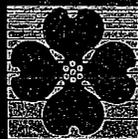


THE CITY OF HOOVER, ALABAMA



Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 1990

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report

For The Fiscal Year Ended

September 30, 1990

Office of the Finance Director

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

THE CITY OF HOOVER, ALABAMA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 1990

TABLE OF CONTENTS

	<u>Page Number</u>
INTRODUCTORY SECTION	
Introduction	1
Letter of Transmittal	2 - 18
GFOA Certificate of Achievement	19
Organization Chart	20
List of Principal Officials	21
FINANCIAL SECTION	
Independent Auditor's Report	22 - 23
General Purpose Financial Statements	
Combined Balance Sheet - All Fund Types and Account Groups	24 - 25
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	26
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds	27 - 28
Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) - Proprietary Fund Type - Sewer Enterprise Fund	29
Statement of Cash Flows - Proprietary Fund Type - Sewer Enterprise Fund	30
Notes to the Financial Statements	31 - 61
Combining, Individual Fund and Account Group Statements and Schedules	
General Fund	
Comparative Balance Sheets	62
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	63

	<u>Page Number</u>
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	64 - 65
Schedule of Current Operations Expenditures - Budget and Actual	66 - 67
Special Revenue Funds	
Combining Balance Sheet	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	69
E-911 Fund	
Comparative Balance Sheets	70
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	71
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	72
State Seven Cent Gasoline Tax Fund	
Comparative Balance Sheets	73
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	74
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	75
State Four Cent Gasoline Tax Fund	
Comparative Balance Sheets	76
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	77
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	78
County Road and Bridge Tax Fund	
Comparative Balance Sheets	79
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	80
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	81

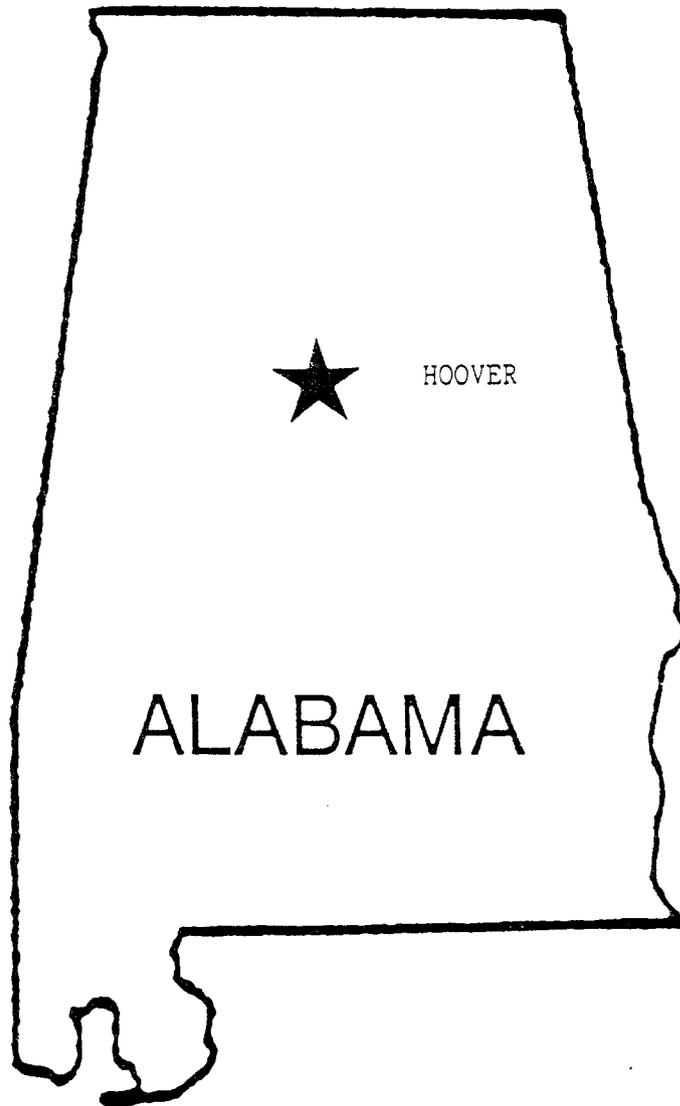
	<u>Page Number</u>
Drug Enforcement Special Revenue Fund	
Balance Sheet	82
Statement of Revenues, Expenditures and Changes in Fund Balance	83
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	84
Capital Projects Funds	
Combining Balance Sheet	85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86
Capital Projects Fund	
Comparative Balance Sheets	87
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	88
1990 Capital Projects Fund	
Balance Sheet	89
Statement of Revenues, Expenditures and Changes in Fund Balance	90
Enterprise Fund	
Sewer Enterprise Fund	
Comparative Balance Sheets	91
General Fixed Assets Account Group	
Comparative Schedule of General Fixed Assets - By Source	92
Schedule of General Fixed Assets - By Function and Activity	93
Schedule of Changes in General Fixed Assets - By Function and Activity	94
General Long-Term Debt Account Group	
Comparative Schedule of General Long-Term Debt	95

	<u>Page Number</u>
Supplemental Information	
Schedule of Pension Plan Funding Progress	96
STATISTICAL SECTION	
Schedule of General Government Tax Revenues By Source	97
Combined Governmental Expenditures by Functions - All Governmental Fund Types	98 - 99
Combined Governmental Revenues by Sources - All Governmental Fund Types	100 - 101
Property Tax Levies and Collections	102
Assessed and Estimated Actual Value of Property	103 - 104
Property Tax Rates - Direct and Overlapping Governments	105
Principal Taxpayers	106
Computation of Legal Debt Margin	107
Ratio of General Obligation Debt to Assessed Value and General Obligation Debt Per Capita	108
Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures	109
Computation of Direct and Overlapping Debt	110
Demographic Statistics	111
Construction, Bank Deposits and Retail Sales	112
Miscellaneous Statistics	113

INTRODUCTORY SECTION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

The City of Hoover, Alabama
Introduction

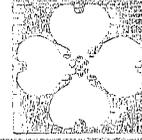


The City of Hoover, Alabama is located in Jefferson and Shelby Counties in north central Alabama and is included in the Birmingham Metropolitan area. The City occupies approximately 32 square miles and has a population of approximately 40,000.

City of Hoover

Page 2

1699 MONTGOMERY HIGHWAY
BUILDING ONE HUNDRED
HOOVER, AL. 35216
TELEPHONE (205) 978-5500
POST OFFICE BOX 360628
ZIP 35236-0628



HOOVER

December 8, 1990

To 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, 1990, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal 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 the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The City is 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. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate single audit report. The single audit report will be made available upon request.

This report includes all funds and account groups of the City. The City provides a full range of services. These services include public safety (police, fire and inspection), infrastructure maintenance, sanitation, recreation, public library, public improvements, planning and zoning, and general administration. In addition to general government activities, the governing body exercises, or has the ability to exercise, oversight of the Park and Recreation Board and the

Library Board; therefore, these activities are included in the reporting entity. The City Board of Education, The City of Hoover Industrial Development Board and The City of Hoover Medical Clinic Board have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

Over the last ten years the City has grown in population faster than any other major city in the state. The City is now one of the ten largest in Alabama. It has also become the retail hub of the Birmingham Metropolitan Area. Retail sales in the City have grown at an average annual rate of approximately 19%. In the opinion of City management, there will continue to be growth in the local economy well into the future, even during periods of moderate recession; however, such growth will not be of the same magnitude as in the recent past.

City officials have been faced with many difficult decisions recently because of the seemingly limitless demands on limited financial resources. These demands include ever expanding traditional city services, major capital projects (i.e. library and recreation center), as well as support for education; nevertheless, City officials have indicated their commitment to balanced budgets and improved financial strength in the future.

MAJOR INITIATIVES

For the Year: The City of Hoover co-hosted the 1990 Southeastern Conference Baseball Tournament with the University of Alabama and Auburn University at the Hoover Metropolitan Stadium in May. Teams from six of the ten Southeastern Conference Universities participated in the double elimination tournament. Promoted as the "SEC World Series", the event drew spectators from all participating institutions and the Birmingham Metropolitan Area.

In a related matter, the Birmingham Barons remained the stadium manager for the Hoover Metropolitan Stadium but the ownership of the Barons changed. The several area individuals who formerly owned the franchise sold to Mr. Marty Kuehnert and the Japan based Suntory Corporation for a reported \$3.6 million. The Barons retained ties with the Chicago Whitesox and concluded a successful season by participating in the AA Southern League Baseball Championship Series.

The Decennial Federal Census was conducted April 1, 1990. Hoover carries the status of Census Designated Place which means that more detailed information will be available about the City when census data are released in 1991. In the past, Hoover information had to be estimated from Birmingham Metropolitan Area data.

The City of Hoover annexed the commercial and office park area of the Inverness Planned Unit Development. This complex is located off U.S. Highway 280, east of the City. It contains a number of professional office buildings and substantial retail development in the Inverness Corners Shopping Center and

Inverness Plaza. As part of the annexation, the City also assumed operation of the 600,000 gallons per day Inverness Wastewater Treatment Plant from Taylor & Mathis, Inc.

City officials continued in 1990 to study a proposed amendment to the zoning ordinance which would require new and redeveloped commercial projects to provide substantial landscaping and buffering against parking areas and adjacent, non-commercial uses. Under review for more than a year, this proposed requirement would enhance the value of commercial property and reduce the negative impact of development on nearby residential areas. The changes would also decrease the effects of noise, wind, and heat by conserving resources and buffering pedestrian areas.

City voters passed a 14 mill property tax increase for schools at a referendum held in 1990. The proceeds from the new tax will be used to retire debt planned to be incurred by school officials for the construction of several new buildings and renovation of existing facilities in the two year old Hoover City School system. Several school committees are in the process of acquiring property, reviewing building plans, and making other necessary arrangements to utilize the proceeds from borrowing to improve the quality of education for Hoover school children.

The City Council amended an ordinance providing a percentage of sales tax revenue to the Hoover School System. Prior to the Council's 1990 action, the school system was receiving 30% of sales and use tax revenue with a minimum of \$4.125 million annually. The City Council reduced the percentage to 24% and increased the minimum allocation to \$4.5 million annually.

The City of Hoover approved the creation of two new positions to assist in improving the efficiency and economy of operations. The first new post, Internal Auditor, was created and filled in 1990 for the purpose of identifying ways to improve overall operations and fine tune existing activities. The Auditor will coordinate all studies through the Audit Committee which is composed of the Mayor, the President of the City Council, the Chairman of the Finance Committee of the City, the Finance Director, and a representative of the independent audit firm.

The position of Data Processing Coordinator was also created and funded in the Fiscal Year 1990 budget. At September 30, 1990, efforts were still underway to interview and confirm a candidate to fill this position. The Coordinator will work with the Management Information Service Committee to plan and implement a sophisticated computer system for the City. This will include a public safety package which will aid both the police and fire departments in dispatching and record keeping. The Coordinator will also orchestrate the computerization of municipal court operations, and oversee the development of distributed data processing and establishment of a Local Area Network.

On September 26, 1990 the City advance refunded a general obligation warrant issue (series 1983) with a single general obligation warrant issue made up of a series of refunding warrants and a series of general obligation warrants that are to be used for the acquisition and construction of major capital facilities, including a library and a recreation center.

For the Future: Construction projects will highlight 1991. Both the Library and the Park & Recreation boards will initiate construction of new facilities within the Municipal Complex early in the year. Additionally, the City will begin construction of Fire Station #7, a combination police precinct and fire hall, on Inverness Parkway near its intersection with Valleydale Road.

The new Hoover Library will be a welcome addition to the community and the Municipal Complex. With more than an acre under roof, the new facility will provide adequate general library space, specialized activity rooms, and a 250 seat auditorium. Movement of library activities from the second floor of the City Hall will free space for needed expansion of police administration and will allow Inspection Services and fire administration to move back into the City Hall from a temporary location.

The Park & Recreation facility will provide recreational and craft opportunities not previously available to the public from city government. The building will house an indoor swimming pool, running track, racquetball courts, administrative offices, and multi-purpose rooms. Long-range plans call for an olympic pool and tennis courts around the building in the future. The existing Lake House will remain for rental and use by community groups.

Significant additional parking will be provided with the building construction. Also, the access roads of Old Rocky Ridge Road and Sierra Drive will be widened, improved, and lighted. The two major projects will tie the City Hall, public works, and Fire Station #4 into an excellent network of public facilities in the heart of the City.

Fire Station #7 will be a combination police precinct and fire hall. Its remoteness relative to other areas of Hoover and its distance from the Municipal Complex will necessitate this treatment. Located in an upscale residential neighborhood, Station #7 will resemble a home more than a Fire Station. Residents of the area will appreciate the City's willingness to depart from the standard institutional building approach as it has also done in Riverchase.

Solid waste disposal and recycling will receive special attention in 1991. The City has been reviewing several alternative approaches to recycling and eliminating biodegradable matter from the waste stream. The State of Alabama required each county in 1990 to develop its own solid waste management plan. This was in response to public demands for more environmentally sensitive approaches to waste handling, the impending closure of significant numbers of landfills, and new federal regulations regarding landfill operations.

The City and the State Highway Department are continuing to study and observe the increasing development and traffic flow along the section of State Highway 150 (SH 150) from Riverchase Drive to Sulphur Springs Road. City and Highway Department staff members anticipate that this section will need to be widened in the near future and that the work would include a new bridge at the Paradise Lake spillway. The estimated cost of the work is \$6 million. The State Highway Director has indicated that he would welcome financial support from the City in this project. No formal arrangements have been made as of this date.

DEPARTMENT FOCUS - MUNICIPAL COURT

The Hoover municipal court has jurisdiction over three types of cases. These cases are traffic offenses, city ordinance violations, and state misdemeanors that have been adopted by municipal ordinances as offenses against the City. In order for the court to have jurisdiction over a case, there must be a valid ordinance proscribing the conduct in question. Further, the alleged offense must have been committed within the police jurisdiction and the accused must be properly brought before the court. All cases entering the municipal court must be initiated by a complaint. A complaint is defined by the Alabama Rules of Criminal Procedure as "a written statement made upon oath before a judge or other official authorized by law to issue warrants of arrests, setting forth essential facts constituting an offense and alleging that the defendant committed the offense."

The municipality is required by statute to provide appropriate facilities and necessary support personnel for the Court. The Hoover court system is a model system. The council chambers provide one of the finest courtrooms in the state. In addition, municipal court personnel are of the highest quality.

The municipal judge is a Cumberland Law School Professor who wrote the Alabama Municipal Judge's Manual and is the author of a treatise entitled, Municipal Court Practice and Procedure. The municipal judge serves as chairman of the Alabama Supreme Court Advisory Commission on Municipal Courts and is past president of the Alabama Municipal Judge's Association.

The supervising court clerk is on the Board of Directors of the Alabama Magistrates Association and serves on the Education Committee of that organization. She has also served as court clerk for two other Alabama cities and has ten years experience. She was recently instrumental in the founding of the Municipal Court Clerks and Magistrates Association and Certification Program. The certification program is designed to improve professional, administrative, and legal skills of participating municipal court clerks and magistrates in Alabama through a series of courses approved by the administrative office of courts and the Alabama Municipal Court Clerks and Magistrates Association. Successful completion of these courses will fulfill the educational requirements for the professional designation of Certified Municipal Court Clerk and/or Magistrate. All City of Hoover magistrates are enrolled in the certification program.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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. The internal control structure is subject to periodic tests and evaluation by independent auditors.

BUDGETING CONTROLS

The City 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 and other financing sources for the fiscal year ended September 30, 1990 and the amount and percentages of increases and decreases in relation to prior year revenues.

<u>Revenues and other Financing Sources</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1989</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$17,398,546	70.90%	\$2,461,744	16.5%
Licenses and permits	3,721,613	15.17	501,823	15.6
Intergovernmental	1,395,944	5.69	352,881	33.8
Fines and forfeits	380,592	1.55	(23,877)	(5.9)
Interest earned	796,122	3.24	518,838	187.1
Stadium lease	275,597	1.12	(26,543)	(8.8)
Other	<u>572,068</u>	<u>2.33</u>	<u>29,493</u>	5.4
Total revenues	\$24,540,482	<u>100.00%</u>	<u>\$3,814,359</u>	18.4%
Operating transfers in	899,106			
Proceeds of refunding general obligation warrants	<u>7,994,310</u>			
Total revenues and other financing sources	<u>\$33,433,898</u>			

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 1989</u>	<u>Percent of Increase (Decrease)</u>
Sales and use taxes	\$15,003,431(A)	61.15%	\$2,286,486	18.0%
Business licenses	3,232,457(B)	13.17	494,916	18.1
Property taxes	2,322,404(A)	9.46	186,428	8.7
Intergovernmental	1,395,944	5.69	352,881	33.8
Interest earned	796,122	3.24	518,838	187.1
Building permits	488,892(B)	1.99	7,792	1.6
Fines and forfeits	380,592	1.55	(23,877)	(5.9)
Stadium lease	275,597	1.12	(26,543)	(8.8)
Enhanced 911	275,065(C)	1.12	24,500	9.8
All other revenue	<u>369,978(D)</u>	<u>1.51</u>	<u>(7,062)</u>	(1.9)
Total Revenue	<u>\$24,540,482</u>	<u>100.00%</u>	<u>\$3,814,359</u>	18.4%

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

Taxes	\$ 72,711
Licenses and permits	264
Other	<u>297,003</u>
	<u>\$369,978</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 year except fiscal 1983. 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 Revenue</u>	<u>Percent of Increase (Decrease) from previous Year</u>
1981	\$ 1,565,543	46.4%	53.3%
1982	1,808,575	45.6	15.5
1983	1,807,157	39.7	(.1)
1984	4,002,656(A)	51.9	121.5
1985	5,028,805	53.9	25.6
1986	7,576,464(B)	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

- (A) The City raised its sales and use tax rate from 1% to 2% (except on automobiles) effective October 1, 1983.
- (B) The Riverchase Galleria shopping mall opened in February 1986.

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 (Decrease) from previous Year</u>
1981	\$ 671,522	19.9%	23.7%
1982	888,169	22.4	32.3
1983	1,015,192	22.3	14.3
1984	1,128,678	14.6	11.2
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

Business licenses revenue has grown each year as the commercial base of the City has grown.

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>
1981	\$ 535,233	15.9%	90.0%
1982	543,663	13.7	78.1
1983	800,515	17.6	47.2
1984	945,470	12.3	18.1
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

Assessed property values have grown from \$47 million in 1981 to \$392 million in 1990. The City's property tax is 6 1/2 mills for general government use. The City also passed a 14 mill school tax during fiscal 1990.

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. In fiscal 1990, intergovernmental revenues increased about 34% and comprised about 6% of total revenue.

Interest earned shows an increase of approximately 187%. The reason for this substantial increase is the inclusion of interest of \$616,759 collected on a \$9 million loan receivable from the Board of Education.

Operating transfers were made from the capital projects fund and the sewer enterprise fund to the general fund during fiscal 1990. A total of \$499,106 was transferred from the Capital Projects Fund to reimburse the General Fund for various capital expenditures. An operating transfer of \$400,000 of excess funds was made from the Sewer Enterprise Fund to the General Fund.

Expenditures and Other		Percent	Increase	Percent
<u>Financing Uses</u>	<u>Amount</u>	<u>of Total</u>	<u>(Decrease)</u>	<u>of Increase</u>
			<u>from 1989</u>	<u>(Decrease)</u>
Current				
General				
government	\$ 2,244,350	8.8%	\$ 165,576	8.0%
Public safety	9,412,564	36.7	1,624,252	20.9
Municipal court	187,538	0.7	12,592	7.2
Streets and sanitation	2,760,175	10.8	217,878	8.6
Recreation	918,109	3.6	94,327	11.5
Library	766,368	3.0	133,611	21.1
Health	135,333	0.5	10,810	8.7
Capital outlays	754,503	2.9	(513,663)	(40.5)
Debt service				
Principal	687,238	2.7	131,484	23.7
Interest	3,241,732	12.6	809,262	33.3
Issuance cost	71,363	0.3	(23,058)	(24.4)
Intergovernmental				
City Board of Education	<u>4,453,850</u>	<u>17.4</u>	<u>720,611</u>	19.3
Total				
expenditures	25,633,123	<u>100.0%</u>	<u>\$3,383,682</u>	15.2%
Operating transfers out	1,000			
General obligation warrants retired	<u>7,922,947</u>			
Total expendi- tures and other financing uses	<u>\$33,557,070</u>			

Expenditures for personal services including salaries, retirement contributions and other employee benefits totalled \$11,295,185 in fiscal 1990, compared to \$9,635,290 in fiscal 1989. This was an increase of \$1,659,895. The increase resulted from a 4.5% across the board pay increase, merit raises and the hiring of approximately 25 additional employees during the year.

Personal services expenditures comprised 68.8% of operating expenditures and 44.1% of total expenditures in fiscal 1990 as compared to 68.0% of operating expenditures and 43.3% of total expenditures in fiscal 1989.

Public safety expenditures in fiscal 1990 increased \$1,624,252 (20.9%) over fiscal 1989. As the City continues its rapid growth, newly annexed areas require the expansion of City service. Public safety is the function most affected by this growth.

Library expenditures were up 21.1% over fiscal 1989. This was primarily due to the employment of 3 new employees and merit and cost of living pay increases.

Capital outlays from general and special revenue funds totalled \$754,503 in fiscal 1990, a decrease of \$513,663 from 1989. Capital outlays were as follows:

	<u>Land</u>	<u>Construction</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
General Government					
Administration	\$ -	\$ 66,004	\$ 11,411	\$ 19,341	\$ 96,756
Municipal garage	-	-	-	3,665	3,665
Total general government	-	66,004	11,411	23,006	100,421
Public Safety					
Police	-	2,432	83,822	74,694	160,948
Fire	-	40,354	-	40,592	80,946
Inspection	-	-	10,914	238	11,152
Total public safety	-	42,786	94,736	115,524	253,046
Municipal Court	-	-	-	254	254
Streets and Sanitation	-	142,501	30,224	48,616	221,341
Recreation	5,000	112,112	11,726	27,052	155,890
Library	-	-	-	23,551	23,551
Health	-	-	-	-	-
Totals	<u>\$5,000</u>	<u>\$363,403</u>	<u>\$148,097</u>	<u>\$238,003</u>	<u>\$754,503</u>

General and Special Revenue Funds capital outlays were partially reimbursed with an operating transfer from the Capital Projects Fund totalling \$499,106.

In the last few years, substantial capital needs of the City to finance infrastructure and municipal facilities have resulted in significant long-term borrowing. This is reflected by the increase in debt service payments. Total principal and interest payments in fiscal 1990 are up by \$940,746 over fiscal 1989.

During fiscal 1989 the City issued general obligation warrants totaling \$9,000,000. The net proceeds of the warrants, totalling \$8,908,239 were paid to the City Board of Education. Because of uncertainties existing at September 30, 1989 with regard to the Board's ability to meet the debt service requirements on the \$9,000,000 loan, the City elected to record the payment as an expenditure rather than a loan. During fiscal 1990 the Board paid the City for debt service on the loan as it came due. Because of this, and because of the passage of a City school ad valorem tax during fiscal 1990, City management has reconsidered its earlier position and has elected to record the amount paid to the Board as a loan receivable at September 30, 1990. Because of this change, the fiscal 1989 payments to the City Board of Education have been reduced on the financial statements from \$12,733,239 to \$3,733,239. The regular contributions by the City to the Board of Education, which are, through September 30, 1990 based on an amount equal to 30% of sales and use tax collections, totalled \$4,453,850. This was an increase of \$720,611.

GENERAL AND SPECIAL REVENUE FUND BALANCES

The fund balances of the General and Special Revenue Funds are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Reserved for noncurrent loans receivable	\$9,000,000	\$ -
Reserved for prepaid items	102,894	-
Unreserved and undesignated	<u>298</u>	<u>610,482</u>
Total	<u>\$9,103,192</u>	<u>\$610,482</u>

During fiscal 1990 the commitment by the City to contribute 30% of sales and use tax to the City Board of Education continued. This education cost was the primary cause of the deterioration of the General Fund Balance.

Effective October 1, 1990 the City Council voted to change the contribution to the Board of Education from 30% of sales and use tax collected to 24% of that amount and increase the minimum contribution from \$4.125 million to \$4.5 million annually. This action was taken to alleviate the deterioration of the General Fund Balance described above.

The State Seven Cent Gasoline Tax Fund, which has a deficit of \$31,224, is the only Special Revenue Fund with a deficit. It is anticipated that this deficit will be eliminated soon.

CAPITAL PROJECTS FUND

Residual amounts in the original Capital Projects Fund were substantially expended during fiscal 1990. Operating transfers were made to the General Fund to reimburse the General Fund for certain capital expenditures made therefrom. These transfers totalled \$499,106. In addition, \$164,743 was expended for Lorna Road improvements and \$94,771 was expended for recreation center architectural plans.

A new Capital Projects Fund was established near the end of fiscal 1990 to account for the use of the proceeds of general obligation warrants issued to finance several new capital projects. It has been designated the "1990 Capital Projects Fund". Expenditures made from it in fiscal 1990 were minimal.

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 for the fiscal years ended September 30, 1990 and 1989 of \$710,343 and \$265,357, respectively. The Sewer Enterprise Fund has an accumulated deficit of \$2,525,776 at September 30, 1990. 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, 1990 totalled \$1,266,662.

CASH MANAGEMENT

Cash temporarily idle during the year was invested in a bank public funds investment account and in bank certificates of deposit. The average yield on investments was 7.31%.

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. All of the funds invested by the City are classified in the category of lowest credit risk as defined by Statement No. 3 of the Governmental Accounting Standards Board.

RISK MANAGEMENT

During fiscal 1990, the City maintained insurance coverage for property damage, comprehensive general liability, police professional liability, public officials liability, employee dishonesty, workers compensation and business interruption at the Riverchase Galleria. City management believes that insurance coverages are adequate.

DEBT ADMINISTRATION

At September 30, 1990, the City had general long-term warrants and bond outstanding as follows:

- | | |
|---|------------|
| (A) \$500,000 non-interest bearing Park and Recreation Board bond; dated April 7, 1987; due \$100,000 annually including interest (discount is based on imputed interest rate of 5.49%) | \$ 184,658 |
|---|------------|

(B) \$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	\$17,500,000
(C) \$7,550,000 general obligation warrants, dated May 1, 1987; issued September 29, 1988; due \$190,000 to \$845,000 annually beginning May 1, 1991; interest at 8.90% to 9.50% due semi-annually commencing November 1, 1988	7,550,000
(D) \$450,000 general obligation warrant, dated May 1, 1989; due \$50,000 annually plus interest at 7.25%	400,000
(E) \$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	9,000,000
(F) \$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	14,590,000
(G) \$9,455,000 (principal and accreted interest at September 1, 1993) refunding general obligation warrants, dated September 1, 1990; due \$5,000 to \$1,930,000 annually beginning March 1, 2006; interest at 8% due semi-annually commencing March 1, 1994	<u>7,513,227</u>
Total	<u>\$56,737,885</u>

On September 26, 1990 the City advance refunded a general obligation warrant issue (Series 1983) with a single general obligation warrant issue made up of a series of refunding warrants and a series of general obligation warrants that are to be used for the acquisition and construction of major capital facilities. On September 26, 1990 the City placed \$7,922,947 with an escrow agent, and on

October 1, 1990 the refunded warrants were called. As a result, the refunded warrants are considered defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to refinance the debt at lower interest rates and to reduce total debt service requirements over the next ten years, however the advance refunding will increase total debt service requirements over the next thirty years by \$16,476,185. The advance refunding resulted in an economic gain (difference between the present value of the debt service payments of the refunded and refunding warrants) of \$777,363.

Annual debt service requirements to maturity for long-term debt (including interest) at September 30, 1990 range from a high of \$5,823,472 in fiscal 2007 to a low of \$2,084,400 in fiscal 2020.

The City was rated by Moody's Investors Service and Standard & Poor's Corporation in fiscal 1990. Moody's elected to reduce the City's rating from A to Baal. They cited "deterioration of financial position, due to a substantial commitment to a newly created school system..." as the primary reason for the reduction. Standard & Poor's affirmed its previous rating of A+.

Under current state statutes, the City's debt is subject to a legal limitation based on 20 percent of total assessed value of real and personal property. As of September 30, 1990, the City's debt applicable to the debt limit was \$43,557,885. The legal debt limit was \$78,305,855 at September 30, 1990. Debt per capita at September 30, 1990 equalled \$1,421.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Livings, Hill & Moody, CPAs performed the audit. The City is 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. The independent auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The Single Audit report is issued separately and is not included in this report.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 1989. This was the eighth 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 principals 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, the Assistant to the Mayor and our accountants, Livings, Hill & Moody, CPAs. 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 Skinner, Jr.
Mayor



Richard K. Smith
Finance Director

This page intentionally left blank.

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, 1989

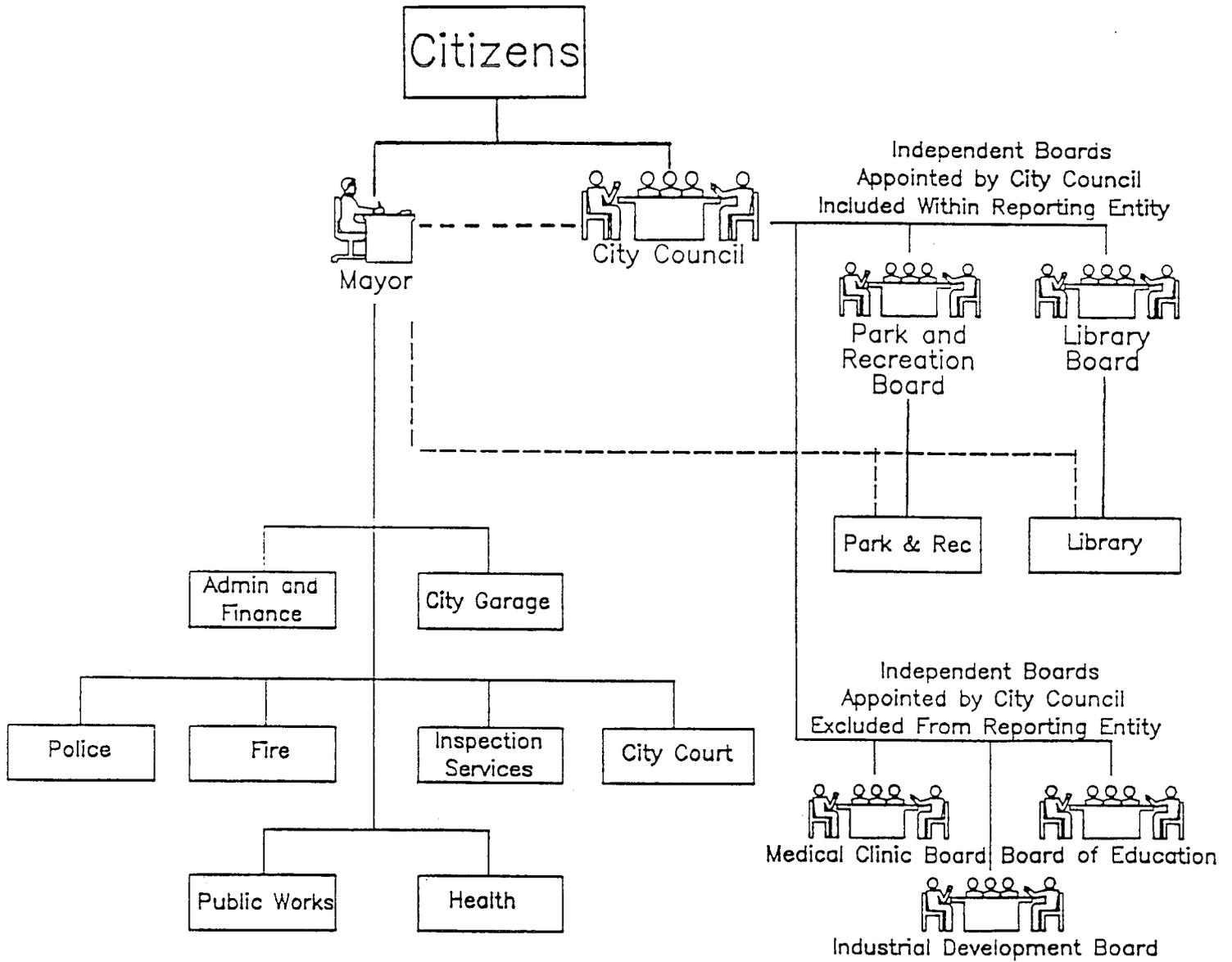
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) achieve the highest standards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



Gary R. Nordstrom
President

Jeffrey L. Esolt
Executive Director

The City of Hoover Alabama Organization Chart



Officials of The City of Hoover, Alabama

September 30, 1990

Mayor

Frank S. Skinner, Jr.

City Council

William J. Billingsley, President

David L. Bradley

Richard D. Linn

Barbara B. McCollum

Sheila A. Trimm

Assistant to the Mayor

John W. Campbell

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
Park and Recreation.....	James E. Fisher, Director
Library.....	Linda R. Andrews, Director

City Attorney
Jack H. Harrison

Municipal Judge
T. Brad Bishop

Supervising Court Clerk
Susan Fuqua

This page intentionally left blank.

FINANCIAL SECTION

This page intentionally left blank.



Livings, Hill & Moody

Certified Public Accountants

Post Office Box 157
The Wheelock Building • 2201 2nd Avenue North
Birmingham, Alabama 35201-0157
(205) 252-7900

James H. Livings, CPA
B. Douglas Hill, CPA
James R. Moody, CPA
Donald G. Vise, CPA
Steve H. Noble, III, CPA
Douglas E. McPherson, CPA
Mark W. Kurtz, CPA

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 and schedules of the City of Hoover, Alabama, as of and for the years ended September 30, 1990 and 1989, as listed in the table of contents. These financial statements and schedules are the responsibility of the City of Hoover, Alabama's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

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 and schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and schedules. 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 provide a reasonable basis for our opinion.

In our opinion, 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, 1990 and 1989, 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 and schedules 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, 1990 and 1989, 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 23

Continued from page 22

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 and schedules. The accompanying financial information listed in the supplemental information section 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 this schedule has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and schedules 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, Hill & Moody

November 24, 1990

GENERAL PURPOSE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
 Combined Balance Sheet
 All Fund Types and Account Groups
 September 30, 1990
 (with comparative totals for September 30, 1989)

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Assets and other debits			
Assets			
Pooled cash and investments	\$ 529,528	\$664,326	\$13,945,777
Restricted cash	71,846	-	-
Receivables			
Taxes	246,855	-	-
Accounts	89,395	-	33,178
Loan receivable - Board of Education	9,000,000	-	-
Due from other governments			
County	284,122	-	-
State	-	28,632	-
Due from other funds	84,995	-	6,325
Inventory	-	-	-
Prepaid items	102,894	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-
Other debits			
Amount to be provided for retire- ment of general long-term debt	-	-	-
Total assets	<u>\$10,409,635</u>	<u>\$692,958</u>	<u>\$13,985,280</u>
Liabilities, equity and other credits			
Liabilities			
Accounts payable	\$ 613,958	\$ -	\$ 76,108
Payroll taxes payable	-	-	-
Due to other funds	-	82,476	6,325
Park and Recreation Board bond payable	-	-	-
General obligation warrants payable	-	-	-
Accrued compensated leave	692,485	-	-
Total liabilities	<u>1,306,443</u>	<u>82,476</u>	<u>82,433</u>
Equity and other credits			
Investment in general fixed assets	-	-	-
Contributed capital	-	-	-
Retained earnings (deficit)	-	-	-
Fund balances			
Reserved for noncurrent loans receivable	9,000,000	-	-
Reserved for prepaid items	102,894	-	-
Unreserved, designated for construction and improve- ments	-	-	13,902,847
Unreserved undesignated	298	610,482	-
Total equity and other credits	<u>9,103,192</u>	<u>610,482</u>	<u>13,902,847</u>
Total liabilities, equity and other credits	<u>\$10,409,635</u>	<u>\$692,958</u>	<u>\$13,985,280</u>

Proprietary Fund Type	Account Groups		Totals	
	General	General	(Memorandum Only)	
Sewer	Fixed Assets	Long-Term Debt	1990	1989
Enterprise				(Restated)
\$ 79,466	\$ -	\$ -	\$ 15,219,097	\$ 2,037,309
-	-	-	71,846	894,208
-	-	-	246,855	60,810
85,128	-	-	207,701	286,402
-	-	-	9,000,000	9,000,000
-	-	-	284,122	190,000
-	-	-	28,632	28,887
-	-	-	91,320	16,664
3,100	-	-	3,100	3,100
-	-	-	102,894	-
4,675,638	38,249,733	-	42,925,371	40,900,681
-	-	57,445,970	57,445,970	42,915,060
<u>\$4,843,332</u>	<u>\$38,249,733</u>	<u>\$57,445,970</u>	<u>\$125,626,908</u>	<u>\$96,333,121</u>
\$ 30,042	\$ -	\$ -	\$ 720,108	\$ 355,256
-	-	-	-	113,752
2,519	-	-	91,320	16,664
-	-	184,658	184,658	269,843
-	-	56,553,227	56,553,227	42,450,000
-	-	708,085	1,400,570	997,845
<u>32,561</u>	<u>-</u>	<u>57,445,970</u>	<u>58,949,883</u>	<u>44,203,360</u>
-	38,249,733	-	38,249,733	37,721,908
7,336,547	-	-	7,336,547	5,490,912
(2,525,776)	-	-	(2,525,776)	(1,815,433)
-	-	-	9,000,000	9,000,000
-	-	-	102,894	-
-	-	-	13,902,847	165,681
-	-	-	610,780	1,566,693
<u>4,810,771</u>	<u>38,249,733</u>	<u>-</u>	<u>66,677,025</u>	<u>52,129,761</u>
<u>\$4,843,332</u>	<u>\$38,249,733</u>	<u>\$57,445,970</u>	<u>\$125,626,908</u>	<u>\$96,333,121</u>

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

This page intentionally left blank.

THE CITY OF HOOVER, ALABAMA
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances
 All Governmental Fund Types
 For the fiscal year ended September 30, 1990
 (with comparative totals for the fiscal year ended September 30, 1989)

	Governmental Fund Types			Totals	
	General	Special Revenue	Capital Projects	(Memorandum Only)	
				1990	1989 (Restated)
Revenues					
Taxes	\$17,398,546	\$ -	\$ -	\$17,398,546	\$14,936,802
Licenses and permits	3,721,613	-	-	3,721,613	3,219,790
Intergovernmental	1,059,372	336,572	-	1,395,944	1,043,063
Fines and forfeits	380,592	-	-	380,592	404,469
Interest on pooled cash and investments	137,165	42,198	45,533	224,896	383,322
Interest on Board of Education loan	616,759	-	-	616,759	-
Stadium lease	275,597	-	-	275,597	302,140
Other	248,689	323,379	-	572,068	607,592
Total Revenues	<u>23,838,333</u>	<u>702,149</u>	<u>45,533</u>	<u>24,586,015</u>	<u>20,897,178</u>
Expenditures					
Current operations					
General government	2,244,350	-	-	2,244,350	2,078,774
Public safety	9,079,732	332,832	-	9,412,564	7,789,743
Municipal court	187,538	-	-	187,538	174,946
Streets and sanitation	2,375,859	384,316	-	2,760,175	2,542,297
Recreation	918,109	-	-	918,109	823,782
Library	766,368	-	-	766,368	632,757
Health	135,333	-	-	135,333	124,523
Total	15,707,289	717,148	-	16,424,437	14,166,822
Capital outlays	719,997	34,506	306,120	1,060,623	1,835,289
Debt service					
Principal	687,238	-	-	687,238	555,754
Interest	3,241,732	-	-	3,241,732	2,432,470
Issuance cost	71,363	-	124,054	195,417	94,421
Intergovernmental					
City Board of Education	4,453,850	-	-	4,453,850	3,733,239
Total Expenditures	<u>24,881,469</u>	<u>751,654</u>	<u>430,174</u>	<u>26,063,297</u>	<u>22,817,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,043,136)</u>	<u>(49,505)</u>	<u>(384,641)</u>	<u>(1,477,282)</u>	<u>(1,920,817)</u>
Other financing sources (uses)					
Operating transfers in	899,106	19,634	1,000	919,740	175,052
Operating transfers out	(20,634)	-	(499,106)	(519,740)	(175,052)
Residual equity transfers in	238,014	-	-	238,014	-
Residual equity transfers out	-	(238,014)	-	(238,014)	-
Proceeds of general obligation school warrant	-	-	-	-	9,025,792
Proceeds of general obligation warrants and notes	-	-	13,890,066	13,890,066	450,000
Proceeds of refunding general obligation warrants	7,994,310	-	-	7,994,310	-
Payment to refunded general obligation warrant escrow agent	(7,922,947)	-	-	(7,922,947)	-
Total other financing sources (uses)	<u>1,187,849</u>	<u>(218,380)</u>	<u>13,391,960</u>	<u>14,361,429</u>	<u>9,475,792</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	144,713	(267,885)	13,007,319	12,884,147	7,554,975
Fund balances at beginning of year	<u>8,958,479</u>	<u>878,367</u>	<u>895,528</u>	<u>10,732,374</u>	<u>3,177,399</u>
Fund balances at end of year	<u>\$ 9,103,192</u>	<u>\$610,482</u>	<u>\$13,902,847</u>	<u>\$23,616,521</u>	<u>\$10,732,374</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, 1990

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$16,973,000	\$17,398,546	\$ 425,546
Licenses and permits	3,685,000	3,721,613	36,613
Intergovernmental	721,000	1,059,372	338,372
Fines and forfeits	515,000	380,592	(134,408)
Interest on pooled cash and investments	260,000	137,165	(122,835)
Interest on Board of Education loan	616,759	616,759	-
Stadium lease	350,000	275,597	(74,403)
Other	<u>227,000</u>	<u>248,689</u>	<u>21,689</u>
Total Revenues	<u>23,347,759</u>	<u>23,838,333</u>	<u>490,574</u>
Expenditures			
Current operations			
General government	2,389,900	2,244,350	145,550
Public safety	9,000,900	9,079,732	(78,832)
Municipal court	211,700	187,538	24,162
Streets and sanitation	2,581,000	2,375,859	205,141
Recreation	872,400	918,109	(45,709)
Library	782,800	766,368	16,432
Health	<u>141,300</u>	<u>135,333</u>	<u>5,967</u>
Total	15,980,000	15,707,289	272,711
Capital outlays	1,247,501	719,997	527,504
Debt service			
Principal	687,238	687,238	-
Interest	3,245,993	3,241,732	4,261
Issuance cost	-	71,363	(71,363)
Intergovernmental			
City Board of Education	<u>4,362,000</u>	<u>4,453,850</u>	<u>(91,850)</u>
Total Expenditures	<u>25,522,732</u>	<u>24,881,469</u>	<u>641,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,174,973)</u>	<u>(1,043,136)</u>	<u>1,131,837</u>
Other financing sources (uses)			
Operating transfers in	899,106	899,106	-
Operating transfers out	-	(20,634)	(20,634)
Residual equity transfers in	-	238,014	238,014
Residual equity transfers out	-	-	-
Proceeds of refunding general obligation warrants	8,000,000	7,994,310	(5,690)
Payment to refunded general obligation warrant escrow agent	<u>(8,000,000)</u>	<u>(7,922,947)</u>	<u>77,053</u>
Total other financing sources (uses)	<u>899,106</u>	<u>1,187,849</u>	<u>288,743</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$(1,275,867)</u>	144,713	<u>\$1,420,580</u>
Fund balances at beginning of year		<u>8,958,479</u>	
Fund balances at end of year		<u>\$ 9,103,192</u>	

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -
-	-	-
315,000	336,572	21,572
-	-	-
44,000	42,198	(1,802)
-	-	-
-	-	-
<u>320,000</u>	<u>323,379</u>	<u>3,379</u>
<u>679,000</u>	<u>702,149</u>	<u>23,149</u>
-	-	-
332,000	332,832	(832)
-	-	-
292,000	384,316	(92,316)
-	-	-
-	-	-
<u>624,000</u>	<u>717,148</u>	<u>(93,148)</u>
232,400	34,506	197,894
-	-	-
-	-	-
<u>856,400</u>	<u>751,654</u>	<u>104,746</u>
<u>(177,400)</u>	<u>(49,505)</u>	<u>127,895</u>
-	19,634	19,634
-	-	-
-	(238,014)	(238,014)
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>(218,380)</u>	<u>(218,380)</u>
<u>\$(177,400)</u>	<u>(267,885)</u>	<u>\$(90,485)</u>
	<u>878,367</u>	
	<u>\$610,482</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 years ended September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Operating revenues		
Charges for services	\$ 469,890	\$ 202,457
Operating expenses		
Depreciation	331,955	201,187
Management fees	200,711	176,676
Utilities	122,436	86,435
Supplies	7,296	8,467
Repairs and maintenance	104,122	24,973
Personal services	11,055	-
Professional fees	13,228	9,620
Telephone	1,611	1,010
Engineering fees	7,677	1,565
Bank charges	-	121
Total operating expenses	<u>800,091</u>	<u>510,054</u>
Operating loss	(330,201)	(307,597)
Non-operating revenue - interest	<u>19,858</u>	<u>42,240</u>
Loss before operating transfers	(310,343)	(265,357)
Operating transfers to General Fund	<u>(400,000)</u>	<u>-</u>
Net loss	(710,343)	(265,357)
Retained earnings (deficit) at beginning of year	<u>(1,815,433)</u>	<u>(1,550,076)</u>
Retained earnings (deficit) at end of year	<u><u>\$(2,525,776)</u></u>	<u><u>\$(1,815,433)</u></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 years ended September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Cash flows from operating activities:		
Cash received from customers	\$407,426	\$ 196,195
Cash payments to suppliers for goods and services	(283,266)	(124,524)
Cash payments to management companies for services	(200,711)	(176,676)
Cash payments to employees for services	(11,055)	-
Net cash used by operating activities	<u>(87,606)</u>	<u>(105,005)</u>
Cash flows from noncapital financing activities:		
Operating transfers to General Fund	(400,000)	-
Net cash used by noncapital financing activities	<u>(400,000)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(8,935)	(190,701)
Capital contributed by government	-	150,000
Capital contributed by customers	<u>25,750</u>	<u>168,761</u>
Net cash provided by capital and related financing activities	16,815	128,060
Cash flows from investing activities:		
Interest earned on pooled cash and investments	<u>19,858</u>	<u>42,240</u>
Net cash provided by investing activities	<u>19,858</u>	<u>42,240</u>
Net increase (decrease) in pooled cash and investments	(450,933)	65,295
Pooled cash and investments, beginning of year	<u>530,399</u>	<u>465,104</u>
Pooled cash and investments, end of year	<u>\$ 79,466</u>	<u>\$ 530,399</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$(330,201)	\$(307,597)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	331,955	201,187
Change in assets and liabilities:		
Increase in accounts receivable	(62,464)	(6,262)
Increase (decrease) in accounts payable	(29,415)	7,667
Increase in due to General Fund	<u>2,519</u>	<u>-</u>
Net cash used by operating activities	<u>\$ (87,606)</u>	<u>\$ (105,005)</u>

Noncash investing, capital, and financing activities:

Effective January 26, 1990, the City entered into an agreement with a developer to annex the commercial portion of Inverness, a large planned community in north Shelby County. In connection with that agreement, on May 1, 1990, the developer transferred the Inverness sewage treatment plant to the City. The estimated fair market value of the land, treatment plant and equipment on May 1, 1990 was \$1,819,885.

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

This page intentionally left blank.

NOTES TO THE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
September 30, 1990

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, 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

For financial reporting purposes and in accordance with GAAP, the City includes those potential component units (funds, account groups, agencies, boards, commissions and authorities), for which the City has the ability to exercise its oversight responsibility. The ability to exercise oversight responsibility is the basic but not the only criterion for including a potential component unit within a reporting entity. The most significant manifestation of oversight responsibility is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Reporting Entity - Continued

Included within the reporting entity:

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.

City of Hoover Park and Recreation Board -

The City of Hoover Park and Recreation Board (the Park and Recreation Board) is appointed by the City Council. While the Park and Recreation Board appoints its own management, the City has the ability to significantly influence the operations of the Park and Recreation Board, and is accountable for the Park and Recreation Board's fiscal matters.

Excluded from the reporting entity:

Hoover City Board of Education -

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, 1990 of the greater of 30% of sales and use tax collections or \$4,125,000. These contributions normally make up approximately 20% of the Board of Education's annual revenues. The remaining 80% of the Board of Education's funding comes from federal, state and county governments, and from a 14 mill City School Ad Valorem tax that the Board of Education began raising after a May 8, 1990 referendum. The Board of Education is excluded from the reporting entity

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Hoover City Board of Education - Continued -

because the City does not designate the Board of Education's management, 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. The Board of Education is also excluded from the reporting entity because it has substantial autonomy and separate governmental unit characteristics.

Medical Clinic Board of the City of Hoover and Industrial Development Board of the City of Hoover -

These potential component units have boards which are appointed by the City Council, and they provide services in the general geographic area of the City. They are excluded from the reporting entity because the City does not have the authority to designate their management, influence their operations, approve their budgets, finance their deficits, control their surpluses, or provide their funding.

B. Fund Accounting

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 two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Fund Accounting - Continued -

Governmental Funds:

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.

Proprietary Fund:

Enterprise Fund - The City's only enterprise fund is a sewer enterprise fund. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) 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.

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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Account Groups - Continued:

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. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The proprietary fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Basis of Accounting - Continued

period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are interest revenues, court fines and forfeits and shared taxes collected and remitted by the counties and the state. Taxes collected and held by an intermediary at year end on behalf of the City are recognized as revenue. 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.

The accrual basis of accounting is utilized by the proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

D. 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Budgets - Continued

2. Prior to October 1, the Mayor submits the appropriated budget to the City Council for the next fiscal year.

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 the budget 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.

E. 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Pooled Cash and Investments - Continued

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.

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.

F. 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.

G. 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. There are no long-term interfund loans.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 1990, are recorded as prepaid items.

J. 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

K. 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 Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. 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. City employees had unused overtime pay, vacation pay and vested sick leave benefits totalling \$1,400,570 at September 30, 1990.

L. 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.

M. Fund Equity

Contributed capital is recorded in the proprietary fund for the receipt of capital contributions from developers, customers and other funds.

Fund balance designations may be established to indicate tentative plans for financial resource utilization in a future period. Such designations reflect managerial plans or intent as distinguished from reserves.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

N. General Obligation Warrant Discounts and Issuance Costs

In governmental fund types, general obligation warrants (GOW) discounts and issuance costs are recognized in the current period. GOWs issued are generally reported at their face value in the General Long-Term Debt Account Group, and the proceeds of the GOWs (net of discounts) are reported as other financing sources. GOW issuance costs are reported as expenditures.

O. 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.

P. 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. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with GAAP. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Q. 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 2 - DEPOSITS

At September 30, 1990, the 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.

NOTE 3 - RESTRICTED CASH

The City maintains separate paying agent bank accounts into which monies are deposited to pay principal and interest amounts due on general obligation warrants. Restricted cash on deposit at September 30, 1990 totalled \$71,846.

NOTE 4 - RECEIVABLES

Taxes Receivable -

A summary of the items included in taxes receivable at September 30, 1990 is set forth below:

	<u>1990</u>
Sales and use taxes	\$184,836
Beer tax	21,591
Other	<u>40,428</u>
Total	<u>\$246,855</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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 4 - RECEIVABLES - CONTINUED

Accounts Receivable -

A summary of the items included in accounts receivable at September 30, 1990 is set forth below:

General Fund	<u>1990</u>
Accounts	\$42,650
Fines and forfeits	6,397
Due from City Board of Education	11,316
Interest due on delinquent sales and use taxes	<u>29,032</u>
Total General Fund accounts receivable	<u>89,395</u>
Capital Projects Fund	
Due from Southlake for reimbursement of sewer expansion costs	<u>33,178</u>
Sewer Enterprise Fund	
Sewer service charges	37,924
Due from developer	<u>47,204</u>
	<u>85,128</u>
Total accounts receivable	<u>\$207,701</u>

No significant uncollectible accounts are anticipated on these receivables.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 5 - LOAN RECEIVABLE - BOARD OF EDUCATION

In fiscal 1989 the City issued general obligation school warrants and loaned the net proceeds to the Board of Education (the Board), the amount of which totalled \$8,908,239 (See Notes 7 and 11). 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 12 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.

NOTE 6 - CHANGES IN GENERAL FIXED ASSETS

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

	Balance October 1, <u>1989</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>1990</u>
Land	\$ 8,118,260	\$ 5,275	\$ -	\$ 8,123,535
Buildings	7,328,654	-	-	7,328,654
Improvements other than buildings	17,181,959	69,260	-	17,251,219
Equipment and vehicles	4,681,633	438,580	10,574	5,109,639
Construction in progress	<u>411,402</u>	<u>120,731</u>	<u>95,447</u>	<u>436,686</u>
Total	<u>\$37,721,908</u>	<u>\$633,846</u>	<u>\$106,021</u>	<u>\$38,249,733</u>

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 6 - CHANGES IN GENERAL FIXED ASSETS - CONTINUED

Construction in progress at September 30, 1990 consisted of expenditures for architectural and design fees for a new library (\$338,230), and consultant and architectural fees for a new recreation center (\$98,456).

Proprietary Fund property, plant and equipment at September 30, 1990 and 1989 consisted of:

	Sewer Enterprise Fund	
	1990	1989
Equipment	\$ 142,847	\$ 68,346
Land	643,000	536,000
Sewage treatment plants	<u>5,361,096</u>	<u>3,713,777</u>
Total	6,146,943	4,318,123
Less - Accumulated depreciation	<u>(1,471,305)</u>	<u>(1,139,350)</u>
Net	<u>\$4,675,638</u>	<u>\$3,178,773</u>

NOTE 7 - GENERAL LONG-TERM DEBT

General long-term debt of the City consists of general obligation warrants and bond payable and 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, 1990 is as follows:

General long-term debt at October 1, 1989	\$42,915,060
Warrants issued	22,103,227
Additions to accrued compensated leave	512,868
Warrants and bond retired	<u>(8,085,185)</u>
General long-term debt at September 30, 1990	<u>\$57,445,970</u>

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 7 - GENERAL LONG-TERM DEBT - CONTINUED

General long-term debt at September 30, 1990 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. | \$17,500,000 |
| (B) \$7,550,000 general obligation warrants, dated May 1, 1987; issued September 29, 1988; due \$190,000 to \$845,000 annually beginning May 1, 1991; interest at 8.90% to 9.50% due semi-annually commencing November 1, 1988 | 7,550,000 |
| (C) \$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 5 and 11) | 9,000,000 |
| (D) \$450,000 general obligation warrant, dated May 1, 1989, due \$50,000 annually beginning May 1, 1990 plus interest at 7.25% | 400,000 |

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 7 - GENERAL LONG-TERM DEBT - CONTINUED

(E) \$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.	<u>\$14,590,000</u>
(F) \$9,455,000 (principal and accreted interest at September 1, 1993) refunding general obligation warrants, dated September 1, 1990; due \$5,000 to \$1,930,000 annually beginning March 1, 2006; interest at 8.00% due semi-annually commencing March 1, 1994.	<u>7,513,227</u>
Total general obligation warrants	<u>56,553,227</u>
Bond payable	
\$500,000 non-interest bearing Park and Recreation Board bond; dated April 7, 1987; due \$100,000 annually including interest (discount is based on imputed interest rate of 5.49%)	<u>184,658</u>
Accrued compensated leave	<u>708,085</u>
Total general long-term debt	<u>\$57,445,970</u>

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 7 - GENERAL LONG-TERM DEBT - CONTINUED

Annual debt service requirements to maturity for general long-term debt (including interest) at September 30, 1990 are as follows:

Year Ending September 30.	General Obligation Warrants		Park and Recreation Board Bond		Total
	Principal	Interest	Principal	Interest	
1991	\$ 720,000	\$ 3,125,902	\$ 89,862	\$10,138	\$ 3,945,902
1992	1,035,000	3,594,339	94,796	5,204	4,729,339
1993	1,110,000	3,519,599	-	-	4,629,599
1994	1,505,000	3,816,049	-	-	5,321,049
1995	1,610,000	4,085,259	-	-	5,695,259
1996	1,735,000	3,967,504	-	-	5,702,504
1997	1,865,000	3,839,409	-	-	5,704,409
1998	2,005,000	3,700,419	-	-	5,705,419
1999	2,105,000	3,549,649	-	-	5,654,649
2000	2,265,000	3,391,267	-	-	5,656,267
2001	2,450,000	3,224,172	-	-	5,674,172
2002	2,645,000	3,041,462	-	-	5,686,462
2003	2,855,000	2,843,524	-	-	5,698,524
2004	3,085,000	2,627,944	-	-	5,712,944
2005	3,320,000	2,393,775	-	-	5,713,775
2006	3,595,000	2,139,813	-	-	5,734,813
2007	3,960,000	1,863,472	-	-	5,823,472
2008	3,350,000	1,556,951	-	-	4,906,951
2009	1,770,000	1,317,195	-	-	3,087,195
2010	985,000	1,194,495	-	-	2,179,495
2011	1,060,000	1,122,295	-	-	2,182,295
2012	1,130,000	1,044,583	-	-	2,174,583
2013	1,215,000	961,757	-	-	2,176,757
2014	1,305,000	872,695	-	-	2,177,695
2015	1,400,000	776,450	-	-	2,176,450
2016	1,450,000	673,200	-	-	2,123,200
2017	1,560,000	557,200	-	-	2,117,200
2018	1,675,000	432,400	-	-	2,107,400
2019	1,800,000	298,400	-	-	2,098,400
2020	1,930,000	154,400	-	-	2,084,400
	<u>\$58,495,000</u>	<u>\$65,685,579</u>	<u>\$184,658</u>	<u>\$15,342</u>	<u>\$124,380,579</u>

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 7 - GENERAL LONG-TERM DEBT - CONTINUED

The difference of \$1,941,773 between total general obligation warrant principal debt service as shown above and total general obligation warrants included in the general long-term debt account group is attributable to accreted interest on the \$9,455,000 refunding general obligation warrants dated September 1, 1990. The accreted interest is being amortized using the straight-line method over three years (See Note 7 (F)).

Advance Refunding - On September 26, 1990 the City advance refunded a general obligation warrant issue (series 1983) with a single general obligation warrant issue made up of a series of refunding warrants and a series of general obligation warrants that are to be used for the acquisition and construction of major capital facilities. On September 26, 1990 the City placed \$7,922,947 with an escrow agent, and on October 1, 1990 the refunded warrants were called. As a result, the refunded warrants are considered defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to refinance the debt at lower interest rates and to reduce total debt service requirements over the next ten years, however, the advance refunding will increase total debt service requirements over the next thirty years by \$16,476,185. The advance refunding resulted in an economic gain (difference between the present value of the debt service payments of the refunded and refunding warrants) of \$777,363.

General obligation warrants are secured by the full faith and credit of the City. The Park and Recreation Board bond is secured by a Purchase Money mortgage dated April 7, 1987.

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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 8 - INTERFUND BALANCES

Individual due from/to other fund amounts at September 30, 1990 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$84,995	\$ -
E-911 Fund	-	9,319
State Seven Cent Gasoline Tax Fund	-	73,157
Capital Projects Fund	6,325	-
1990 Capital Projects Fund	-	6,325
Sewer Enterprise Fund	<u>-</u>	<u>2,519</u>
Total	<u>\$91,320</u>	<u>\$91,320</u>

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 29 and 30.

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 CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 9 - SEWER ENTERPRISE FUND - CONTINUED

The Sewer Enterprise Fund incurred losses for the fiscal years ended September 30, 1990 and 1989 of \$710,343 and \$265,357, respectively. The Sewer Enterprise Fund has an accumulated deficit of \$2,525,776 at September 30, 1990. 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, 1990 totalled \$1,266,662.

NOTE 10 - CONTRIBUTED CAPITAL - SEWER ENTERPRISE FUND

Contributed capital increased as follows:

	<u>1990</u>	<u>1989</u>
Customer tap fees	\$ 25,750	\$ 168,761
Land, plant and equipment contributed by developers	1,819,885	-
Contributions from government	<u>-</u>	<u>150,000</u>
Net increase in contributed capital	1,845,635	318,761
Contributed capital at beginning of year	<u>5,490,912</u>	<u>5,172,151</u>
Contributed capital at end of year	<u>\$7,336,547</u>	<u>\$5,490,912</u>

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 11 - RESTATEMENT OF COMBINED AND GENERAL FUND FINANCIAL STATEMENTS

During the fiscal year ended September 30, 1989 the City issued General Obligation School Warrants with a face amount of \$9,000,000. The net proceeds of the warrants, totalling \$8,908,239, were paid to the City Board of Education (See Notes 5 and 7). Because of uncertainties existing at September 30, 1989 with regard to the Board's ability to meet the debt service requirements on the \$9,000,000 loan, the City elected to record the payment as an expenditure rather than a loan. During the fiscal year ended September 30, 1990 the Board paid the City for debt service on the loan as it came due. Because of these remittances, because of the passage of a City School Ad Valorem tax of 14 mills in a May 8, 1990 referendum, and because of continued funding from the City's General Fund (see Note 12), the collectibility of the loan now seems probable. Therefore, City management has reconsidered its earlier position, and now elects to record the amount paid to the Board as a loan receivable. The effect of this restatement is as follows:

	General Fund Financial Statements	
	As Previously Reported	As Restated
Balance sheet		
Assets		
Loan receivable - Board of Education	\$ -	\$9,000,000
Fund balances		
Reserved for noncurrent loans receivable	-	9,000,000
Statement of Revenues, Expenditures and Changes in Fund Balances		
Expenditures		
Intergovernmental		
City Board of Education	12,733,239	3,733,239
Total expenditures	30,844,500	21,844,500

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 11 - RESTATEMENT OF COMBINED AND GENERAL FUND FINANCIAL STATEMENTS -
CONTINUED

	General Fund Financial Statements	
	As Previously Reported	As Restated
Excess (deficiency) of revenues over (under) expenditures	(10,925,942)	(1,925,942)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,625,202)	7,374,798
Fund balances (deficit) at end of year	(41,521)	8,958,479
	Combined Financial Statements	
	As Previously Reported	As Restated
Balance sheet		
Assets		
Loan receivable - Board of Education	\$ -	\$9,000,000
Fund balances		
Reserved for noncurrent loans receivable	-	9,000,000

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 11 - RESTATEMENT OF COMBINED AND GENERAL FUND FINANCIAL STATEMENTS -
CONTINUED

	Combined Financial Statements	
	As Previously Reported	As Restated
Statement of Revenues, Expenditures and Changes in Fund Balances		
Expenditures		
Intergovernmental		
City Board of Education	\$12,733,239	\$ 3,733,239
Total expenditures	31,817,995	22,817,995
Excess (deficiency) of revenues over (under) expenditures	(10,920,817)	(1,920,817)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,445,025)	7,554,975
Fund balances at end of year	1,732,374	10,732,374

NOTE 12 - COMMITMENTS

- A. After formation of the City Board of Education (the Board), the City Council committed by resolution to make an annual contribution to the Board. The amount of the contribution was to be the greater of thirty (30) percent of City revenues from sales and use tax collections or \$4,125,000. This annual commitment was effective September 1, 1988. In the fiscal year ended September 30, 1990, the City contributed \$4,453,850 to the Board. During the fiscal year ending September 30, 1991 the amount of the contribution will be the greater of twenty-four (24) percent of City revenues from sales and use tax collections or \$4,500,000.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 12 - COMMITMENTS - CONTINUED

- B. The City has a contract with a corporation to consult in the providing of services by the City to senior citizens and youth groups. At September 30, 1990 this contract had one (1) year remaining at \$25,000 per year.

NOTE 13 - 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, 1990 was \$8,272,042; total payroll was \$9,302,037. Current membership in the System is comprised of the following:

<u>Group</u>	<u>September 30, 1989</u>
Retirees and beneficiaries currently receiving benefits	4
Active employees	275

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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 13 - DEFINED BENEFIT PENSION PLAN - CONTINUED

Funding Status and Progress

The amount shown below 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 an actuarial valuation performed as of September 30, 1989. Significant actuarial assumptions used in determining the PBO include: (a) a rate of return on investments of 8 1/4% 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 2.61%, depending on age, attributable to seniority/merit.

Total unfunded PBO applicable to the City's employees was \$160,324 at September 30, 1989, as follows:

<u>Pension Benefit Obligation</u>	<u>September 30, 1989</u>
Retirees, beneficiaries and terminated employees currently receiving benefits	\$ 268,459
Current employees	
Employee contributions	1,801,808
Employer-financed vested	195,640
Employer-financed non-vested	<u>2,453,503</u>
Total PBO	4,719,410
Net assets available for benefits, at cost (market value is \$4,685,369)	<u>4,559,086</u>
Unfunded PBO	<u>\$ 160,324</u>

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

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 13 - DEFINED BENEFIT PENSION PLAN - CONTINUED

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 credited projected benefits actuarial funding 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. The unfunded liability is being amortized over a 30 year period.

The contribution to the System for fiscal 1990 of \$896,466 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of September 30, 1989. The employer contributions consisted of \$379,687 for normal cost (4.59% of current year covered payroll), \$67,004 for amortization of the actuarial accrued liability (.81% of current year covered payroll), \$20,680 for death benefits (.25% of current year covered payroll), \$14,890 for administrative expenses of the System (.18% of current year covered payroll), and \$603 for cost of living adjustments. The total employer contributions of \$482,864 represented 5.84% of current year covered payroll, and the total employee contributions of \$413,602 represented 5.00% of current year covered payroll. The actuarial valuation is made annually one year in arrears. The last valuation was at September 30, 1989. The System has informed the City that no significant changes have occurred during fiscal 1990. 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, 1990

NOTE 13 - 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, 1987, 1988 and 1989, respectively, available assets were sufficient to fund 91.91, 90.13, and 96.60 percent of PBO. Unfunded PBO represents 3.22, 4.59, and 2.00 percent of the annual payroll for employees covered by the System for the same three year period. Showing unfunded 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 5.42 percent of annual covered payroll in 1987, 1988 and 1989. 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 96 of this report in order to maintain the stand alone nature of the general purpose financial statements.

NOTE 14 - 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 15 - APPROPRIATIONS AND EXPENDITURES

The total amounts of expenditures (over) under appropriations for the fiscal year ended September 30, 1990, at the legal level of control (the activity level), in individual funds are as follows:

	General Fund	E-911 Fund	State Seven Cent Gasoline Tax Fund	State Four Cent Gasoline Tax Fund	Drug Enforcement Fund	Total Expenditures (Over) Under Appropriations
Administration	\$143,737	\$ -	\$ -	\$ -	\$ -	\$143,737
Municipal garage	145,550	-	-	-	-	145,550
Police	(168,038)	(761)	-	-	(71)	(168,870)
Fire	93,385	-	-	-	-	93,385
Inspection	(4,179)	-	-	-	-	(4,179)
Municipal Court	24,162	-	-	-	-	24,162
Streets and Sanitation	205,141	-	(73,153)	(19,163)	-	112,825
Recreation	(45,709)	-	-	-	-	(45,709)
Library	16,432	-	-	-	-	16,432
Health	5,967	-	-	-	-	5,967

The excess of expenditures over appropriations in the police, inspection and recreation activities resulted primarily from over budget personal services expenditures.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 16 - BUDGETED AND FUND BALANCE DEFICITS

The General Fund annual budget reflected a budgeted deficiency (excess of expenditures and other financing uses over revenues and other financing sources) of \$1,275,867 for fiscal 1990. This budgeted deficiency is due to additional contributions being appropriated to the City Board of Education during the year. The General Fund reflected an actual excess of revenues and other financing sources over expenditures and other financing uses of \$144,713 for fiscal 1990. This excess is primarily due to favorable variances in sales and use taxes, general government expenditures, streets and sanitation expenditures, capital outlays and a residual equity transfer.

The E-911 Special Revenue Fund annual budget reflected a budgeted deficiency (excess of expenditures and other financing uses over revenues and other financing sources) of \$223,800 for fiscal 1990. This budgeted deficiency is due to the budgeted expenditure for a computer-assisted dispatch system which was to be purchased with funds included in the cumulative unreserved fund balance. This expenditure was not made until after the close of fiscal 1990, however, unfavorable variances in telephone surcharge revenues and personal services expenditures resulted in the actual deficiency (excess of expenditures and other financing uses over revenues and other financing sources) of \$51,151.

The State Seven Cent Gasoline Tax Special Revenue Fund reflected an actual deficiency (excess of expenditures and other financing uses over revenues and other financing sources) for fiscal 1990 of \$68,998 and an actual deficit of \$31,224. This deficiency and deficit are the result of increased streets and sanitation expenditures being made from this fund.

The County Road and Bridge Tax Special Revenue Fund reflected an actual deficiency (excess of expenditures and other financing uses over revenues and other financing sources) for fiscal 1990 of \$238,014. This deficiency was due to the fact that the fund was closed and the beginning fund balance was transferred to the General Fund. This fund was closed because the use of the County Road and Bridge tax revenue is not legally restricted and because the City has determined that this revenue will be more appropriately accounted for in the General Fund.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1990

NOTE 16 - BUDGETED AND FUND BALANCE DEFICITS - CONTINUED

The Drug Enforcement Special Revenue Fund annual budget reflected a budgeted deficiency (excess of expenditures and other financing uses over revenues and other financing sources) for fiscal 1990 of \$600. This budgeted deficiency was the result of budgeted capital outlays to be made from the cumulative unreserved fund balance. However, there was an actual favorable variance in revenues and there was no actual deficiency.

The Mayor and City Council are considering alternatives to eliminate the deficiencies (excesses of expenditures and other financing uses over revenues and other financing sources) in several funds and the deficit in the State Seven Cent Gasoline Tax Special Revenue Fund. Among those alternatives being considered are the reduction of certain expenditures. City management believes that the deficit will be eliminated in a timely manner.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100

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, 1990 and 1989

	<u>1990</u>	<u>1989</u> (Restated)
Assets		
Pooled cash and investments	\$ 529,528	\$ -
Restricted cash	71,846	894,208
Receivables		
Taxes	246,855	60,810
Accounts	89,395	230,560
Loan receivable - Board of Education	9,000,000	9,000,000
Due from county government	284,122	-
Due from other funds		
Seven cent gasoline tax fund	73,157	-
E-911 fund	9,319	-
Sewer enterprise fund	2,519	-
Prepaid items	<u>102,894</u>	<u>-</u>
Total assets	<u>\$10,409,635</u>	<u>\$10,185,578</u>
 Liabilities and fund balances		
Liabilities		
Accounts payable	\$ 613,958	\$ 294,055
Payroll taxes payable	-	113,752
Due to other funds		
Four cent gasoline tax fund	-	11,969
Seven cent gasoline tax fund	-	4,695
Accrued compensated leave	<u>692,485</u>	<u>802,628</u>
Total liabilities	<u>1,306,443</u>	<u>1,227,099</u>
 Fund balances (deficit)		
Reserved for noncurrent loans receivable	9,000,000	9,000,000
Reserved for prepaid items	102,894	-
Unreserved, undesignated	<u>298</u>	<u>(41,521)</u>
Total fund balances	<u>9,103,192</u>	<u>8,958,479</u>
 Total liabilities and fund balances	 <u>\$10,409,635</u>	 <u>\$10,185,578</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
For the fiscal years ended September 30, 1990 and 1989

	1990	1989 (Restated)
Revenues		
Taxes	\$17,398,546	\$14,936,802
Licenses and permits	3,721,613	3,219,790
Intergovernmental	1,059,372	534,075
Fines and forfeits	380,592	404,469
Interest on pooled cash and investments	137,165	229,272
Interest on Board of Education loan	616,759	-
Stadium lease	275,597	302,140
Other	<u>248,689</u>	<u>292,010</u>
Total revenues	<u>23,838,333</u>	<u>19,918,558</u>
Expenditures		
Current operations		
General government	2,244,350	2,078,774
Public safety	9,079,732	7,788,312
Municipal court	187,538	174,946
Streets and sanitation	2,375,859	2,138,540
Recreation	918,109	823,782
Library	766,368	632,757
Health	<u>135,333</u>	<u>124,523</u>
Total	15,707,289	13,761,634
Capital outlays	719,997	1,266,982
Debt service		
Principal	687,238	555,754
Interest	3,241,732	2,432,470
Issuance cost	71,363	94,421
Intergovernmental		
City Board of Education	<u>4,453,850</u>	<u>3,733,239</u>
Total Expenditures	<u>24,881,469</u>	<u>21,844,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,043,136)</u>	<u>(1,925,942)</u>
Other financing sources (uses)		
Operating transfers in	899,106	-
Operating transfers out	(20,634)	(175,052)
Residual equity transfer in	238,014	-
Proceeds of general obligation school warrants	-	9,025,792
Proceeds of general obligation warrant	-	450,000
Proceeds of refunding general obligation warrants	7,994,310	-
Payment to refunded general obligation warrant escrow agent	<u>(7,922,947)</u>	<u>-</u>
Total other financing sources	<u>1,187,849</u>	<u>9,300,740</u>
Excess of revenues and other financing sources over expenditures and other financing uses	144,713	7,374,798
Fund balances at beginning of year	<u>8,958,479</u>	<u>1,583,681</u>
Fund balances at end of year	<u>\$ 9,103,192</u>	<u>\$ 8,958,479</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, 1990 and 1989

	<u>1990</u>		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$16,973,000	\$17,398,546	\$ 425,546
Licenses and permits	3,685,000	3,721,613	36,613
Intergovernmental	721,000	1,059,372	338,372
Fines and forfeits	515,000	380,592	(134,408)
Interest on pooled cash and investments	260,000	137,165	(122,835)
Interest on Board of Education loan	616,759	616,759	-
Stadium lease	350,000	275,597	(74,403)
Other	<u>227,000</u>	<u>248,689</u>	<u>21,689</u>
Total revenues	<u>23,347,759</u>	<u>23,838,333</u>	<u>490,574</u>
Expenditures			
Current operations			
General government	2,389,900	2,244,350	145,550
Public safety	9,000,900	9,079,732	(78,832)
Municipal court	211,700	187,538	24,162
Streets and sanitation	2,581,000	2,375,859	205,141
Recreation	872,400	918,109	(45,709)
Library	782,800	766,368	16,432
Health	<u>141,300</u>	<u>135,333</u>	<u>5,967</u>
Total	15,980,000	15,707,289	272,711
Capital outlays	1,247,501	719,997	527,504
Debt service			
Principal	687,238	687,238	-
Interest	3,245,993	3,241,732	4,261
Issuance cost	-	71,363	(71,363)
Intergovernmental			
City Board of Education	<u>4,362,000</u>	<u>4,453,850</u>	<u>(91,850)</u>
Total expenditures	<u>25,522,732</u>	<u>24,881,469</u>	<u>641,263</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,174,973)</u>	<u>(1,043,136)</u>	<u>1,131,837</u>
Other financing sources (uses)			
Operating transfers in	899,106	899,106	-
Operating transfers out	-	(20,634)	(20,634)
Residual equity transfer in	-	238,014	238,014
Proceeds of general obligation school warrants	-	-	-
Proceeds of general obligation warrant	-	-	-
Proceeds of refunding general obligation warrants	8,000,000	7,994,310	(5,690)
Payment to refunded general obligation warrant escrow agent	<u>(8,000,000)</u>	<u>(7,922,947)</u>	<u>77,053</u>
Total other financing sources	<u>899,106</u>	<u>1,187,849</u>	<u>288,743</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$(1,275,867)</u>	144,713	<u>\$1,420,580</u>
Fund balances at beginning of year		<u>8,958,479</u>	
Fund balances at end of year		<u>\$ 9,103,192</u>	

1989 (Restated)		
Budget	Actual	Variance Favorable (Unfavorable)
\$14,958,000	\$14,936,802	\$(21,198)
2,990,000	3,219,790	229,790
767,000	534,075	(232,925)
270,000	404,469	134,469
100,000	229,272	129,272
-	-	-
385,000	302,140	(82,860)
<u>309,000</u>	<u>292,010</u>	<u>(16,990)</u>
<u>19,779,000</u>	<u>19,918,558</u>	<u>139,558</u>
2,010,900	2,078,774	(67,874)
7,813,200	7,788,312	24,888
165,600	174,946	(9,346)
2,159,000	2,138,540	20,460
722,800	823,782	(100,982)
645,000	632,757	12,243
<u>132,200</u>	<u>124,523</u>	<u>7,677</u>
13,648,700	13,761,634	(112,934)
1,468,234	1,266,982	201,252
555,754	555,754	-
2,432,446	2,432,470	(24)
100,000	94,421	5,579
<u>3,725,000</u>	<u>3,733,239</u>	<u>(8,239)</u>
<u>21,930,134</u>	<u>21,844,500</u>	<u>85,634</u>
<u>(2,151,134)</u>	<u>(1,925,942)</u>	<u>225,192</u>
-	-	-
(150,000)	(175,052)	(25,052)
-	-	-
9,000,000	9,025,792	25,792
450,000	450,000	-
-	-	-
-	-	-
<u>9,300,000</u>	<u>9,300,740</u>	<u>740</u>
<u>\$ 7,148,866</u>	7,374,798	<u>\$225,932</u>
	<u>1,583,681</u>	
	<u>\$ 8,958,479</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, 1990
 (with comparative actual amounts for the fiscal year ended September 30, 1989)

<u>Expenditures - Current Operations</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual (Restated)</u>
General government				
Administrative				
Personal services	\$ 696,900	\$ 717,853	\$(20,953)	\$ 616,478
Other	<u>1,575,700</u>	<u>1,411,010</u>	<u>164,690</u>	<u>1,358,793</u>
Total	<u>2,272,600</u>	<u>2,128,863</u>	<u>143,737</u>	<u>1,975,271</u>
Municipal garage				
Personal services	98,100	99,945	(1,845)	88,596
Other	<u>19,200</u>	<u>15,542</u>	<u>3,658</u>	<u>14,907</u>
Total	<u>117,300</u>	<u>115,487</u>	<u>1,813</u>	<u>103,503</u>
Total general government	<u>2,389,900</u>	<u>2,244,350</u>	<u>145,550</u>	<u>2,078,774</u>
Public safety				
Police				
Personal services	3,616,600	3,756,746	(140,146)	3,206,724
Other	<u>363,700</u>	<u>391,592</u>	<u>(27,892)</u>	<u>334,003</u>
Total	<u>3,980,300</u>	<u>4,148,338</u>	<u>(168,038)</u>	<u>3,540,727</u>
Fire				
Personal services	4,204,000	4,163,982	40,018	3,619,723
Other	<u>402,200</u>	<u>348,833</u>	<u>53,367</u>	<u>283,960</u>
Total	<u>4,606,200</u>	<u>4,512,815</u>	<u>93,385</u>	<u>3,903,683</u>
Inspection services				
Personal services	372,400	376,867	(4,467)	306,695
Other	<u>42,000</u>	<u>41,712</u>	<u>288</u>	<u>37,207</u>
Total	<u>414,400</u>	<u>418,579</u>	<u>(4,179)</u>	<u>343,902</u>
Total public safety	<u>9,000,900</u>	<u>9,079,732</u>	<u>(78,832)</u>	<u>7,788,312</u>
Municipal court				
Personal services	145,000	131,685	13,315	116,538
Other	<u>66,700</u>	<u>55,853</u>	<u>10,847</u>	<u>58,408</u>
Total municipal court	<u>211,700</u>	<u>187,538</u>	<u>24,162</u>	<u>174,946</u>
Streets and sanitation				
Personal services	498,100	482,197	15,903	294,192
Other	<u>2,082,900</u>	<u>1,893,662</u>	<u>189,238</u>	<u>1,844,348</u>
Total streets and sanitation	<u>2,581,000</u>	<u>2,375,859</u>	<u>205,141</u>	<u>2,138,540</u>

Continued on Page 67

THE CITY OF HOOVER, ALABAMA
 General Fund
 Schedule of Current Operations Expenditures
 Budget and Actual
 For the fiscal year ended September 30, 1990
 (with comparative actual amounts for the fiscal year ended September 30, 1989)

<u>Expenditures - Current Operations</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1989 Actual (Restated)</u>
Recreation				
Personal services	\$ 591,500	\$ 618,559	\$(27,059)	\$ 516,953
Other	<u>280,900</u>	<u>299,550</u>	<u>(18,650)</u>	<u>306,829</u>
Total recreation	<u>872,400</u>	<u>918,109</u>	<u>(45,709)</u>	<u>823,782</u>
Library				
Personal services	589,700	582,383	7,317	479,576
Other	<u>193,100</u>	<u>183,985</u>	<u>9,115</u>	<u>153,181</u>
Total library	<u>782,800</u>	<u>766,368</u>	<u>16,432</u>	<u>632,757</u>
Health				
Personal services	48,200	50,343	(2,143)	39,566
Other	<u>93,100</u>	<u>84,990</u>	<u>8,110</u>	<u>84,957</u>
Total health	<u>141,300</u>	<u>135,333</u>	<u>5,967</u>	<u>124,523</u>
 Total expenditures - current operations	 <u>\$15,980,000</u>	 <u>\$15,707,289</u>	 <u>\$272,711</u>	 <u>\$13,761,634</u>

Continued from Page 66

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

This page intentionally left blank.

SPECIAL REVENUE FUNDS

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

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

State Seven Cent Gasoline Tax Fund accounts for proceeds of a 7 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 Cent Gasoline Tax Fund accounts for proceeds of a 4 cent State gasoline tax. The use of these funds is restricted to expenditures for the renovation, rehabilitation, and resurfacing of City streets and bridges.

County Road and Bridge Tax Fund has in the past accounted for the proceeds of the county ad valorem road tax collected within the City's boundary. These taxes are not legally restricted, and the City's management has determined that these taxes will be more appropriately accounted for in the General fund. Therefore, this fund was closed into the General Fund as of October 1, 1989.

Drug Enforcement 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 Sheet
September 30, 1990
(with comparative totals for September 30, 1989)

	<u>E-911</u>	<u>State Seven Cent Gasoline Tax</u>	<u>State Four Cent Gasoline Tax</u>	<u>County Road and Bridge Tax</u>	<u>Drug Enforce- ment</u>	<u>Totals</u>	
						<u>1990</u>	<u>1989</u>
Assets							
Pooled cash and investments	\$244,037	\$23,856	\$345,529	\$ -	\$50,904	\$664,326	\$644,560
Due from other governments							
County	-	-	-	-	-	-	190,000
State	-	18,077	10,555	-	-	28,632	28,887
Due from General Fund	-	-	-	-	-	-	16,664
Total assets	<u>\$244,037</u>	<u>\$41,933</u>	<u>\$356,084</u>	<u>\$ -</u>	<u>\$50,904</u>	<u>\$692,958</u>	<u>\$880,111</u>
Liabilities and fund balances							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,744
Due to General Fund	<u>9,319</u>	<u>73,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,476</u>	<u>-</u>
Total liabilities	<u>9,319</u>	<u>73,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,476</u>	<u>1,744</u>
Fund balances (deficit)							
Unreserved, undesignated	<u>234,718</u>	<u>(31,224)</u>	<u>356,084</u>	<u>-</u>	<u>50,904</u>	<u>610,482</u>	<u>878,367</u>
Total liabilities and fund balances	<u>\$244,037</u>	<u>\$41,933</u>	<u>\$356,084</u>	<u>\$ -</u>	<u>\$50,904</u>	<u>\$692,958</u>	<u>\$880,111</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, 1990
(with comparative totals for the fiscal year ended September 30, 1989)

	E-911	State Seven Cent Gasoline Tax	State Four Cent Gasoline Tax	County Road and Bridge Tax	Drug Enforce- ment	<u>Totals</u>	
						1990	1989
Revenues							
Intergovernmental	\$ -	\$207,851	\$128,721	\$ -	\$ -	\$336,572	\$508,988
Interest on pooled cash and investments	16,339	1,304	20,574	-	3,981	42,198	48,012
Telephone surcharge	275,066	-	-	-	-	275,066	250,565
Confiscated drug funds	-	-	-	-	48,313	48,313	-
Total revenues	<u>291,405</u>	<u>209,155</u>	<u>149,295</u>	<u>-</u>	<u>52,294</u>	<u>702,149</u>	<u>807,565</u>
Expenditures							
Current operations							
Public safety							
Police							
Personal services							
	109,629	-	-	-	-	109,629	-
Other	206,332	-	-	-	16,871	223,203	1,570
Streets and sanitation							
Personal services							
	-	204,996	-	-	-	204,996	350,249
Other	-	73,157	106,163	-	-	179,320	51,938
Total	315,961	278,153	106,163	-	16,871	717,148	403,757
Capital outlays	26,595	-	3,758	-	4,153	34,506	1,184
Total expenditures	<u>342,556</u>	<u>278,153</u>	<u>109,921</u>	<u>-</u>	<u>21,024</u>	<u>751,654</u>	<u>404,941</u>
Excess (deficiency) of revenues over (under) expenditures							
	(51,151)	(68,998)	39,374	-	31,270	(49,505)	402,624
Other financing sources (uses)							
Operating transfers from General Fund							
	-	-	-	-	19,634	19,634	25,052
Residual equity transfer to General Fund							
	-	-	-	(238,014)	-	(238,014)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(238,014)</u>	<u>19,634</u>	<u>(218,380)</u>	<u>25,052</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses							
	(51,151)	(68,998)	39,374	(238,014)	50,904	(267,885)	427,676
Fund balances at beginning of year							
	285,869	37,774	316,710	238,014	-	878,367	450,691
Fund balances (deficit) at end of year							
	<u>\$234,718</u>	<u>\$(31,224)</u>	<u>\$356,084</u>	<u>\$ -</u>	<u>\$50,904</u>	<u>\$610,482</u>	<u>\$878,367</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, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Assets		
Pooled cash and investments	<u>\$244,037</u>	<u>\$285,869</u>
Total assets	<u>\$244,037</u>	<u>\$285,869</u>
Liabilities and fund balances		
Liabilities		
Due to General Fund	\$ 9,319	\$ -
Fund balances		
Unreserved, undesignated	<u>234,718</u>	<u>285,869</u>
Total liabilities and fund balances	<u>\$244,037</u>	<u>\$285,869</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, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Revenues		
Telephone surcharge	\$275,066	\$250,565
Interest on pooled cash and investments	<u>16,339</u>	<u>13,006</u>
Total revenues	<u>291,405</u>	<u>263,571</u>
 Expenditures		
Current operations		
Public safety		
Police		
Personal services	109,629	-
Other	<u>206,332</u>	<u>1,570</u>
Total	315,961	1,570
Capital outlays	<u>26,595</u>	<u>1,184</u>
Total expenditures	<u>342,556</u>	<u>2,754</u>
Excess (deficiency) of revenues over (under) expenditures	(51,151)	260,817
 Other financing sources		
Operating transfers from General Fund	<u>-</u>	<u>25,052</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(51,151)	285,869
 Fund balances at beginning of year	 <u>285,869</u>	 <u>-</u>
Fund balances at end of year	<u>\$234,718</u>	<u>\$285,869</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, 1990 and 1989

	1990			1989		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Telephone surcharge	\$ 300,000	\$275,066	\$(24,934)	\$200,000	\$250,565	\$50,565
Interest on pooled cash and investments	<u>20,000</u>	<u>16,339</u>	<u>(3,661)</u>	<u>-</u>	<u>13,006</u>	<u>13,006</u>
Total revenues	<u>320,000</u>	<u>291,405</u>	<u>(28,595)</u>	<u>200,000</u>	<u>263,571</u>	<u>63,571</u>
Expenditures						
Current operations						
Public safety						
Police						
Personal services	85,500	109,629	(24,129)	-	-	-
Other	<u>229,700</u>	<u>206,332</u>	<u>23,368</u>	<u>-</u>	<u>1,570</u>	<u>(1,570)</u>
Total	<u>315,200</u>	<u>315,961</u>	<u>(761)</u>	<u>-</u>	<u>1,570</u>	<u>(1,570)</u>
Capital outlays	<u>228,600</u>	<u>26,595</u>	<u>202,005</u>	<u>-</u>	<u>1,184</u>	<u>(1,184)</u>
Total expenditures	<u>543,800</u>	<u>342,556</u>	<u>201,244</u>	<u>-</u>	<u>2,754</u>	<u>(2,754)</u>
Excess (deficiency) of revenues over (under) expendi- tures	(223,800)	(51,151)	172,649	200,000	260,817	60,817
Other financing sources						
Operating transfers from General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,052</u>	<u>25,052</u>
Excess (deficiency) of revenues and other financing sources over (under) expendi- tures	<u>\$(223,800)</u>	(51,151)	<u>\$172,649</u>	<u>\$200,000</u>	285,869	<u>\$85,869</u>
Fund balances at beginning of year		<u>285,869</u>			<u>-</u>	
Fund balances at end of year		<u>\$234,718</u>			<u>\$285,869</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, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Assets		
Pooled cash and investments	\$23,856	\$14,804
Due from state government	18,077	18,275
Due from General Fund	<u> -</u>	<u> 4,695</u>
Total assets	<u>\$41,933</u>	<u>\$37,774</u>
Liabilities and fund balances		
Liabilities		
Due to General Fund	\$73,157	\$ -
Fund balances (deficit)		
Unreserved, undesignated	<u>(31,224)</u>	<u> 37,774</u>
Total liabilities and fund balances	<u>\$41,933</u>	<u>\$37,774</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, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Revenues		
Intergovernmental	\$207,851	\$201,044
Interest on investments	<u>1,304</u>	<u>562</u>
Total revenues	<u>209,155</u>	<u>201,606</u>
Expenditures		
Current operations		
Streets and sanitation		
Personal services	204,996	160,253
Other	<u>73,157</u>	<u>-</u>
Total expenditures	<u>278,153</u>	<u>160,253</u>
Excess (deficiency) of revenues over (under) expenditures	(68,998)	41,353
Fund balances (deficit) at beginning of year	<u>37,774</u>	<u>(3,579)</u>
Fund balances (deficit) at end of year	<u><u>\$(31,224)</u></u>	<u><u>\$ 37,774</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, 1990 and 1989

	1990			1989		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Intergovernmental	\$205,000	\$207,851	\$ 2,851	\$188,000	\$201,044	\$13,044
Interest on pooled cash and investments	<u>1,000</u>	<u>1,304</u>	<u>304</u>	<u>2,000</u>	<u>562</u>	<u>(1,438)</u>
Total revenues	<u>206,000</u>	<u>209,155</u>	<u>3,155</u>	<u>190,000</u>	<u>201,606</u>	<u>11,606</u>
Expenditures						
Current operations						
Streets and sanitation						
Personal services	205,000	204,996	4	188,000	160,253	27,747
Other	<u>-</u>	<u>73,157</u>	<u>(73,157)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>205,000</u>	<u>278,153</u>	<u>(73,153)</u>	<u>188,000</u>	<u>160,253</u>	<u>27,747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 1,000</u>	(68,998)	<u>\$(69,998)</u>	<u>\$ 2,000</u>	41,353	<u>\$39,353</u>
Fund balances (deficit) at beginning of year		<u>37,774</u>			<u>(3,579)</u>	
Fund balances (deficit) at end of year		<u>\$(31,224)</u>			<u>\$ 37,774</u>	

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

THE CITY OF HOOVER, ALABAMA
 State Four Cent Gasoline Tax Special Revenue Fund
 Comparative Balance Sheets
 September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Assets		
Pooled cash and investments	\$345,529	\$295,873
Due from state government	10,555	10,612
Due from General Fund	<u>-</u>	<u>11,969</u>
Total assets	<u>\$356,084</u>	<u>\$318,454</u>
 Liabilities and fund balances		
Liabilities		
Accounts payable	\$ -	\$ 1,744
Fund balances		
Unreserved, undesignated	<u>356,084</u>	<u>316,710</u>
Total liabilities and fund balances	<u>\$356,084</u>	<u>\$318,454</u>

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

THE CITY OF HOOVER, ALABAMA
 State Four Cent Gasoline Tax Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
 For the fiscal years ended September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Revenues		
Intergovernmental	\$128,721	\$117,944
Interest on pooled cash and investments	<u>20,574</u>	<u>23,653</u>
Total revenues	<u>149,295</u>	<u>141,597</u>
Expenditures		
Current operations		
Streets and sanitation		
Other	106,163	51,938
Capital outlays	<u>3,758</u>	<u>-</u>
Total expenditures	<u>109,921</u>	<u>51,938</u>
Excess of revenues over expenditures	39,374	89,659
Fund balances at beginning of year	<u>316,710</u>	<u>227,051</u>
Fund balances at end of year	<u>\$356,084</u>	<u>\$316,710</u>

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

THE CITY OF HOOVER, ALABAMA
 State Four 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, 1990 and 1989

	1990			1989		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Intergovernmental	\$110,000	\$128,721	\$18,721	\$105,000	\$117,944	\$12,944
Interest on pooled cash and investments	<u>23,000</u>	<u>20,574</u>	<u>(2,426)</u>	<u>5,000</u>	<u>23,653</u>	<u>18,653</u>
Total revenues	<u>133,000</u>	<u>149,295</u>	<u>16,295</u>	<u>110,000</u>	<u>141,597</u>	<u>31,597</u>
Expenditures						
Current operations						
Streets and sanitation						
Other	87,000	106,163	(19,163)	60,000	51,938	8,062
Capital outlays	<u>-</u>	<u>3,758</u>	<u>(3,758)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>87,000</u>	<u>109,921</u>	<u>(22,921)</u>	<u>60,000</u>	<u>51,938</u>	<u>8,062</u>
Excess of revenues over expendi- tures	<u>\$ 46,000</u>	39,374	<u>\$(6,626)</u>	<u>\$ 50,000</u>	89,659	<u>\$39,659</u>
Fund balances at beginning of year		<u>316,710</u>			<u>227,051</u>	
Fund balances at end of year		<u>\$356,084</u>			<u>\$316,710</u>	

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

THE CITY OF HOOVER, ALABAMA
County Road and Bridge Tax Special Revenue Fund
Comparative Balance Sheets
September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Assets		
Pooled cash and investments	\$ -	\$ 48,014
Due from county government	<u>-</u>	<u>190,000</u>
Total assets	<u>\$ -</u>	<u>\$238,014</u>
Fund balances		
Unreserved, undesignated	<u>\$ -</u>	<u>\$238,014</u>

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

THE CITY OF HOOVER, ALABAMA
 County Road and Bridge Tax Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
 For the fiscal years ended September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Revenues		
Intergovernmental	\$ -	\$190,000
Interest on pooled cash and investments	<u>-</u>	<u>10,791</u>
Total revenues	<u>-</u>	<u>200,791</u>
 Expenditures		
Current operations		
Streets and sanitation		
Personal services	<u>-</u>	<u>189,996</u>
Total expenditures	<u>-</u>	<u>189,996</u>
Excess of revenues over expenditures	-	10,795
 Other financing uses		
Residual equity transfer to General Fund	<u>238,014</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(238,014)	10,795
 Fund balances at beginning of year	<u>238,014</u>	<u>227,219</u>
 Fund balances at end of year	<u>\$ -</u>	<u>\$238,014</u>

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

THE CITY OF HOOVER, ALABAMA
 County Road and Bridge Tax Special Revenue Fund
 Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the fiscal years ended September 30, 1990 and 1989

	1990			1989		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$190,000	\$190,000	\$ -
Interest on pooled cash and investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>10,791</u>	<u>5,791</u>
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,000</u>	<u>200,791</u>	<u>5,791</u>
Expenditures						
Current operations						
Streets and sanitation						
Personal services	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>189,996</u>	<u>4</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,000</u>	<u>189,996</u>	<u>4</u>
Excess of revenues over expendi- tures	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>10,795</u>	<u>5,795</u>
Other financing uses						
Residual equity transfer to General Fund	<u>-</u>	<u>238,014</u>	<u>(238,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expendi- tures and other financing uses	<u>\$ -</u>	<u>(238,014)</u>	<u>\$(238,014)</u>	<u>\$ 5,000</u>	<u>10,795</u>	<u>\$5,795</u>
Fund balances at beginning of year		<u>238,014</u>			<u>227,219</u>	
Fund balances at end of year		<u>\$ -</u>			<u>\$238,014</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
Balance Sheet
September 30, 1990

Assets

Pooled cash and investments \$50,904

Total assets \$50,904

Fund balance

Unreserved, undesignated \$50,904

Total fund balance \$50,904

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

THE CITY OF HOOVER, ALABAMA
Drug Enforcement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended September 30, 1990

Revenues	
Confiscated drug funds	\$48,313
Interest on pooled cash and investments	<u>3,981</u>
Total revenues	<u>52,294</u>
 Expenditures	
Current operations	
Public safety	
Police	
Other	16,871
Capital outlays	<u>4,153</u>
Total expenditures	<u>21,024</u>
 Excess of revenues over expenditures	 31,270
 Other financing sources	
Operating transfers from General Fund	<u>19,634</u>
Excess of revenues and other financing sources over expenditures	 50,904
 Fund balance at beginning of year	 <u>-</u>
Fund balance at end of year	<u>\$50,904</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
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the fiscal year ended September 30, 1990

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Confiscated drug funds	\$20,000	\$48,313	\$28,313
Interest on pooled cash and investments	<u> -</u>	<u> 3,981</u>	<u> 3,981</u>
Total revenues	<u> 20,000</u>	<u> 52,294</u>	<u> 32,294</u>
Expenditures			
Current operations			
Public safety			
Police			
Other	16,800	16,871	(71)
Capital outlays	<u> 3,800</u>	<u> 4,153</u>	<u> (353)</u>
Total expenditures	<u> 20,600</u>	<u> 21,024</u>	<u> (424)</u>
Excess (deficiency) of revenues over (under) expenditures	(600)	31,270	31,870
Other financing sources			
Operating transfers from General Fund	<u> -</u>	<u> 19,634</u>	<u> 19,634</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>\$ (600)</u>	50,904	<u>\$51,504</u>
Fund balance at beginning of year		<u> -</u>	
Fund balance at end of year		<u>\$50,904</u>	

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

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.

Capital Projects Fund accounts for all financial resources to be used for the acquisition or construction of major capital facilities, except the financial resources derived from the proceeds of the general obligation warrants dated September 1, 1990.

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, 1990
 (with comparative totals for September 30, 1989)

	Capital Projects	1990 Capital Projects	Totals	
			1990	1989
Assets				
Pooled cash and investments	\$167,666	\$13,778,111	\$13,945,777	\$862,350
Accounts receivable	33,178	-	33,178	33,178
Due from 1990 Capital Projects Fund	<u>6,325</u>	<u>-</u>	<u>6,325</u>	<u>-</u>
Total assets	<u>\$207,169</u>	<u>\$13,778,111</u>	<u>\$13,985,280</u>	<u>\$895,528</u>
 Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 47,846	\$ 28,262	\$ 76,108	\$ -
Due to Capital Projects Fund	<u>-</u>	<u>6,325</u>	<u>6,325</u>	<u>-</u>
Total liabilities	<u>47,846</u>	<u>34,587</u>	<u>82,433</u>	<u>-</u>
 Fund balances				
Unreserved, designated for construction and improvements	70,910	13,565,412	13,650,641	165,681
Unreserved, designated for other capital improvements	<u>88,413</u>	<u>178,112</u>	<u>252,206</u>	<u>729,847</u>
Total fund balances	<u>159,323</u>	<u>13,743,524</u>	<u>13,902,847</u>	<u>895,528</u>
Total liabilities and fund balances	<u>\$207,169</u>	<u>\$13,778,111</u>	<u>\$13,985,280</u>	<u>\$895,528</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, 1990
 (with comparative totals for the fiscal year ended September 30, 1989)

	Capital Projects	1990 Capital Projects	<u>Totals</u>	
			<u>1990</u>	<u>1989</u>
Revenues				
Interest on pooled cash and investments	\$ 34,433	\$ 11,100	\$ 45,533	\$ 106,038
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,017</u>
Total revenues	<u>34,433</u>	<u>11,100</u>	<u>45,533</u>	<u>171,055</u>
Expenditures				
Current operations				
Public safety				
Fire				
Other	-	-	-	1,431
Capital outlays	271,532	34,588	306,120	567,123
Debt service				
Issuance cost	<u>-</u>	<u>124,054</u>	<u>124,054</u>	<u>-</u>
Total expenditures	<u>271,532</u>	<u>158,642</u>	<u>430,174</u>	<u>568,554</u>
Deficiency of revenues under expenditures	<u>(237,099)</u>	<u>(147,542)</u>	<u>(384,641)</u>	<u>(397,499)</u>
Other financing sources (uses)				
Operating transfers from General Fund	-	1,000	1,000	150,000
Operating transfers to General Fund	(499,106)	-	(499,106)	-
Proceeds of general obligation warrants	<u>-</u>	<u>13,890,066</u>	<u>13,890,066</u>	<u>-</u>
Total other financing sources (uses)	<u>(499,106)</u>	<u>13,891,066</u>	<u>13,391,960</u>	<u>150,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(736,205)</u>	<u>13,743,524</u>	<u>13,007,319</u>	<u>(247,499)</u>
Fund balances at beginning of year	<u>895,528</u>	<u>-</u>	<u>895,528</u>	<u>1,143,027</u>
Fund balances at end of year	<u>\$159,323</u>	<u>\$13,743,524</u>	<u>\$13,902,847</u>	<u>\$ 895,528</u>

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

THE CITY OF HOOVER, ALABAMA
 Capital Projects Fund
 Comparative Balance Sheets
 September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Assets		
Pooled cash and investments	\$167,666	\$862,350
Accounts receivable	33,178	33,178
Due from 1990 Capital Projects Fund	<u>6,325</u>	<u>-</u>
Total assets	<u>\$207,169</u>	<u>\$895,528</u>
Liabilities and fund balances		
Liabilities		
Accounts payable	<u>\$ 47,846</u>	<u>\$ -</u>
Fund balances		
Unreserved, designated for recreation center construction	70,910	165,681
Unreserved, designated for other capital improvements	<u>88,413</u>	<u>729,847</u>
Total fund balances	<u>159,323</u>	<u>895,528</u>
Total liabilities and fund balances	<u>\$207,169</u>	<u>\$895,528</u>

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

THE CITY OF HOOVER, ALABAMA
 Capital Projects Fund
 Comparative Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the fiscal years ended September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Revenues		
Interest on pooled cash and investments	\$ 34,433	\$ 106,038
Other	<u> -</u>	<u> 65,017</u>
Total revenues	<u> 34,433</u>	<u> 171,055</u>
Expenditures		
Current operations		
Public safety	<u> -</u>	<u> 1,431</u>
Capital outlays		
Sewer expansion	-	150,000
Lorna road improvements	164,743	-
Stadium facility	-	175,585
Industrial park infrastructure	-	1,070
Fire stations	-	34,358
Land acquisition	-	191,791
Recreation center	94,771	14,319
Library	<u> 12,018</u>	<u> -</u>
Total	<u> 271,532</u>	<u> 567,123</u>
Total expenditures	<u> 271,532</u>	<u> 568,554</u>
Deficiency of revenues under expenditures	<u> (237,099)</u>	<u> (397,499)</u>
Other financing sources (uses)		
Operating transfers from General Fund	-	150,000
Operating transfers to General Fund	<u> (499,106)</u>	<u> -</u>
Total other financing sources (uses)	<u> (499,106)</u>	<u> 150,000</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	<u> (736,205)</u>	<u> (247,499)</u>
Fund balances at beginning of year	<u> 895,528</u>	<u> 1,143,027</u>
Fund balances at end of year	<u> \$159,323</u>	<u> \$ 895,528</u>

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

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

Assets

Pooled cash and investments	<u>\$13,778,111</u>
Total assets	<u>\$13,778,111</u>

Liabilities and fund balances

Liabilities

Accounts payable	\$ 28,262
Due to Capital Projects Fund	<u>6,325</u>
Total liabilities	<u>34,587</u>

Fund balances

Unreserved, designated for recreation center construction	5,500,000
Unreserved, designated for library construction	5,471,737
Unreserved, designated for land acquisition	800,000
Unreserved, designated for fire station construction	600,000
Unreserved, designated for street improvements	593,675
Unreserved, designated for recreation facility improvements	600,000
Unreserved, undesignated	<u>178,112</u>
Total fund balances	<u>13,743,524</u>
Total liabilities and fund balances	<u>\$13,778,111</u>

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

THE CITY OF HOOVER, ALABAMA
 1990 Capital Projects Fund
 Statement of Revenues, Expenditures
 and Changes in Fund Balance
 For the fiscal year ended September 30, 1990

Revenues	
Interest on pooled cash and investments	\$ 11,100
Total revenues	<u>11,100</u>
Expenditures	
Capital outlays	
Library	28,263
Road construction	<u>6,325</u>
Total	34,588
Debt service	
Issuance cost	<u>124,054</u>
Total expenditures	<u>158,642</u>
Deficiency of revenues under expenditures	<u>(147,542)</u>
Other financing sources	
Operating transfers from General Fund	1,000
General obligation warrant proceeds	<u>13,890,066</u>
Total other financing sources	<u>13,891,066</u>
Excess of revenues and other financing sources over expenditures	13,743,524
Fund balance at beginning of year	<u>-</u>
Fund balance at end of year	<u>\$13,743,524</u>

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

This page intentionally left blank.

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.

This page intentionally left blank.

THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Balance Sheets*
September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Assets		
Current assets		
Pooled cash and investments	\$ 79,466	\$ 530,399
Accounts receivable	85,128	22,664
Inventory	<u>3,100</u>	<u>3,100</u>
Total current assets	<u>167,694</u>	<u>556,163</u>
Property, plant and equipment		
Equipment	142,847	68,346
Land	643,000	536,000
Sewage treatment plants	<u>5,361,096</u>	<u>3,713,777</u>
Total property, plant and equipment	6,146,943	4,318,123
Less accumulated depreciation	<u>(1,471,305)</u>	<u>(1,139,350)</u>
Net property, plant and equipment	<u>4,675,638</u>	<u>3,178,773</u>
Total assets	<u>\$4,843,332</u>	<u>\$3,734,936</u>
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 30,042	\$ 59,457
Due to General Fund	<u>2,519</u>	<u>-</u>
Total current liabilities	<u>32,561</u>	<u>59,457</u>
Equity		
Contributed capital		
Government	4,250,000	4,250,000
Customers	1,266,662	1,240,912
Developers	<u>1,819,885</u>	<u>-</u>
Total contributed capital	7,336,547	5,490,912
Retained earnings (deficit)		
Unreserved	<u>(2,525,776)</u>	<u>(1,815,433)</u>
Total equity	<u>4,810,771</u>	<u>3,675,479</u>
Total liabilities and equity	<u>\$4,843,332</u>	<u>\$3,734,936</u>

*A statement of revenues, expenses and changes in retained earnings (deficit) for the Sewer Enterprise Fund is presented on Page 29 of this report. A statement of cash flows for the Sewer Enterprise Fund is presented on Page 30.

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

This page intentionally left blank.

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.

This page intentionally left blank.

THE CITY OF HOOVER, ALABAMA
 Comparative Schedule of General Fixed
 Assets By Source
 September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
General fixed assets		
Land	\$ 8,123,535	\$ 8,118,260
Buildings	7,328,654	7,328,654
Improvements other than buildings	17,251,219	17,181,959
Equipment and vehicles	5,109,639	4,681,633
Construction in progress	<u>436,686</u>	<u>411,402</u>
Total general fixed assets	<u>\$38,249,733</u>	<u>\$37,721,908</u>
Investment in general fixed assets by source		
Park and recreation board bond	\$ 427,146	\$ 427,146
General obligation warrants	22,397,764	22,262,713
Long-term notes payable	500,000	500,000
Federal grants	1,256,344	1,256,344
General revenues	10,628,444	10,288,880
Donations and annexations	<u>3,040,035</u>	<u>2,986,825</u>
Total investment in general fixed assets	<u>\$38,249,733</u>	<u>\$37,721,908</u>

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

THE CITY OF HOOVER, ALABAMA
 Schedule of General Fixed Assets
 by Function and Activity
 September 30, 1990

<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	\$ -	\$ 456,938	\$ 6,947,444
Municipal garage	-	254,492	-	37,141	291,633
Total general government	<u>2,176,056</u>	<u>4,568,942</u>	<u>-</u>	<u>494,079</u>	<u>7,239,077</u>
Public safety					
Police	-	-	-	1,190,276	1,190,276
Fire	385,277	2,199,070	4,661	2,111,130	4,700,138
Inspection	-	-	-	88,706	88,706
Total public safety	<u>385,277</u>	<u>2,199,070</u>	<u>4,661</u>	<u>3,390,112</u>	<u>5,979,120</u>
Municipal court	-	-	-	3,645	3,645
Streets and sanitation	-	508,985	-	796,378	1,305,363
Recreation	<u>5,562,202</u>	<u>51,657</u>	<u>17,246,558</u>	<u>270,007</u>	<u>23,130,424</u>
Library	-	-	-	136,904	136,904
Health	-	-	-	18,514	18,514
Total general fixed assets allocated to functions and activities	<u>\$8,123,535</u>	<u>\$7,328,654</u>	<u>\$17,251,219</u>	<u>\$5,109,639</u>	37,813,047
Construction in progress					<u>436,686</u>
Total general fixed assets					<u>\$38,249,733</u>

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

THE CITY OF HOOVER, ALABAMA
 Schedule of Changes in General Fixed Assets
 by Function and Activity
 For the fiscal year ended September 30, 1990

<u>Function and Activity</u>	<u>General Fixed Assets October 1, 1989</u>	<u>Additions</u>	<u>Deductions</u>	<u>General Fixed Assets September 30, 1990</u>
General government				
Administration	\$ 6,917,277	\$ 30,167	\$ -	\$ 6,947,444
Municipal garage	<u>287,968</u>	<u>3,665</u>	<u>-</u>	<u>291,633</u>
Total general government	<u>7,205,245</u>	<u>33,832</u>	<u>-</u>	<u>7,239,077</u>
Public safety				
Police	1,039,474	161,376	10,574	1,190,276
Fire	4,605,940	94,198	-	4,700,138
Inspection	<u>77,554</u>	<u>11,152</u>	<u>-</u>	<u>88,706</u>
Total public safety	<u>5,722,968</u>	<u>266,726</u>	<u>10,574</u>	<u>5,979,120</u>
Municipal court	<u>3,391</u>	<u>254</u>	<u>-</u>	<u>3,645</u>
Streets and sanitation	<u>1,226,526</u>	<u>78,837</u>	<u>-</u>	<u>1,305,363</u>
Recreation	<u>23,019,969</u>	<u>110,455</u>	<u>-</u>	<u>23,130,424</u>
Library	<u>113,893</u>	<u>23,011</u>	<u>-</u>	<u>136,904</u>
Health	<u>18,514</u>	<u>-</u>	<u>-</u>	<u>18,514</u>
Construction in progress	<u>411,402</u>	<u>120,731</u>	<u>95,447</u>	<u>436,686</u>
Total general fixed assets	<u>\$37,721,908</u>	<u>\$633,846</u>	<u>\$106,021</u>	<u>\$38,249,733</u>

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

This page intentionally left blank.

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.

This page intentionally left blank.

THE CITY OF HOOVER, ALABAMA
 Comparative Schedule of General Long-Term Debt
 September 30, 1990 and 1989

	<u>1990</u>	<u>1989</u>
Amount available and to be provided for the payment of general long-term debt		
Amount to be provided from General Fund revenues	<u>\$57,445,970</u>	<u>\$42,915,060</u>
Total available and to be provided	<u>\$57,445,970</u>	<u>\$42,915,060</u>
 General long-term debt		
Park and Recreation Board bond payable	\$ 184,658	\$ 269,843
General obligation warrants payable	56,553,227	42,450,000
Accrued compensated leave	<u>708,085</u>	<u>195,217</u>
Total general long-term debt	<u>\$57,445,970</u>	<u>\$42,915,060</u>

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

This page intentionally left blank.

SUPPLEMENTAL INFORMATION

This page intentionally left blank.

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

	(1)	(2)	(3)	(4)	(5)	
Plan Year Ended September 30 (A)	Net Assets Available for Benefits	Pension Benefit Obligation	Percentage Funded (1)/(2)	Unfunded PBO (2)-(1)	Annual Covered Payroll	Unfunded PBO As a Percentage of Covered Payroll (4)/(5)
1983	\$ 336,964	\$ 564,691	59.67%	\$227,727	\$1,930,284	11.80%
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%

* Unaudited

(A) Date of actuarial valuation. First valuation performed September 30, 1983, the City's first year of participation.

Source: Employee's Retirement System of Alabama

PBO = Pension Benefit Obligation

This page intentionally left blank.

STATISTICAL SECTION

This page intentionally left blank.

THE CITY OF HOOVER, ALABAMA
 Schedule of General Government Tax Revenues By Source
 Last Five 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

*Comparative information not available in years prior to fiscal 1986.

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>
1981	\$ 355,476	\$1,646,729	\$ 796,141	\$ 34,078	\$ -
1982	374,992	1,901,025	894,441	43,985	-
1983	498,738	2,398,310	1,028,819	60,666	87,328
1984	578,632	2,712,438	1,119,255	84,878	237,187
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

Continued on Page 99

- (A) This schedule includes the General, Special Revenue and Capital Projects Funds.
- (B) Municipal Court, which is a separate function from Public Safety in these financial statements for Fiscal 1984 through 1990, is included in Public Safety for this presentation to afford comparability with prior years.
- (C) City Board of Education was formed October 5, 1987 and began operation of the school system on August 29, 1988.
- (D) The deficit shown for fiscal years 1982, 1983 and 1984 resulted from a contractual agreement to subsidize the operating cost of a private sewage treatment plant prior to its acquisition by the City. Subsequent to its acquisition by the City, operating results are reported in the Proprietary Fund.

Source: City annual financial reports.

<u>Health</u>	<u>Capital Outlays</u>	<u>Debt Service</u>	<u>City Board of Education (C)</u>	<u>Sewage Treatment Plant Operating Deficit (D)</u>	<u>Total</u>
\$ 33,488	\$ 90,123	\$ 51,216	\$ -	\$ -	\$ 3,007,251
34,771	343,341	47,351	-	411,000	4,050,906
50,747	2,456,536	46,626	-	189,000	6,816,770
47,481	5,704,698	1,589,970	-	17,898	12,092,437
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

Continued from Page 98

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

<u>Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>
1981	1,906,789	725,199	367,455
1982	2,392,226	987,557	630,008
1983	2,639,030	1,165,863	728,679
1984	5,008,427	1,378,351	826,258
1985	6,191,443	1,745,746	885,437
1986	8,656,149	1,902,237	889,399
1987	11,771,178	2,631,011	890,915
1988	13,202,171	2,719,683	1,021,781
1989	14,936,802	3,219,790	1,043,063
1990	17,398,546	3,721,613	1,395,944

Continued on Page 101

- (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 10 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>Fines and Forfeits</u>	<u>Interest</u>	<u>Stadium Lease (B)</u>	<u>Other</u>	<u>Total</u>
\$ 70,598	\$ 71,125	-	\$ 45,654	\$3,186,820
97,629	172,948	-	97,756	4,378,124
154,976	172,460	-	83,717	4,944,725
184,417	576,573	-	60,998	8,035,024
176,043	677,996	-	47,718	9,724,383
207,288	161,037	-	527,031	12,343,141
255,711	207,925	-	161,826	15,918,566
295,758	480,062	280,368	233,438	18,233,261
404,469	383,322	302,140	607,592	20,897,178
380,592	841,655(C)	275,597	572,068	24,586,015

Continued from Page 100

THE CITY OF HOOVER, ALABAMA
Property Tax Levies and Collections*
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>
1980	307,398	300,585	97.8	4,597	305,182	99.3
1981	511,955	506,149	98.9	2,736	508,885	99.4
1982	677,381	664,336	98.1	3,333	667,669	98.6
1983	714,276	708,853	99.2	17,004	725,857	101.6
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

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>
1981 (A)	\$ 44,270	\$ 43,823	99.0%
1982	96,336	92,322	95.8
1983	174,915	160,162	91.6
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

* Unaudited

(A) The City annexed an area in North Shelby County in 1980. Prior to that annexation, the City was located entirely in Jefferson County.

Source: Jefferson and Shelby County Tax Collectors.

This page intentionally left blank.

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

Located in Jefferson County:

Assessment Date <u>October 1</u>	<u>Real Property (A)</u>		<u>Personal Property (A)</u>	
	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>
1980	\$ 52,485,366	\$ 380,443,592	\$ 7,413,358	\$37,066,790
1981	71,377,534	513,464,935	8,363,282	41,816,410
1982	73,447,751	539,124,610	8,106,453	40,532,265
1983	75,855,907	552,538,060	8,794,191	43,970,955
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

Located in Shelby County:

1980	5,210,600	26,053,000	-	-
1981	12,260,860	61,304,300	384,020	1,920,100
1982	11,164,640	55,823,200	13,597,920	67,989,600
1983	12,347,960	61,739,800	30,194,940	150,974,700
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

Continued on Page 104

* Unaudited

(A) Excludes public utilities and motor vehicles.

(B) Includes real and personal property

Source: Jefferson and Shelby County Tax Assessors

<u>Public Utility Property (B)</u>		<u>Total</u>		<u>Ratio of Total Assessed to Total Estimated Actual Value</u>
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
\$18,257,460	\$ 60,858,200	\$ 78,156,184	\$ 478,368,582	16.3
23,044,740	76,815,800	102,785,556	632,097,145	16.3
29,617,140	98,625,076	111,171,344	678,281,951	16.4
33,097,460	99,292,380	117,747,558	695,801,395	16.9
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
1,612,020	8,060,100	6,822,620	34,113,100	20.0
2,193,540	10,967,700	14,838,420	74,192,100	20.0
2,147,500	10,737,500	26,910,060	134,550,300	20.0
2,555,720	12,778,600	45,098,620	225,493,100	20.0
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

Continued from Page 103

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 General Fund	Jefferson County				State of Alabama	Total Tax
		County	County Schools	School Special	County Total		
1981	\$.65	\$1.35	\$.82	\$1.39	\$3.56	\$.65	\$4.86
1982	.65	1.35	.82	1.39	3.56	.65	4.86
1983	.65	1.35	.82	1.39	3.56	.65	4.86
1984	.65	1.35	.82	1.39	3.56	.65	4.86
1985	.65	1.35	.82	1.39	3.56	.65	4.86
1986	.65	1.35	.82	1.39	3.56	.65	4.86
1987	.65	1.35	.82	1.39	3.56	.65	4.86
1988	.65	1.35	.82	1.39	3.56	.65	4.86
1989	.65	1.35	.82	1.39	3.56	.65	4.86
1990	.65	1.35	.82	1.39	3.56	.65	4.86

Shelby County:

Fiscal Year Ended September 30	City of Hoover General Fund	Shelby County				State of Alabama	Total Tax	
		County	County Schools	School District	County Hospital			
1982 (A)	\$.65	\$.75	\$.90	\$.30	\$.40	\$2.35	\$.65	\$3.65
1983	.65	.75	.90	.30	.40	2.35	.65	3.65
1984	.65	.75	.90	.30	.40	2.35	.65	3.65
1985	.65	.75	.90	.60	.40	2.65	.65	3.95
1986	.65	.75	.90	.60	.40	2.65	.65	3.95
1987	.65	.75	.90	.60	.40	2.65	.65	3.95
1988	.65	.75	.90	.60	.40	2.65	.65	3.95
1989	.65	.75	.90	.60	.30	2.55	.65	3.85
1990	.65	.75	1.60	.60	.40	3.35	.65	4.65

* Unaudited

(A) The City annexed an area in North Shelby County in 1980. Prior to that annexation, the City was located entirely in Jefferson County.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Principal Property Taxpayers*
For the fiscal year ended September 30, 1990

	<u>City Ad Valorem Taxes</u>	<u>Percentage of Total Property Taxes Collected (A)</u>
South Central Bell	\$356,200	16.5%
RGB Ventures	151,980	7.0
Harbert International	124,762	5.8
Taylor Mathis - agent for 2154 Trading Corporation and Metropolitan Life Insurance	98,238	4.6
Blue Cross-Blue Shield of Alabama	57,303	2.7
Rime Village	36,247	1.7
Alabama Power Company	20,187	.9
Federated Department Store	19,661	.9
Harbert Kovach Properties	19,637	.9
Polar Bek Company	<u>17,813</u>	<u>.8</u>
Total	<u>\$902,028</u>	<u>41.8%</u>

* Unaudited

(A) Excludes motor vehicles

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Computation of Legal Debt Margin*
September 30, 1990

Assessed value of property	<u>\$391,529,273</u> (A)
Debt limit - 20 percent of total assessed value	78,305,855
Amount of debt applicable to debt limit	<u>43,557,885</u> (B)
Legal debt margin	<u>\$ 34,747,970</u>

* Unaudited

- (A) Includes assessed value of motor vehicles totaling \$27,576,900.
- (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>Federal Census 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>
1981	19,792	\$ 46,872,362	\$ 15,000	.03%	\$.76
1982	19,792	84,978,804	-	-	-
1983	19,792	117,623,976	2,375,000	2.02	120.00
1984	19,792	138,081,404	10,925,000	7.91	551.99
1985	19,792	162,846,178	10,775,000	6.62	544.41
1986	19,792	139,724,074	10,257,000	7.35	518.24
1987 (A)	31,319	192,914,341 (C)	19,400,000 (B)	10.06	619.43
1988	31,319	235,696,242 (C)	33,475,000	14.20	1,068.84
1989	31,319	341,716,138 (C)	42,450,000	12.42	1,355.41
1990	39,788	370,910,744 (C)	56,553,227	15.25	1,421.36

* Unaudited

(A) Special census.

(B) Includes short-term notes payable of \$3,650,000 and \$6,000,000.

(C) 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>
1981	\$ 51,216	\$ 3,007,251	1.70%
1982	47,351	4,050,906	1.17
1983	46,626	6,816,770	.68
1984	1,589,970	12,092,437	13.15
1985	1,103,150	13,030,814	8.46
1986	1,432,019	14,464,081	9.90
1987	1,433,623	21,573,645	6.64
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

(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, 1990

	<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>\$ 56,553,227</u>	100.00%	<u>\$56,553,227</u>
Overlapping Debt			
Hoover City Board of Education	1,568,054	100.00	1,568,054
Jefferson County	182,201,941	8.48	15,450,725
Jefferson County Board of Education	9,647,751	8.48	818,129
Shelby County	43,580,000	10.77	4,693,566
Shelby County Board of Education	<u>24,377,818</u>	10.77	<u>2,625,491</u>
Total overlapping debt	<u>261,375,564</u>		<u>25,155,965</u>
Total direct and overlapping debt	<u>\$317,928,791</u>		<u>\$81,709,192</u>

* Unaudited

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>Year</u>	<u>Population</u>	<u>Median Household Income</u>	<u>School Age Individuals</u>	<u>Unemployment Rate</u>
1968	410 (A)	**	**	**
1970	1,393 (A)	\$14,000	483 (A)	5.4% (B) (C)
1973	3,594 (A)	**	**	4.5 (B) (C)
1980	19,792 (A)	30,069	5,031 (A)	2.8 (A) (D)
1983	22,000 (E)	**	**	12.7 (B) (C)
1984	22,500 (E)	**	**	9.8 (B) (C)
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)

* Unaudited

** Information not available

- (A) Source: Federal census.
- (B) Source: State Department of Industrial Relations.
- (C) Jefferson County unemployment rate.
- (D) City of Hoover unemployment rate.
- (E) Estimate by City.
- (F) Estimate by 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

Year	Commercial Construction (A)		Residential Construction (A)		Bank Deposits (B)	Retail Sales (A)(C)
	Number of Units	Value	Number of Units	Value		
1981	26	\$20,528,000	43	\$ 2,857,000	\$126,800,000	\$173,800,000
1982	40	5,402,000	58	4,055,000	145,300,000	208,500,000
1983	26	4,874,000	692	23,951,000	165,400,000	229,000,000
1984	48	83,901,000	268	19,480,000	185,500,000	292,000,000
1985	19	22,165,000	345	23,085,000	195,300,000	328,400,000
1986	99	55,639,000	287	26,598,308	205,000,000	537,000,000
1987	251	56,108,000	395	35,170,000	223,400,000	698,300,000
1988	194	38,061,643	358	37,592,249	272,976,000	729,020,000
1989	322	63,716,547	206	27,808,568	317,120,000	740,900,000
1990	75	25,467,426	351	48,871,241	375,518,000	750,175,000

* Unaudited

(A) Source: City records.

(B) Source: Various City banks.

(C) Estimated

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistical Data*
September 30, 1990

Date of incorporation: May 18, 1967		Recreation:	
		Number of parks	11 (E)
Form of government: Mayor-Council (5 members)		Acres of parks and lakes	168 (E)
Area: 32 square miles (A)			
Miles of street:		Public safety:	
Paved	420 (A)	Number of fire stations	7
Unpaved	0 (A)	Number of police stations	1
Miles of sewers:		Population:	
Sanitary	120 (A)	1968 federal census (special)	410
Storm	127 (A)	1970 federal census	1,393
Number of City employees:		1973 federal census (special)	3,594
Administrative	21	1980 federal census	19,792
Garage	2	1987 federal census (special)	31,319
Police	96	1990 federal census	39,788
Fire	115	Number of housing units:	
Inspection services	10	Owner occupied	10,301
Street and sanitation	25	Renter occupied	6,916
Library	36	Vacant	858
Recreation	21	Total	<u>18,075</u> (F)
Municipal court	4	Value of housing units:	
Health	<u>2</u>	Median value	\$101,841 (F)
Total	<u>332</u> (B)		
Public schools:		Income:	
Established - August 29, 1988		Per capita	\$13,913 (F)
Enrollment - 6,115		Family	\$39,527 (F)
Buildings - one high school; one middle school; and five elementary schools		Percentage of population <u>above</u> poverty level in 1979	96%(C)
Budget - approximately \$25 million		Median age	34 (G)
Education:			
Percentage of high school graduates	91% (C)		

Major employers:

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

* Unaudited

- (A) Source: City Engineer (Amounts are approximate).
- (B) Source: City payroll records, September 30, 1990.
- (C) Source: 1980 federal census.
- (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: 1990 federal census.