,925 | - | 161,826 | 15,918,566 |
| 480,062 | \$280,368 | 233,438 | 18,233,261 |
| 383,322 | 302,140 | 607,592 | 20,897,178 |
| 841,655 (C) | 275,597 | 572,068 | 24,586,015 |
| 1,689,072 (C) | 249,367 | 1,287,703 | 28,434,048 |
| 972,374 (C) | 206,083 | 947,463 | 29,457,640 |
| 836,908 (C) | 229,527 | 1,609,216 | 33,296,747 |
| 859,392 (C) | 294,024 | 1,873,607 | 41,684,704 |

Continued from Page 88

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THE CITY OF HOOVER, ALABAMA
Property Tax Levies and Collections (A)
 Last Ten Fiscal Years

Jefferson County:

| <u>Beginning October 1</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Levy Collected</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collections</u> | <u>Percent of Tax Collections to Tax Levy</u> |
|--------------------------------|---------------------------|------------------------------------|--|---|----------------------------------|---|
| 1984 | \$757,461 | \$743,416 | 98.1% | \$7,915 | \$751,331 | 99.2% |
| 1985 | 795,568 | 781,553 | 98.2% | 3,438 | 784,991 | 98.7% |
| 1986 | 1,021,885 | 1,008,165 | 98.7% | 3,161 | 1,011,326 | 99.0% |
| 1987 | 1,186,046 | 1,179,185 | 99.4% | 6,186 | 1,185,371 | 99.9% |
| 1988 | 1,751,174 | 1,655,850 | 94.6% | 383 | 1,656,233 | 94.6% |
| 1989 | 1,824,382 | 1,752,624 | 96.1% | 6,256 | 1,758,880 | 96.4% |
| 1990 | 1,923,931 | 1,872,508 | 97.3% | 865 | 1,873,373 | 97.4% |
| 1991 | 1,988,919 | 1,920,859 | 96.6% | 16,478 | 1,937,337 | 97.4% |
| 1992 | 2,054,747 | 1,935,348 | 94.2% | 21,071 | 1,956,419 | 95.2% |
| 1993 | 2,067,439 | 1,985,163 | 96.0% | 14,106 | 1,999,269 | 96.7% |

Shelby County:

| <u>Beginning October 1</u> | <u>Total Tax Levy</u> | <u>Total Tax Collections</u> | <u>Percent of Tax Collections to Tax Levy</u> |
|--------------------------------|---------------------------|----------------------------------|---|
| 1984 | \$292,169 | \$290,013 | 99.3% |
| 1985 | 112,638 | 114,562 | 101.7% |
| 1986 | 143,242 | 142,860 | 99.7% |
| 1987 | 210,662 | 195,512 | 92.8% |
| 1988 | 328,393 | 324,682 | 98.9% |
| 1989 | 392,809 | 398,256 | 101.4% |
| 1990 | 548,679 | 510,515 | 93.0% |
| 1991 | 736,067 | 755,187 | 102.6% |
| 1992 | 786,651 | 775,477 | 98.6% |
| 1993 | 839,231 | 803,882 | 95.8% |

(A) Property tax on motor vehicles is excluded.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Located in Jefferson County:

| Assessment Date October 1 | Real Property (A) | | Personal Property (A) | |
|--|---------------------------|-----------------------------------|------------------------------|-----------------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| 1984 | \$78,306,515 | \$568,866,298 | \$8,956,959 | \$44,784,795 |
| 1985 | 111,225,401 | 808,350,049 | 11,360,483 | 56,802,415 |
| 1986 | 125,892,258 | 884,824,401 | 18,981,584 | 94,907,920 |
| 1987 | 197,510,028 | 1,329,041,058 | 26,457,290 | 132,286,450 |
| 1988 | 207,967,118 | 1,408,265,431 | 28,331,826 | 141,659,130 |
| 1989 | 211,928,255 | 1,451,431,416 | 30,148,078 | 150,740,390 |
| 1990 | 217,467,432 | 1,507,641,117 | 32,106,596 | 160,532,980 |
| 1991 | 225,745,021 | 1,564,991,798 | 34,959,344 | 174,796,720 |
| 1992 | 232,228,585 | 1,626,395,898 | 31,343,255 | 156,718,775 |
| 1993 | 292,958,228 | 2,037,742,851 | 32,520,437 | 162,602,185 |

Located in Shelby County:

| | | | | |
|------|--------------|--------------|------------|-------------|
| 1984 | \$14,536,000 | \$72,680,000 | \$500,040 | \$2,500,200 |
| 1985 | 17,668,840 | 88,344,200 | 633,180 | 3,165,900 |
| 1986 | 25,740,940 | 128,704,700 | 1,416,320 | 7,081,600 |
| 1987 | 45,294,040 | 226,470,200 | 2,225,340 | 11,126,700 |
| 1988 | 53,956,020 | 269,780,100 | 4,214,000 | 21,070,000 |
| 1989 | 59,066,940 | 295,334,700 | 3,412,400 | 17,062,000 |
| 1990 | 100,310,320 | 501,551,000 | 10,342,160 | 51,710,800 |
| 1991 | 107,783,940 | 538,919,700 | 10,665,000 | 53,325,000 |
| 1992 | 114,616,180 | 573,080,900 | 12,254,780 | 61,273,900 |
| 1993 | 139,602,460 | 698,012,300 | 13,720,480 | 68,602,400 |

Continued on Page 92

- (A) Excludes public utilities and motor vehicles.
 (B) Includes real and personal property.

Source: Jefferson and Shelby County Tax Collectors.

| Public Utility Property (B) | | Total | | Ratio of Total Assessed to Total Estimated Actual Value |
|------------------------------------|-------------------------------|-----------------------|-------------------------------|--|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | |
| \$35,131,660 | \$116,988,420 | \$122,395,134 | \$730,639,513 | 16.8% |
| 36,620,700 | 121,946,931 | 159,206,584 | 987,099,395 | 16.1% |
| 39,880,100 | 132,800,733 | 184,753,942 | 1,112,533,054 | 16.6% |
| 44,875,440 | 149,435,215 | 268,842,758 | 1,610,762,723 | 16.7% |
| 48,758,880 | 162,367,070 | 285,057,824 | 1,712,291,631 | 16.6% |
| 56,510,980 | 188,181,563 | 298,587,313 | 1,790,353,369 | 16.7% |
| 61,356,140 | 204,520,467 | 310,930,168 | 1,872,694,564 | 16.6% |
| 60,831,040 | 202,749,856 | 321,535,405 | 1,942,538,374 | 16.6% |
| 60,297,380 | 200,971,168 | 323,869,220 | 1,984,085,841 | 16.3% |
| 67,054,700 | 223,493,315 | 392,533,365 | 2,423,838,351 | 16.2% |
| \$2,292,900 | \$11,464,500 | \$17,328,940 | \$86,644,700 | 20.0% |
| 3,808,220 | 19,041,100 | 22,110,240 | 110,551,200 | 20.0% |
| 5,333,580 | 26,667,900 | 32,490,840 | 162,454,200 | 20.0% |
| 3,002,720 | 15,013,600 | 50,522,100 | 252,610,500 | 20.0% |
| 2,566,960 | 12,834,800 | 60,736,980 | 303,684,900 | 20.0% |
| 2,885,720 | 14,428,600 | 65,365,060 | 326,825,300 | 20.0% |
| 3,040,080 | 15,200,400 | 113,692,560 | 568,462,200 | 20.0% |
| 3,129,900 | 15,649,500 | 121,578,840 | 607,894,200 | 20.0% |
| 3,880,840 | 19,404,200 | 130,751,800 | 653,759,000 | 20.0% |
| 4,640,820 | 23,204,100 | 157,963,760 | 789,818,800 | 20.0% |

Continued from Page 91

THE CITY OF HOOVER, ALABAMA
Property Tax Rates - Direct and Overlapping Governments
(Per \$100 of Assessed Value)
 Last Ten Fiscal Years

Jefferson County:

| Fiscal Year Ended September 30 | City of Hoover | | Jefferson County | | | | State of Alabama | Total Tax |
|--------------------------------------|-----------------|-----------------|------------------|-------------------|--------------------|-----------------|---------------------|--------------|
| | General Fund | City Schools | County | County Schools | School District | County Total | | |
| 1985 | \$0.65 | - | \$1.35 | \$0.82 | \$1.39 | \$3.56 | \$0.65 | \$4.86 |
| 1986 | 0.65 | - | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 4.86 |
| 1987 | 0.65 | - | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 4.86 |
| 1988 | 0.65 | - | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 4.86 |
| 1989 | 0.65 | - | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 4.86 |
| 1990 | 0.65 | - | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 4.86 |
| 1991 (A) | 0.65 | \$1.40 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 6.26 |
| 1992 | 0.65 | 1.40 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 6.26 |
| 1993 | 0.65 | 1.40 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 6.26 |
| 1994 | 0.65 | 1.40 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 6.26 |

Shelby County:

| Fiscal Year Ended September 30 | City of Hoover | | Shelby County | | | | State of Alabama | Total Tax | |
|--------------------------------------|-----------------|-----------------|---------------|-------------------|--------------------|----------|---------------------|--------------|-----------------|
| | General Fund | City Schools | County | County Schools | School District | Hospital | | | County Total |
| 1985 | \$0.65 | - | \$0.75 | \$0.90 | \$0.60 | \$0.40 | \$2.65 | \$0.65 | \$3.95 |
| 1986 | 0.65 | - | 0.75 | 0.90 | 0.60 | 0.40 | 2.65 | 0.65 | 3.95 |
| 1987 | 0.65 | - | 0.75 | 0.90 | 0.60 | 0.40 | 2.65 | 0.65 | 3.95 |
| 1988 | 0.65 | - | 0.75 | 0.90 | 0.60 | 0.40 | 2.65 | 0.65 | 3.95 |
| 1989 | 0.65 | - | 0.75 | 0.90 | 0.60 | 0.30 | 2.55 | 0.65 | 3.85 |
| 1990 | 0.65 | - | 0.75 | 1.60 | 0.60 | 0.40 | 3.35 | 0.65 | 4.65 |
| 1991 (A) | 0.65 | \$1.40 | 0.75 | 1.60 | 0.60 | 0.40 | 3.35 | 0.65 | 6.05 |
| 1992 | 0.65 | 1.40 | 0.75 | 1.60 | 0.60 | 0.40 | 3.35 | 0.65 | 6.05 |
| 1993 | 0.65 | 1.40 | 0.75 | 1.60 | 0.60 | 0.40 | 3.35 | 0.65 | 6.05 |
| 1994 | 0.65 | 1.40 | 0.75 | 1.60 | 0.60 | 0.40 | 3.35 | 0.65 | 6.05 |

(A) City voters passed a 14 mill property tax for schools at a referendum held on May 8, 1990. The tax was effective beginning in fiscal 1991.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Principal Property Taxpayers
For the fiscal year ended September 30, 1994

| | <u>City Ad Valorem Taxes</u> | <u>Percentage of Total Property Taxes Collected (A)</u> |
|-------------------------------------|--------------------------------------|---|
| Bellsouth Telecommunications | \$417,839 | 14.91 % |
| Galleria Venture | 151,875 | 5.42 |
| Metropolitan Life Insurance | 131,362 | 4.69 |
| Alabama Power Company | 122,076 | 4.36 |
| Daniel Companies | 77,682 | 2.77 |
| Blue Cross - Blue Shield of Alabama | 61,638 | 2.20 |
| Harbert Companies | 45,056 | 1.61 |
| Rime Village | 42,184 | 1.51 |
| Tree Crossings Association | 21,181 | 0.76 |
| Federated Department Stores | 20,334 | 0.73 |
| Harbert Korach Properties | <u>17,680</u> | <u>0.63</u> |
| Total | <u><u>\$1,108,907</u></u> | <u><u>39.59 %</u></u> |

(A) Excludes motor vehicles.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Computation of Legal Debt Margin
September 30, 1994

| | |
|---|--------------------------|
| Assessed Value of property | <u>\$584,588,625</u> (A) |
| Debt Limit - 20 percent of total assessed value | 116,917,725 |
| Amount of debt applicable to debt limit | <u>58,173,853</u> (B) |
| Legal debt margin | <u>\$58,743,872</u> |

(A) Includes assessed value of motor vehicles totaling \$34,091,500.

(B) Legally excludes general long-term debt issued for the purpose of acquiring, providing, or constructing school houses and sewers.

Source: Jefferson County and Shelby County Tax Assessors.

THE CITY OF HOOVER, ALABAMA
Ratio of General Obligation Debt to Assessed Value
and General Obligation Debt Per Capita
 Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Population</u> | <u>Assessed Value</u> | <u>General Obligation Debt</u> | <u>Ratio of Debt To Assessed Value</u> | <u>General Obligation Debt per Capita</u> |
|--------------------|-------------------|-----------------------|--------------------------------|--|---|
| 1985 | 19,792 | \$162,846,178 | \$10,775,000 | 6.62 | \$544.41 |
| 1986 | 19,792 | 139,724,074 | 10,257,000 | 7.34 | 518.24 |
| 1987 | 31,319 | 192,914,341 (B) | 19,400,000 | 10.06 | 619.43 |
| 1988 | 31,319 | 235,696,242 (B) | 33,475,000 | 14.20 | 1,068.84 |
| 1989 | 31,319 | 341,716,138 (B) | 42,450,000 | 12.42 | 1,355.41 |
| 1990 | 39,788 | 370,910,744 (B) | 56,553,227 | 15.25 | 1,421.36 |
| 1991 | 39,788 | 391,529,273 (B) | 56,480,485 | 14.43 | 1,419.54 |
| 1992 (A) | 45,000 | 451,450,768 (B) | 58,340,677 | 12.92 | 1,296.46 |
| 1993 (A) | 48,000 | 469,130,985 (B) | 57,346,855 | 12.22 | 1,194.73 |
| 1994 (A) | 50,000 | 584,588,625 (B) | 64,173,044 | 10.98 | 1,283.46 |

(A) Estimate by city.

(B) Includes assessed value of motor vehicles.

Source: City annual financial reports.

THE CITY OF HOOVER, ALABAMA
Ratio of Annual Debt Service Expenditures for
General Obligation Debt to Total General Governmental Expenditures
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Total Debt Service</u> | <u>Total General Expenditures (A)</u> | <u>Ratio of Debt Service to Total General Expenditures</u> |
|------------------------|-----------------------------------|---|--|
| 1985 | \$1,103,150 | \$13,030,814 | 8.47 |
| 1986 | 1,432,019 | 14,464,081 | 9.90 |
| 1987 | 1,433,623 | 21,573,645 | 6.65 |
| 1988 | 3,881,644 | 36,286,598 | 10.70 |
| 1989 | 3,082,645 | 22,817,995 | 13.51 |
| 1990 | 4,124,387 | 26,063,297 | 15.82 |
| 1991 | 4,393,214 | 33,940,829 | 12.94 |
| 1992 | 4,969,769 | 37,768,573 | 13.16 |
| 1993 | 5,181,668 | 33,663,969 | 15.39 |
| 1994 | 5,483,843 | 38,128,074 | 14.38 |

(A) Includes General, Special Revenue and Capital Projects Funds.

Source: City annual financial reports.

THE CITY OF HOOVER, ALABAMA
Computation of Direct and Overlapping Debt
September 30, 1994

| | <u>Total Debt Outstanding</u> | <u>Percentage Applicable to City of Hoover</u> | <u>Amount Applicable to City of Hoover</u> |
|---|-----------------------------------|--|--|
| Direct Debt | | | |
| City of Hoover - general obligation warrants | <u>\$64,173,044</u> | 100.00 % | <u>\$64,173,044</u> |
| Overlapping Debt | | | |
| Hoover City Board of Education | 74,946,165 (A) | 100.00 | 74,946,165 |
| Jefferson County | 321,233,528 | 9.40 | 30,195,952 |
| Jefferson County Board of Education | 65,000,000 | 9.40 | 6,110,000 |
| Shelby County | 54,897,384 | 18.23 | 10,007,793 |
| Shelby County Board of Education | <u>56,460,000</u> | 18.23 | <u>10,292,658</u> |
| Total overlapping debt | <u>572,537,077</u> | | <u>131,552,568</u> |
| Total direct and overlapping debt | <u><u>\$636,710,121</u></u> | | <u><u>\$195,725,612</u></u> |

(A) Hoover City Board of Education debt shown net of \$8,165,000 due to the City of Hoover.

Source: Jefferson County Comptroller.
Jefferson County Board of Education.
Shelby County Commission.
Shelby County Board of Education.

THE CITY OF HOOVER, ALABAMA
Demographic Statistics

| <u>Fiscal Year</u> | <u>Population</u> | <u>Median Household Income</u> | <u>School Age Individuals</u> | <u>Unemployment Rate</u> |
|--------------------|-------------------|--------------------------------|-------------------------------|--------------------------|
| 1985 | 30,000 (E) | ** | ** | 6.6 % (B) (C) |
| 1986 | 30,500 (E) | ** | ** | 7.7 (B) (C) |
| 1987 | 31,319 (A) | ** | ** | 6.7 (B) (C) |
| 1988 | 34,000 (E) | ** | 5,300 (F) | 5.8 (B) (C) |
| 1989 | 40,000 (E) | ** | 5,556 (F) | 5.5 (B) (C) |
| 1990 | 39,788 (A) | \$39,527 (G) | 6,115 (F) | 5.3 (B) (C) |
| 1991 | 42,500 (G) | 40,500 (E) | 6,329 (F) | 5.6 (B) (C) |
| 1992 | 45,000 (G) | 53,472 (G) | 6,806 (F) | 2.4 (B) (D) |
| 1993 | 48,000 (G) | 53,472 (G) | 7,483 (F) | 2.3 (B) (D) |
| 1994 | 50,000 (E) | 53,472 (G) | 7,683 (F) | 1.7 (B) (D) |

** Information not available

- (A) Federal census.
- (B) State Department of Industrial Relations.
- (C) Jefferson County unemployment rate.
- (D) City of Hoover unemployment rate.
- (E) Estimate by City.
- (F) City Board of Education.
- (G) House Consultants, Independent Consulting Firm.

THE CITY OF HOOVER, ALABAMA
Construction, Bank Deposits and Retail Sales
 Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Value of Commercial Construction (A)</u> | <u>Value of Residential Construction (A)</u> | <u>Bank Deposits (B)</u> | <u>Retail Sales (A) (C)</u> |
|--------------------|---|--|--------------------------|-----------------------------|
| 1985 | \$22,165,000 | \$23,085,000 | \$195,300,000 | \$328,000,000 |
| 1986 | 55,639,000 | 26,598,308 | 205,000,000 | 537,000,000 |
| 1987 | 56,108,000 | 35,170,000 | 223,400,000 | 698,000,000 |
| 1988 | 38,061,643 | 37,592,249 | 272,976,000 | 729,000,000 |
| 1989 | 63,716,547 | 27,808,568 | 317,120,000 | 741,000,000 |
| 1990 | 25,467,426 | 48,871,241 | 548,029,000 | 750,000,000 |
| 1991 | 55,797,335 | 85,719,502 | 650,050,000 | 800,000,000 |
| 1992 | 18,105,842 | 104,642,785 | 730,154,000 | 850,000,000 |
| 1993 | 46,370,287 | 147,744,433 | 1,017,033,000 | 950,000,000 |
| 1994 | 80,704,946 | 147,316,465 | 776,560,000 | 1,050,000,000 |

- (A) Source: City records.
 (B) Source: Various City banks.
 (C) Estimated

THE CITY OF HOOVER, ALABAMA

Miscellaneous Statistical Data

September 30, 1994

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (5 members)

Area: 42 Square miles (A)

Miles of Street:

| | |
|---------|---------|
| Paved | 466 (A) |
| Unpaved | 0 (A) |

Miles of Sewers:

| | |
|----------|---------|
| Sanitary | 141 (A) |
| Storm | 154 (A) |

Number of City Employees:

| | |
|-----------------------|---------|
| Administration | 19 |
| Finance | 8 |
| Garage | 3 |
| Police | 119 |
| Fire | 119 |
| Inspection services | 14 |
| Municipal court | 5 |
| Street and sanitation | 28 |
| Sewer | 1 |
| Recreation | 63 |
| Library | 67 |
| Health | 2 |
| Total | 448 (B) |

Public Schools:

Established - August 29, 1988
 Enrollment - 7,683
 Buildings - one high school; one middle school;
 and seven elementary schools.
 Budget - approximately \$80.3 million (C)

Major employers:

The City's major employers are engaged in service, utilities, retail sales, financial, construction and insurance. (D)

Recreation:

Number of parks 14 (E)

Acres of parks and lakes 200 (E)

Acres not developed 398 (E)

Public Safety:

Number of fire stations 7

Number of police stations 2

Population:

| | |
|------|------------|
| 1968 | 410 (G) |
| 1970 | 1,393 (G) |
| 1973 | 3,594 (G) |
| 1980 | 19,792 (G) |
| 1987 | 31,319 (G) |
| 1990 | 39,788 (G) |
| 1992 | 45,000 (H) |
| 1993 | 48,000 (H) |
| 1994 | 50,000 (H) |

Number of housing units:

| | |
|-----------------|------------|
| Owner occupied | 14,235 |
| Renter occupied | 8,248 |
| Total | 22,483 (F) |

Value of housing units:

Median value \$112,700 (F)

Income:

Per capita \$21,961 (F)

Family \$53,472 (F)

Median age

34 (G)

(A) Source: City Engineer (Amounts are approximate).

(B) Source: City payroll records, September 30, 1993.

(C) Source: City Board of Education.

(D) Source: Birmingham Regional Planning Commission.

(E) Source: Director of Parks and Recreation, City of Hoover.

(F) Source: House Consultants, Independent Consulting Firm.

(G) Source: Federal census.

(H) Source: Estimate by City.