

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2018

Frank V. Brocato, Mayor

Allan C. Rice, City Administrator

**Prepared by
Chief Financial & Information Officer
Melinda James Lopez, Ph.D.**

THE CITY OF HOOVER, ALABAMA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2018

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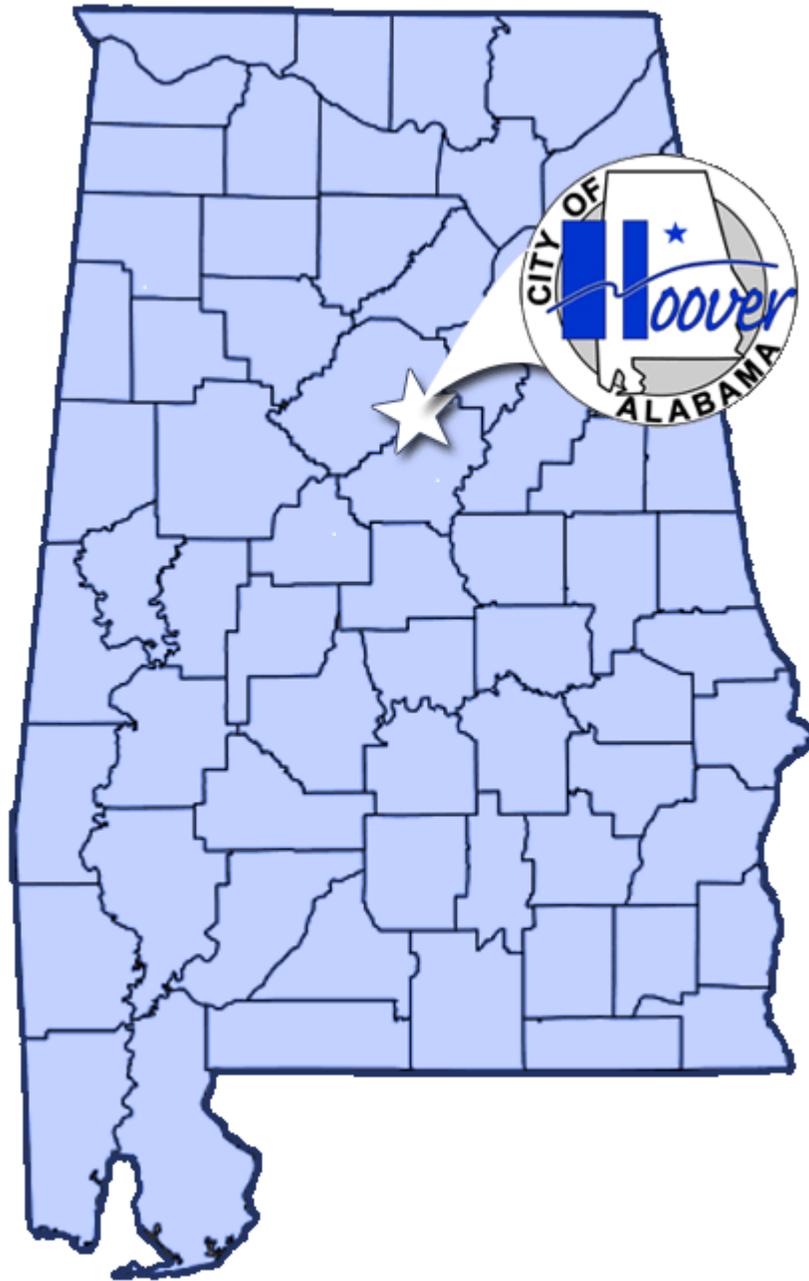
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INTRODUCTORY SECTION

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The City of Hoover has an estimated population of 90,183 and is located in north-central Alabama within the Birmingham/Hoover metropolitan statistical area. Hoover occupies approximately 49.12 square miles within Jefferson and Shelby counties.

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OFFICE OF THE MAYOR
City of Hoover

Frank V. Brocato
Mayor

March 28, 2019

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

The comprehensive annual financial report for the City of Hoover, Alabama (the City) for the fiscal year ended September 30, 2018, is hereby submitted as mandated by Section 11-43D-17, Code of Alabama, 1975, as amended. These statutes require that the City issues an annual report on its financial position and activity, and that this report be audited by either an independent firm of certified public accountants or the State Department of Examiners of Public Accounts in accordance with generally accepted auditing standards. The accounting firm of BMSS, LLC performed the audit.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable assurance in making these representations, the City of Hoover operates under a comprehensive internal control framework that is designed to both protect the government's assets and to provide reliable information for the preparation of these statements. The internal control structure is designed to provide reasonable assurance, 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. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner that presents fairly the economic condition and financial position and results of operations of the City on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The Management's Discussion and Analysis provides an overview of these concepts and statements in order to show viewers a broad picture of how the City is doing financially. The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

If the threshold is met, the City is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Information related to the single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings are included in a separately issued single audit report. For fiscal year 2018, a single audit was required.

PROFILE OF THE GOVERNMENT

Government Structure

The Government has operated under the Mayor-Council form of government since incorporation. Policy making and legislative authority is vested in the City Council, which consists of seven “at large” council members. The City Council is responsible, among other things, for passing resolutions and ordinances, adopting the budget and appointing certain boards and committees. The Mayor is responsible for carrying out the policies and ordinances of the Government, and also appointing certain boards and committees. The Mayor and City Council are elected on a nonpartisan basis to concurrent four-year terms that begin in November of the election year. An election was held in the summer of 2016.

The Government provides a full range of services including general administration, planning and zoning, public improvements, E911, police, fire, inspections, municipal court, streets and sanitation, recreation, library and cultural events, and sewer.

Geography, Population, and History

The Government, incorporated in 1967, is located in Jefferson and Shelby Counties in north central Alabama. In 1968, its population was estimated at 410 and has grown to an estimated 90,183 today, making it the sixth largest city in the state based on population. Along with this continued population growth, the City comprises approximately 49.12 square miles.

In addition to natural growth within the City limits, the Government also has the power by state statute to extend its corporate limits by annexation, which is done periodically when considered appropriate by the City Council.

The City is a retail hub for the State of Alabama. The Riverchase Galleria is home to almost 200 specialty stores and is anchored by Macy’s, Belk’s, Von Maur, JC Penney, and Sears. The Galleria includes restaurants, a hotel, and a 17-story office tower. The City receives approximately 22% of its sales tax revenue from the Galleria.

In addition to the Galleria, other retail redevelopment and commercial growth exists along adjoining corridors of the City, including US Highway 31, Lorna Road, and Alabama Highway 150, which includes the Patton Creek commercial development. The Inverness/280 portion of the City also contains many shopping options for people who live and work in that area and beyond, including the Village of Lee Branch commercial center. Furthermore, along the Highway I459/150 corridor, The Grove development is anchored by a Target, and includes several other businesses, as well as a new development called Stadium Trace Village that is currently underway. The City has added two of the first freestanding emergency departments in the State of Alabama on each end of its City as well.

Component Units

The City has one blended component unit, the parks and recreation board, included in its financial statements.

Budget Process and Controls

Annual budgets are adopted for all funds and project length financial plans are also adopted for the Capital Projects Funds. Each year the budget committee facilitates the budget process and prepares the Mayor's budget to be submitted to the City Council. More details on the budget process are contained in the Notes to the Financial Statements.

The objective of budgetary controls is to ensure compliance with legal provisions embodied within the annual budget approved by the City Council. Department heads monitor the budget at the departmental level within the individual funds by category level. The current categories are salaries and benefits, operating expenditures, capital expenditures, and other uses of funds. The budget was amended several times during the year. Encumbrance accounting is employed during the year, but appropriations automatically lapse at year-end, except for capital items/projects.

ECONOMIC CONDITION

Financial position focuses on existing resources and claims on those resources that an entity may have. More broadly, economic condition refers to an analysis that examines not only existing resources and claims on those resources, but also future resources and claims on future resources. The former focuses on the current situation of the local government, while the latter addresses the future.

The City's government-wide statements focus on economic resources. In addition to including a government-wide outlook, the City also includes information and data to shed light on current and future financial position. The result is a broader and more inclusive financial report to give the readers an accurate portrayal and outlook of the City currently and in the future.

Long-Term Financial Planning

The City's long-term financial planning revolves around the capital projects budget. Each year capital projects are re-evaluated in order to ensure that a total long term perspective for each project is up to date and funded. The City allocates fund balance in the capital projects fund for the project length budget, rather than what is currently due. Most capital projects cross multiple fiscal years, but this policy ensures that as the project is completed, the funding is available. In addition, operating costs that result from any capital project are considered in this long-term budgetary outlook. This process helps the City to maintain a strong current financial position, as well as its future economic condition.

To achieve the aforementioned funding for the capital projects fund, since fiscal year 2007, the City has transferred all excess net change in fund balance above \$100,000 from the General Fund to the Capital Projects Fund. These funds are then available to either supplement existing projects as estimated costs increase, or to fund new projects as the need arises. For fiscal year 2018, this transfer was \$4,156,964, which was an increase compared to \$2,486,705 in fiscal year 2017.

Relevant Financial Policies

Although the City does not have a formal financial policy that addresses one-time revenue sources, it has consistently applied revenues from the sale of property or land as a special item in our financial statements. In addition, it has been normal practice to apply these funds to the capital projects fund. As a result, these proceeds do not fund the normal operations of the City.

Local Economy

The Government's overall financial condition continues to be positive. The City's total revenue for All Governmental Funds for the fiscal year ended September 30, 2018 increased by \$3,799,410, or 3.16% from the fiscal year ended September 30, 2017. Several categories had an increase over the prior year, including Taxes, Licenses and Permits, and Other Revenue, which comprised the majority of increases. These increases offset the decreases in intergovernmental and investment income.

The following schedule presents a summary of revenues for all Governmental Funds for the fiscal year ended September 30, 2018, with the amount and percentage of increase (decrease) in relation to the fiscal year ended September 30, 2017.

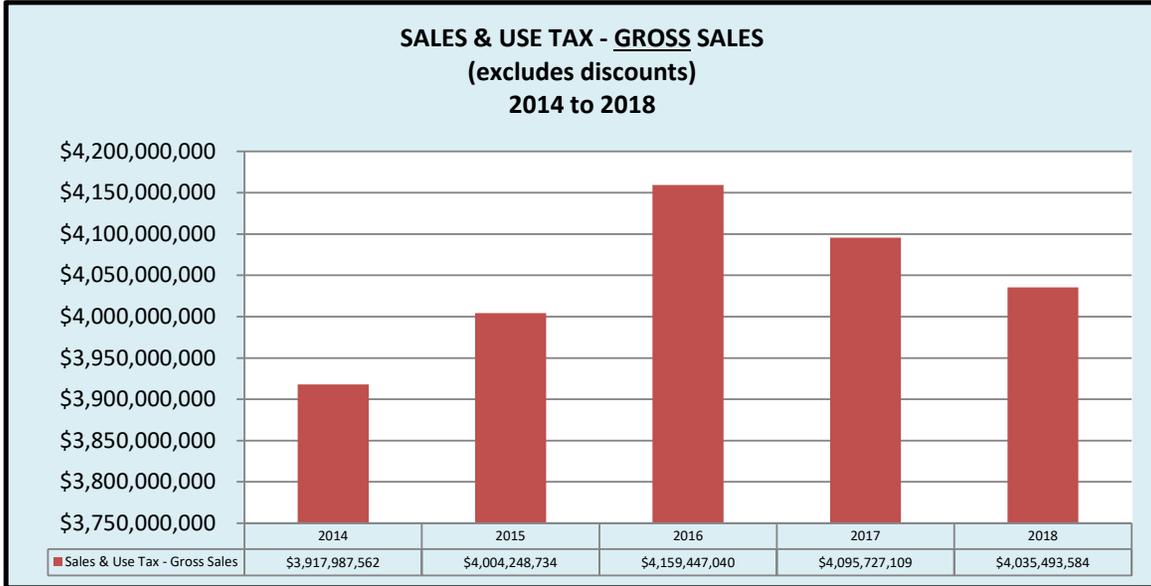
Revenues are broken down by major categories. As shown, the largest category, Taxes, increased by \$1,818,354, or 1.90%. Licenses and Permits increased by \$1,476,398 due mainly to building permit revenue related to new housing and commercial developments in the Highway 150/Stadium Trace area. In addition, a new permit fee calculation was adopted that resulted in over \$500,000 in additional permit fees. Intergovernmental decreased by \$744,475 due mainly to fewer state road grants that were realized during the fiscal year. Investment income decreased by \$576,615. This was mainly due to market fluctuations related to our investment portfolio, which realized less appreciation than fiscal year 2017. Finally, Other Revenue increased by \$1,253,182. The revenue from the company that manages our Hoover Met Sports Complex is reflected in this category. As we have added a new event center and new sports fields, after the issuance of the 2016 GOW debt, activity and revenues have increased.

All Governmental Funds					
Revenues	FY 2018 Amount	Percent of Total	FY 2017 Amount	Increase (Decrease) From FY 2017	Percent of Increase (Decrease)
Taxes	\$ 97,399,109	78.50 %	\$ 95,580,755	\$ 1,818,354	1.90 %
Licenses and permits	9,644,849	7.77	8,168,451	1,476,398	18.07
Intergovernmental	6,452,254	5.20	7,196,729	(744,475)	(10.34)
Fines and forfeits	2,541,435	2.05	2,163,345	378,090	17.48
Investment income	274,126	0.22	850,741	(576,615)	(67.78)
Rents and royalties	768,588	0.62	808,119	(39,531)	(4.89)
Contributions and reimbursements	598,085	0.48	519,146	78,939	15.21
Charges for services	4,302,701	3.47	4,147,633	155,068	3.74
Other	<u>2,088,552</u>	<u>1.68</u>	<u>835,370</u>	<u>1,253,182</u>	150.02
Total revenues	<u>\$ 124,069,699</u>	<u>100.00 %</u>	<u>\$ 120,270,288</u>	<u>\$ 3,799,410</u>	3.16 %

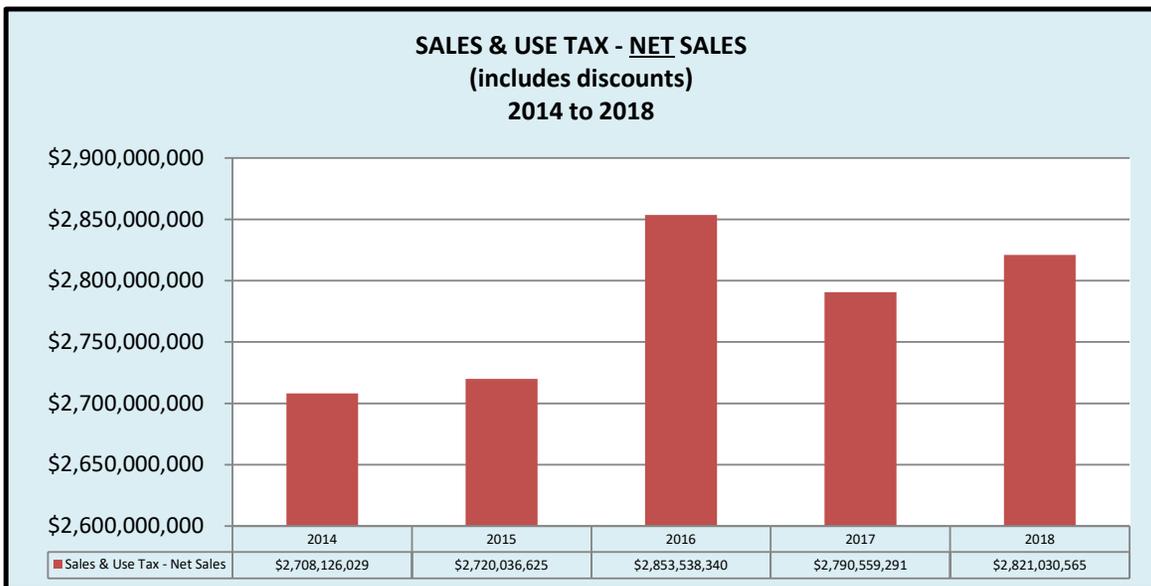
The two largest sources of tax revenue are sales & use tax revenue and property tax revenue.

Related to sales and use tax, the City's sales and use tax gross sales (excluding discounts) are reflective of the strength of the purchasing power within the City. For calendar year 2018, these sales decreased by \$60 million from the previous year to a total of \$4,035,493,584. This represented a decrease of 1.47%. The chart below depicts the gross sales (excluding discounts) for the last five years.

We attribute the majority of this decrease to the impact of online shopping, as it continues to grow and affect local brick and mortar stores, as well as direct reporting to the State of Alabama under the Simplified Sellers Use Tax legislation.



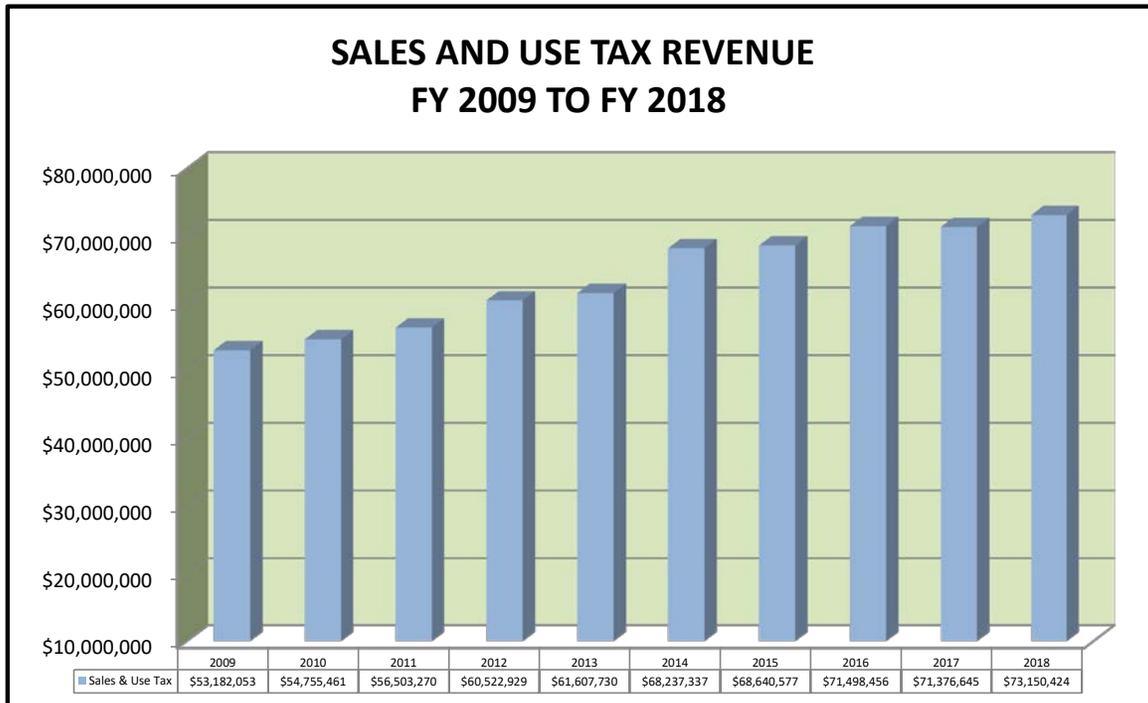
Although the overall gross sales decreased by \$60 million in calendar year 2018, the City's sales and use tax net sales (including discounts) increased by \$30 million, or 1.09%. This is the basis used for calculating the actual tax remittances.



Fiscal year 2018 resulted in an increase for sales and use tax revenue, after a small decrease the prior year. Sales and use tax revenue increased by 2.49% over fiscal year 2017. However, separately, sales tax increased by over \$700,000 while use tax increased by over \$1,000,000, resulting in a net increase of \$1,773,779. The chart and table below depict the past ten years of sales and use tax revenue collected by the City. Sales and use tax dollars realized a new all time high in fiscal year 2018.

<u>Fiscal Year</u>	<u>Sales and Use Tax Revenue</u>	<u>Percent of Increase (Decrease) from Previous Year</u>	<u>Total All Revenue Governmental Fund Types</u>	<u>Percent of Total Revenue</u>
2009	\$ 53,182,053	(5.99)	\$ 97,990,456	54.27
2010	54,755,461	2.96	97,884,197	55.94
2011	56,503,270	3.19	100,020,428	56.49
2012	60,522,929	7.11	105,154,948	57.56
2013	61,607,730	1.79	105,019,593	58.66
2014	68,237,337	10.76	117,016,573	58.31
2015	68,640,577	0.59	118,732,437	57.81
2016	71,498,456	4.16	122,194,326	58.51
2017	71,376,645	(0.17)	120,270,288	59.35
2018	73,150,424	2.49	124,069,699	58.96

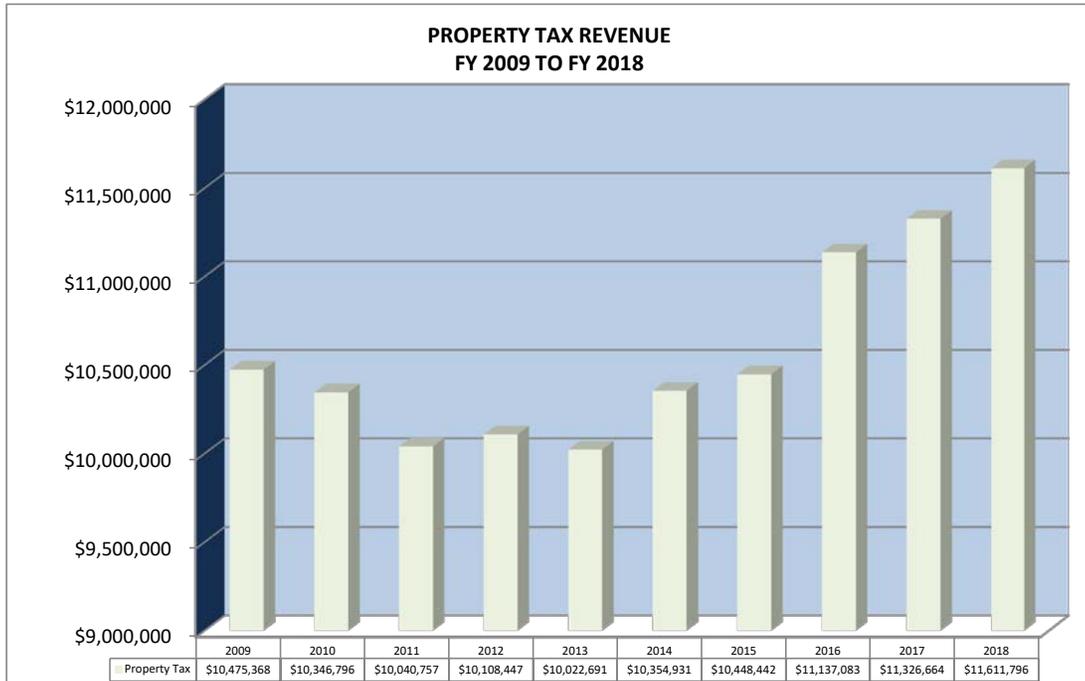
City management expects sales and use tax collections to increase due to an increase of the rate that goes into effect in fiscal year 2019. The rate increased from 3.0% to 3.5%. However, management suspects the sales basis to remain somewhat flat due to the impact of online shopping and its affect nationally on traditional brick and mortar retail.



The second largest revenue source for the City is property tax, which comprises 9.36% of total revenues for all governmental fund types. A ten year summary of property tax is as follows:

Fiscal Year	Property Tax Revenue	Percent of Increase (Decrease) from Previous Year	Total All Governmental Fund Types	Percent of Total Revenue
2009	\$ 10,475,368	2.57	\$ 97,990,456	10.69
2010	10,346,796	(1.23)	97,884,197	10.57
2011	10,040,757	(2.96)	100,020,428	10.04
2012	10,108,447	0.67	105,154,948	9.61
2013	10,022,691	(0.85)	105,019,593	9.54
2014	10,354,931	3.31	117,016,573	8.85
2015	10,448,442	0.90	118,732,437	8.80
2016	11,137,083	6.59	122,194,326	9.11
2017	11,326,664	1.70	120,270,288	9.42
2018	11,611,796	2.52	124,069,699	9.36

The City's property tax is 6 1/2 mills for general governmental use. Property tax revenue increased by \$285,132 from FY 2017, or 2.52%. This increase provides evidence of a steady and healthy economy for the City with regards to property values and further development. Management expects overall property taxes to continue steadily increasing in the near future, as housing prices continue to rise and development continues to expand the tax base.



OTHER INFORMATION

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, 2017. This was the thirty sixth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe 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 City staff and our auditors, BMSS, LLC. 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 V. Brocato
Mayor



Melinda James Lopez, Ph.D.
Chief Financial & Information Officer



Government Finance Officers Association

**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, 2017

Christopher P. Morrill

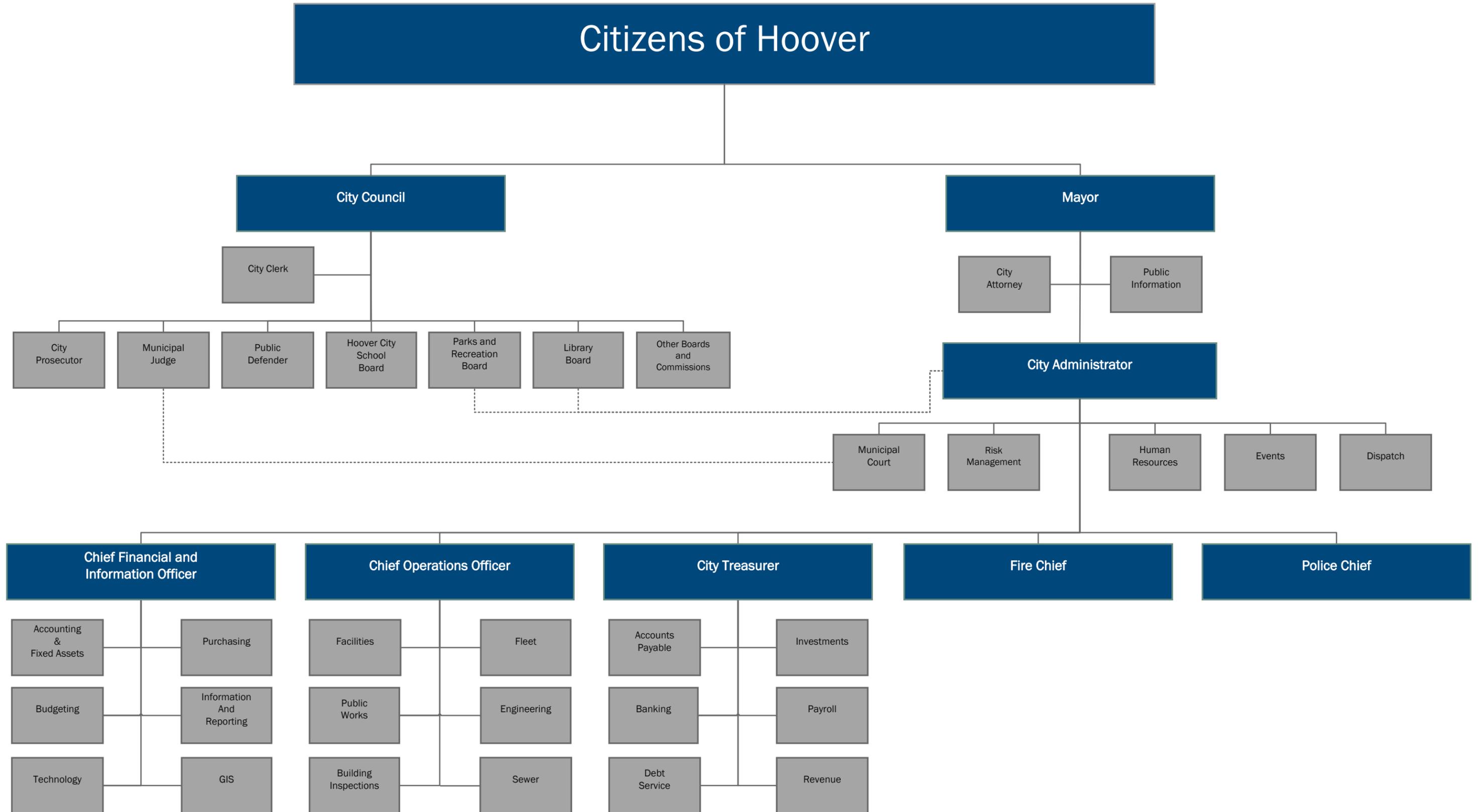
Executive Director/CEO

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THE CITY OF HOOVER, ALABAMA

Organization Chart

Effective 12/09/2016 - Updated FY 2018



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OFFICIALS FOR THE CITY OF HOOVER, ALABAMA

ELECTED OFFICIALS

Mayor	Frank V. Brocato
Council President	Gene Smith
Council President Pro Tempore	John Greene III
Council Member	John B. Lyda
Council Member	Dr. Casey W. Middlebooks
Council Member	Derrick M. Murphy
Council Member	Curtis W. Posey III
Council Member	Michael A. Shaw

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Hoover, Alabama
Hoover, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hoover, Alabama, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hoover, Alabama, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Changes in Accounting Principle

As discussed in Note 17 to the financial statements, in 2018, the City adopted new accounting guidance, *GASB No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Prior Period Adjustments

As described in Note 16 to the financial statements, the City updated its stormwater assets estimate and corrected equipment depreciation which increased beginning net position by \$3,140,634. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the net pension liability, schedule of employer contributions - pension plan, schedule of changes in the total OPEB liability and related ratios and schedule of employer contributions - OPEB plan on pages 23 through 45 and 90 through 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hoover, Alabama's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic fund financial statements.

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

The introductory, other supplementary information, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2019, on our consideration of the City of Hoover, Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hoover, Alabama's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hoover, Alabama's internal control over financial reporting and compliance.

BMSS, LLC

Birmingham, Alabama
March 28, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Hoover's (the "City") discussion and analysis report provides an overview of the City's financial activities for the fiscal year ended September 30, 2018. The purpose of the Management's Discussion and Analysis (MD&A) is to provide a narrative about the transactions, events, and conditions that are reflected in the government's financial report and of the fiscal policies that govern its operations. Thus, both a short and long term analysis of the government's activities will be presented. Please consider the information in this MD&A in conjunction with the Transmittal Letter (beginning on page 1) and the City's financial statements (beginning on page 47).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Hoover exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended September 30, 2018, by \$320,808,183. Of this amount, \$308,801,375 is invested in capital assets – net of related debt, \$19,595,083 is restricted by enabling legislation, which by definition is legally restricted to certain uses, and an unrestricted deficit exists in the amount of \$7,588,276. When an unrestricted balance exists, it shows what may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$11,025,040, or -3.32% in comparison to the net position at the beginning of the year, as restated. A detailed explanation of this decrease can be viewed on page 29-30 of this MD&A.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$83,972,978, a decrease of \$29,873,425 in comparison with the prior year. Of this total amount, \$30,618,296 is available for spending at the government's discretion (unassigned fund balance).
- Total net position for governmental activities decreased by \$9,932,311, bringing the total to \$304,609,108 for fiscal year 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this report contains required supplementary information and other supplementary information.

Government-Wide Financial Statements

The government-wide financial statements (see pages 48-49) are designed to provide readers with an overview of the City's finances in a manner that resembles that of private sector businesses. In these statements, governmental activities and business activities are consolidated into two columns, which are added together for a total for the City as a whole. In order to consolidate the two types of activities, they must both utilize the same measurement

focus. Thus, the government-wide statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains, and losses using the economic resources measurement focus and accrual basis of accounting. (This contrasts with the fund financial statements, to be discussed later, which utilize the financial resources measurement focus and the modified-accrual basis of accounting.)

Two statements comprise the government-wide statements. They are the Statement of Net Position and the Statement of Activities. Both of these statements provide information about the activities of the City as a whole and present a longer-term view of the City's finances.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference reported as net position. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long term debt. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position for the City of Hoover is improving or deteriorating.

The Statement of Activities presents information on both the gross expenses and the net costs, as well as how the government's net position changed during the most recent fiscal year. This statement is intended to facilitate the user's analysis of the cost of various governmental functions and/or subsidy to business-type activities. Revenues and expenses are posted in this statement for items that will result in cash flows for future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City of Hoover that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges for services (business-type activities). The governmental activities of the City of Hoover include general government, public safety, library, municipal court, education, sanitation, highway and roadway improvements, recreation services, and health, while the business-type activities include the City of Hoover's sewer system. The City has one blended component unit, the parks and recreation board.

Fund Financial Statements

Fund financial statements provide more detailed information about the City's most significant or major funds, not the City as a whole. Funds are accounting mechanisms that the City uses to keep track of specific sources of funding and spending for a particular purpose. The City of Hoover, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City has two types of funds: governmental funds and proprietary funds.

Governmental Funds

Most of the City's basic services are included in governmental funds, which focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to reconcile the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial

statements. This reconciliation may allow readers to better understand the long-term impact of the government's near-term financing decisions. As a result, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (see page 50 and page 52, respectively). In addition, a more detailed explanation of the balance sheet reconciliation is given in the notes to the financial statement on page 84.

The City of Hoover maintains twenty-one individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Projects Fund, and the GOW 2016 Capital Projects Fund, and the Parks and Recreation Board Fund, which are considered to be major funds. Data from the remaining seventeen non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual budgetary comparison schedules later in this report (beginning on page 100).

The City of Hoover adopts an annual appropriated budget for its general, special revenue, and capital projects funds. A budgetary comparison statement has been provided for all of the governmental funds to demonstrate compliance. The general funds' budgetary comparison schedule is shown as a basic financial statement (see page 53).

Proprietary Funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, except in more detail. The City of Hoover maintains six proprietary funds: two enterprise funds and four internal service funds. They are the Sewer Enterprise Fund, the Redevelopment Enterprise Fund, the Health Insurance Actives Internal Service Fund, the Health Insurance Retirees Internal Service Fund, the Workers Compensation Internal Service Fund, and the Property & Casualty Internal Service Fund. The City of Hoover also adopts an annual appropriated budget for these funds.

Notes to the Financial Statements

The notes to the financial statements provide additional essential information that will facilitate understanding the data represented in the government-wide and fund financial statements (see pages 57-87).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets

The City's total assets on its Statement of Net Position for fiscal year 2018 totaled \$551,147,685, of which \$513,525,004 or 93.17% was from governmental activities. This was a decrease of \$15,799,356 for assets in governmental activities. Most of this, almost \$25 million was due to spending down debt proceeds from the GOW 2016 warrants reflected in current assets, while the offsetting balance was an increase of capital assets, net of depreciation by almost \$15 million.

Business-type activities made up \$37,622,682 or 6.83% of total assets for fiscal year 2018, which was a decrease of \$2,384,905, or 5.96% from fiscal year 2017. This change was mostly related to capital assets (net of depreciation), whereby they decreased by approximately \$2.1 million.

As shown in the summary below, noncurrent assets comprise 78.69% of total assets, which is an increase from fiscal year 2017 where the percentage was 73.88%. For fiscal 2018, current assets comprised 21.31% of all assets, a decrease from fiscal year 2017 where the percentage was 26.12%. This decrease in current assets is attributable to cash and investments decreasing by approximately \$32 million, which was mostly attributed to spending down the debt proceeds mentioned above, while capital assets, net of depreciation, increased noncurrent assets by approximately \$13 million as an offset. Overall, the decrease in government-wide assets of approximately \$18.2 million was due mainly to the GOW 2016 bond proceeds being expended offset by capital assets, net of depreciation.

Breakdown of Assets - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current assets	\$ 141,638,745	\$ 110,659,619	\$ 7,081,015	\$ 6,803,287	\$ 148,719,760	\$ 117,462,906
Noncurrent assets:						
Capital assets, net of depreciation	387,002,090	402,470,319	32,926,572	30,819,395	419,928,662	433,289,714
Actuarial receivable	650,761	395,066	-	-	650,761	395,066
Long-term receivables	32,764	-	-	-	32,764	-
Total noncurrent assets	<u>387,685,615</u>	<u>402,865,385</u>	<u>32,926,572</u>	<u>30,819,395</u>	<u>420,612,187</u>	<u>433,684,780</u>
Total Assets	<u>\$ 529,324,360</u>	<u>\$ 513,525,004</u>	<u>\$ 40,007,587</u>	<u>\$ 37,622,682</u>	<u>\$ 569,331,947</u>	<u>\$ 551,147,686</u>

Breakdown of Assets - Statement of Net Position - Percentage by Asset Category-Type

Category	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current assets	26.76%	21.55%	17.70%	18.08%	26.12%	21.31%
Noncurrent assets:						
Capital assets, net of depreciation	73.11%	78.37%	82.30%	81.92%	73.76%	78.62%
Statutory actuarial receivable	0.12%	0.08%	0.00%	0.00%	0.11%	0.07%
Long-term receivables	0.01%	0.00%	0.00%	0.00%	0.01%	0.00%
Total noncurrent assets	<u>73.24%</u>	<u>78.45%</u>	<u>82.30%</u>	<u>81.92%</u>	<u>73.88%</u>	<u>78.69%</u>
Total Assets	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Breakdown of Assets - Statement of Net Position - Percentage by Activity-Type

Category	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current assets	95.24%	94.21%	4.76%	5.79%	100.00%	100.00%
Noncurrent assets:						
Capital assets, net of depreciation	92.16%	92.89%	7.84%	7.11%	100.00%	100.00%
Statutory actuarial receivable	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Long-term receivables	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Total noncurrent assets	<u>92.17%</u>	<u>92.89%</u>	<u>7.83%</u>	<u>7.11%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Assets	<u>92.97%</u>	<u>93.17%</u>	<u>7.03%</u>	<u>6.83%</u>	<u>100.00%</u>	<u>100.00%</u>

Deferred Outflows of Resources

In fiscal year 2013, the City implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows and Resources, Deferred Inflows of Resources, and Net Position” and Statement No. 65, “Items Previously Reported as Assets and Liabilities.” For Hoover, these deferred outflows represent the deferred loss on debt refinancing for bond issues.

Likewise, in fiscal year 2015, the City implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions” – an amendment of GASB Statement No. 27 and it also implemented GASB Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date” – an amendment of GASB Statement No. 68. For Hoover, these deferred outflows represent deferred amounts related to pensions.

Additionally, in fiscal year 2018, the City implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. For Hoover, these deferred outflows represent deferred amounts related to opeb (other postemployment benefits).

The graph below depicts these deferred amounts.

Breakdown of Deferred Outflow of Resources - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Employer contributions subsequent to the measurement date	\$ 5,146,565	\$ 5,065,117	\$ -	\$ -	\$ 5,146,565	\$ 5,065,117
Net difference between projected and actual experience	2,616,856	9,433,719	-	-	2,616,856	9,433,719
Change of assumptions	7,386,510	6,195,137	-	-	7,386,510	6,195,137
Total deferred amount related to pensions	15,149,931	20,693,973	-	-	15,149,931	20,693,973
Deferred amount related to opeb	-	785,177	-	-	-	785,177
Deferred amount on debt refunding	1,866,462	1,409,369	1,477,773	1,390,920	3,344,235	2,800,289
Total deferred outflow of resources	<u>\$ 17,016,393</u>	<u>\$ 22,888,519</u>	<u>\$ 1,477,773</u>	<u>\$ 1,390,920</u>	<u>\$ 18,494,166</u>	<u>\$ 24,279,439</u>
	92.01%	94.27%	7.99%	5.73%	100.00%	100.00%

Governmental activities comprise most of these deferred outflows, representing 94.27% compared to 5.73% in business-type activities for fiscal year 2018. This percentage breakdown changed from 92.01% for governmental activities and 7.99% for business-type activities in fiscal year 2017 mainly due to the change in the net difference between projected and actual experience in the amount of \$6.8 million related to the pension. In addition, the implementation of GASB Statement No. 75 resulted in a \$785,177 deferred amount related to opeb.

Liabilities

The City's total liabilities on its Statement of Net Position totaled \$238,595,575 of which \$215,781,049 or 90.44% was from governmental activities. This resulted in a decrease of \$6.5 million for liabilities in governmental activities in fiscal year 2018 compared with fiscal year 2017's liabilities of \$222,334,722. Overall, for governmental activities, there were offsetting increases and decreases between the change in bonds and warrants payable, net (decreased \$10 million), and the net pension liability (increased \$1.6 million), as well as the net opeb obligation (increased \$3.3 million). The decrease for bonds and warrants payable was due to debt service payments on the principal of debt.

Business-type activities made up \$22,814,526, or 9.56% of total liabilities for fiscal year 2018. This represented a decrease from the previous year of \$1,379,030. This change was mostly due to the debt service payments related to the sewer enterprise fund. In addition to the overall dollar value of these liabilities decreasing, the percentage to total liabilities slightly decreased from 9.81% to 9.56% for the government.

Overall, as shown in the summary below, long-term liabilities consisting of net bonds/warrants payable, compensated absences, net pension liability, net opeb obligation, and claims payable comprise 87.43% of total liabilities, with current liabilities comprising 12.57%. The percentage represented changed from fiscal year 2017, which was 87.18% and 12.82% respectively.

Breakdown of Liabilities - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current liabilities:						
Accounts payable and other accrued liabilities	\$ 14,942,399	\$ 12,912,266	\$ 235,808	\$ 226,351	\$ 15,178,206	\$ 13,138,616
Internal payable	4,063	5,430	(4,063)	(5,430)	-	-
Bonds and warrants payable, net	9,757,872	9,931,713	1,371,335	1,390,946	11,129,207	11,322,659
Compensated absences	4,687,626	4,751,881	15,021	12,452	4,702,647	4,764,333
Claims payable workers compensation	122,102	290,056	-	-	122,102	290,056
Claims payable property and casualty	484,168	476,626	-	-	484,168	476,626
Total current liabilities	29,998,230	28,367,974	1,618,101	1,624,318	31,616,330	29,992,292
Long-term liabilities:						
Bonds and warrants payable, net	115,217,055	105,285,341	22,567,016	21,176,071	137,784,071	126,461,412
Compensated absences	7,951,950	8,138,043	8,439	14,137	7,966,389	8,152,180
Net pension liability	64,826,439	66,406,046	-	-	64,826,439	66,406,046
Net opeb obligation	3,072,179	6,369,055	-	-	3,072,179	6,369,055
Claims payable workers compensation	682,363	555,277	-	-	682,363	555,277
Claims payable property and casualty	586,506	659,313	-	-	586,506	659,313
Total long-term liabilities	192,336,491	187,413,075	22,575,455	21,190,208	214,911,947	208,603,283
Total Liabilities	\$ 222,334,722	\$ 215,781,049	\$ 24,193,556	\$ 22,814,526	\$ 246,528,278	\$ 238,595,575

Breakdown of Liabilities - Statement of Net Position - Percentage by Liability Category-Type

Category	2017	2018	2017	2018	2017	2018
Current liabilities	13.49%	13.15%	6.69%	7.12%	12.82%	12.57%
Long-term liabilities	86.51%	86.85%	93.31%	92.88%	87.18%	87.43%
Total Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Breakdown of Liabilities - Statement of Net Position - Percentage by Activity-Type

Category	2017	2018	2017	2018	2017	2018
Current liabilities	94.88%	94.58%	5.12%	5.42%	100.00%	100.00%
Long-term liabilities	84.96%	85.10%	15.04%	14.90%	100.00%	100.00%
Total Liabilities	90.19%	90.44%	9.81%	9.56%	100.00%	100.00%

Deferred Inflows of Resources

As mentioned above, in fiscal year 2013, the City implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows and Resources, Deferred Inflows of Resources, and Net Position” and Statement No. 65, “Items Previously Reported as Assets and Liabilities.” The City had no deferred inflows of resources related to debt refinancing to report in the current fiscal year.

Likewise, as discussed previously, in fiscal year 2015, the City implemented GASB Statement No. 68 and GASB Statement No. 71. For Hoover, the deferred inflows shown on the Statement of Net Position represent the net difference between projected and actual earnings on pension plan investments. For Hoover, the deferred inflows shown on the Statement of Net Position represent the net difference between projected and actual earnings on pension plan investments in the amount of \$5,000,268.

In addition, GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions” requires governments to recognize revenues from property taxes, net of estimated refunds and estimated uncollectible amounts in the period in which they are levied. For fiscal year 2018, deferred inflows related to this were \$10,853,575, with an offset to taxes receivable.

Furthermore, as stated previously, in fiscal year 2018, the City implemented GASB Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. For Hoover, deferred inflows related to opeb (other postemployment benefits) were \$169,523.

Breakdown of Deferred Inflow of Resources - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Deferred amount on property tax levy	\$ 10,547,441	\$ 10,853,575	\$ -	\$ -	\$ 10,547,441	\$ 10,853,575
Net difference between projected and actual earnings on pension plan investments	(1,190,221)	5,000,268	-	-	(1,190,221)	5,000,268
Deferred amount related to opeb	-	169,523	-	-	-	169,523
Total deferred inflow of resources	<u>\$ 9,357,220</u>	<u>\$ 16,023,366</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,357,220</u>	<u>\$ 16,023,366</u>
Deferred outflow of resources	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%

Net Position

The City’s entity-wide net position totaled \$320,808,183. Governmental activities comprised \$304,609,108 or 94.95% of the total net position for fiscal year 2018. This represented a decrease of \$9,932,311, or 3.16% of net position as restated. This is due to net position restricted for other purposes (funds that are restricted in their purpose) increasing by approximately \$1.4 million, while unrestricted net position decreased by approximately \$11.3 million. This is mainly due to using up fund balance in the capital project funds.

Business-type activities made up \$16,199,075, or 5.05% of total net position for fiscal year 2018. This represented a decrease of \$1,092,729, but the percentage represented was relatively the same in comparison with fiscal year 2017, which was 5.21%. Most of this decrease was due to the decrease in capital assets (net of depreciation) discussed previously.

A comparative summary of the change and composition of net position is shown below.

Summary of Net Position - Primary Government - Actual

	Governmental Activities		Business-Type Activities		Total	
	2017	2018	2017	2018	2017	2018
Net investment in capital assets	\$ 299,225,002	\$ 299,158,077	\$ 10,496,432	\$ 9,643,298	\$ 309,721,434	\$ 308,801,375
Restricted for other purposes	18,224,929	19,595,083	-	-	18,224,929	19,595,083
Unrestricted (deficit)	(2,801,119)	(14,144,053)	6,795,371	6,555,777	3,994,252	(7,588,276)
Total net position	314,648,811	304,609,108	17,291,804	16,199,075	331,940,615	320,808,183
Prior period adjustment (Note #16 and #17)	(107,393)	-	-	-	(107,393)	-
Net position at end of year	<u>\$ 314,541,419</u>	<u>\$ 304,609,108</u>	<u>\$ 17,291,804</u>	<u>\$ 16,199,075</u>	<u>\$ 331,833,222</u>	<u>\$ 320,808,183</u>

Summary of Net Position - Primary Government - Percentage by Net Position Category -Type

	2017	2018	2017	2018	2017	2018
Net investment in capital assets	95.10%	98.21%	60.70%	59.53%	93.31%	96.26%
Restricted for other purposes	5.79%	6.43%	0.00%	0.00%	5.49%	6.11%
Unrestricted (deficit)	-0.89%	-4.64%	39.30%	40.47%	1.20%	-2.37%
Total net position	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Summary of Net Position - Primary Government - Percentage by Activity-Type

	2017	2018	2017	2018	2017	2018
Net investment in capital assets	96.61%	96.88%	3.39%	3.12%	100.00%	100.00%
Restricted for other purposes	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Unrestricted (deficit)	-70.13%	186.39%	170.13%	-86.39%	100.00%	100.00%
Total net position	<u>94.79%</u>	<u>94.95%</u>	<u>5.21%</u>	<u>5.05%</u>	<u>100.00%</u>	<u>100.00%</u>

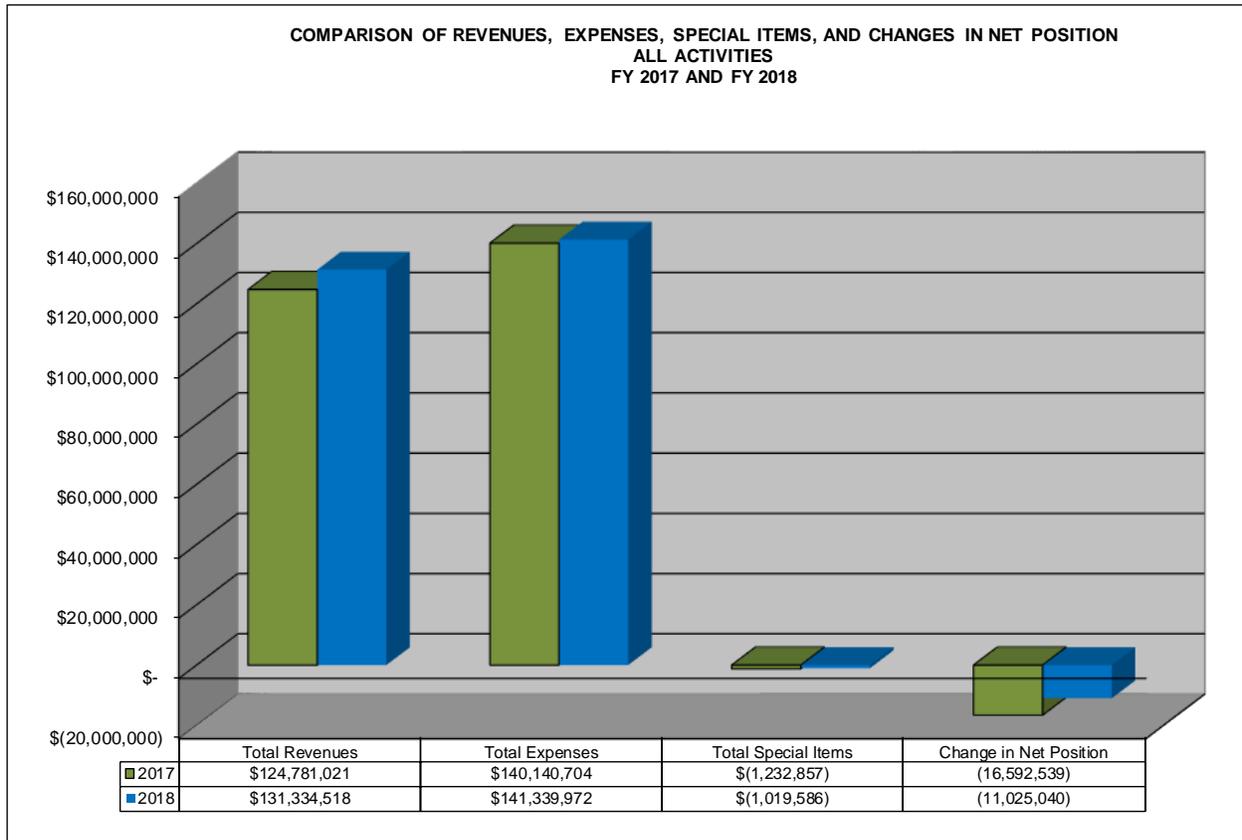
The largest portion of the City's assets is restricted or invested in capital assets. In particular, \$308,801,375, or 96.26% is invested in capital assets such as buildings, roads and bridges, less any related debt used to acquire those assets that is still outstanding and including any remaining bond proceeds. In addition, \$19,595,083, or 6.11% is restricted for other various purposes. Thus, the total percentage of restricted assets totaled 102.37% for fiscal year 2018, as compared with fiscal year 2017 at 98.80%.

At the same time, the City has a deficit of \$7,588,276 or -2.37% of assets available in unrestricted net position, which when a balance exists, may be used to meet the government's ongoing obligations to citizens and creditors. Overall, this decreased by approximately \$11.1 million from fiscal year 2017 to fiscal year 2018, with governmental activities representing approximately \$10 million of the decrease, while the business-type activities decreased \$1.1 million.

As mentioned above, the largest portion of the City's net position (96.26%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Thus, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. However, \$10.5 million of this investment is due to unspent bond proceeds committed to capital asset expenditures.

Statement of Activities

The Statement of Activities includes governmental activities and business-type activities. The total change in net position for the fiscal year ended 2018 was a decrease of \$11,025,040 compared with the fiscal year ended 2017 change in net position that had a decrease of \$16,592,539, a difference of \$5,567,499. There are several reasons for this difference that relate to both revenue and expenses.



In terms of revenues, overall revenues increased by over \$6.5 million. Capital grants and contributions increased by approximately \$2.1 million, while operating grants and contributions, as well as charges for services increased by approximately \$1.4 million and \$1.8 million, respectively. Capital grants and contributions increased due to storm water assets contributed by developers, as well as more grant funding realized for road and sidewalk projects. Likewise, sales and use taxes increased by \$1.8 million. The reduction in investment income was due to market conditions, a change in composition of the investment portfolio, as well as an overall reduction in the amount of investments due to the depletion of the majority of GOW 2016 warrants.

Expenses increased by only \$1.2 million. This was mainly due to two items: 1) \$2.2 million more in public safety expenses, offset by 2) a decrease in interest and fiscal charges on debt service. This allowed for more funds to be utilized for direct delivery of services.

The schedule below compares revenue and expenses from the Statement of Activities for the current and previous year by actual amounts.

Category	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
REVENUES						
Program Revenues:						
Charges for services	\$ 15,308,912	\$ 17,348,132	\$ 4,147,413	\$ 3,879,312	\$ 19,456,325	\$ 21,227,444
Operating grants and contributions	3,190,304	4,626,695	-	-	3,190,304	4,626,695
Capital grants and contributions	2,090,512	4,215,658	-	-	2,090,512	4,215,658
General Revenues:						
Sales and use taxes	71,376,645	73,150,424	-	-	71,376,645	73,150,424
Property taxes	11,326,664	11,611,796	-	-	11,326,664	11,611,796
Other taxes	12,877,445	12,636,888	-	-	12,877,445	12,636,888
Intergovernmental revenue not restricted	3,107,514	3,048,565	-	-	3,107,514	3,048,565
Unrestricted investment income	829,540	184,657	72,922	233,626	902,462	418,283
Gain (loss) on asset disposals	111,401	8,264	-	-	111,401	8,264
Other revenue	341,749	390,501	-	-	341,749	390,501
Total Revenues	\$ 120,560,686	\$ 127,221,580	\$ 4,220,335	\$ 4,112,938	\$ 124,781,021	\$ 131,334,518
EXPENSES						
Program Activities:						
General government	\$ 18,176,731	\$ 19,158,636	\$ -	\$ -	\$ 18,176,731	\$ 19,158,636
Public safety	50,172,991	52,367,500	-	-	50,172,991	52,367,500
Library	7,726,717	7,456,911	-	-	7,726,717	7,456,911
Municipal court	2,019,744	1,988,023	-	-	2,019,744	1,988,023
Sanitation	7,226,459	7,404,058	-	-	7,226,459	7,404,058
Education	5,000,000	5,000,000	-	-	5,000,000	5,000,000
Highway and roadway improvements	25,620,377	25,373,536	-	-	25,620,377	25,373,536
Recreation services	14,283,602	13,892,940	-	-	14,283,602	13,892,940
Health	74,729	75,867	-	-	74,729	75,867
Interest and fiscal charges	4,509,288	3,416,834	-	-	4,509,288	3,416,834
Redevelopment	-	-	-	-	-	-
Sewer services	-	-	5,330,066	5,205,666	5,330,066	5,205,666
Total Expenses	\$ 134,810,639	\$ 136,134,306	\$ 5,330,066	\$ 5,205,666	\$ 140,140,704	\$ 141,339,972
Excess (deficiency) before transfers	(14,249,953)	(8,912,726)	(1,109,731)	(1,092,729)	(15,359,683)	(10,005,454)
SPECIAL ITEMS						
Revenue rebate to developer	(1,232,857)	(1,019,586)	-	-	(1,232,857)	(1,019,586)
Total special items	\$ (1,232,857)	\$ (1,019,586)	\$ -	\$ -	\$ (1,232,857)	\$ (1,019,586)
CHANGE IN NET POSITION	(15,482,808)	(9,932,311)	(1,109,731)	(1,092,729)	(16,592,539)	(11,025,040)
NET POSITION, BEGINNING OF YEAR	330,131,619	314,541,419	18,401,534	17,291,804	348,533,154	331,833,222
PRIOR PERIOD ADJUSTMENT	(107,393)	-	-	-	(107,393)	-
NET POSITION AT END OF YEAR	\$ 314,541,419	\$ 304,609,108	\$ 17,291,804	\$ 16,199,075	\$ 331,833,222	\$ 320,808,183

As mentioned previously, revenues increased by \$6.6 million and expenses increased by \$1.2 million, along with a decrease in rebates to developers of \$200,000, which overall resulted in a favorable change in net position of almost \$5.6 million over fiscal year 2017. Almost all of this change was reflected in the governmental activities.

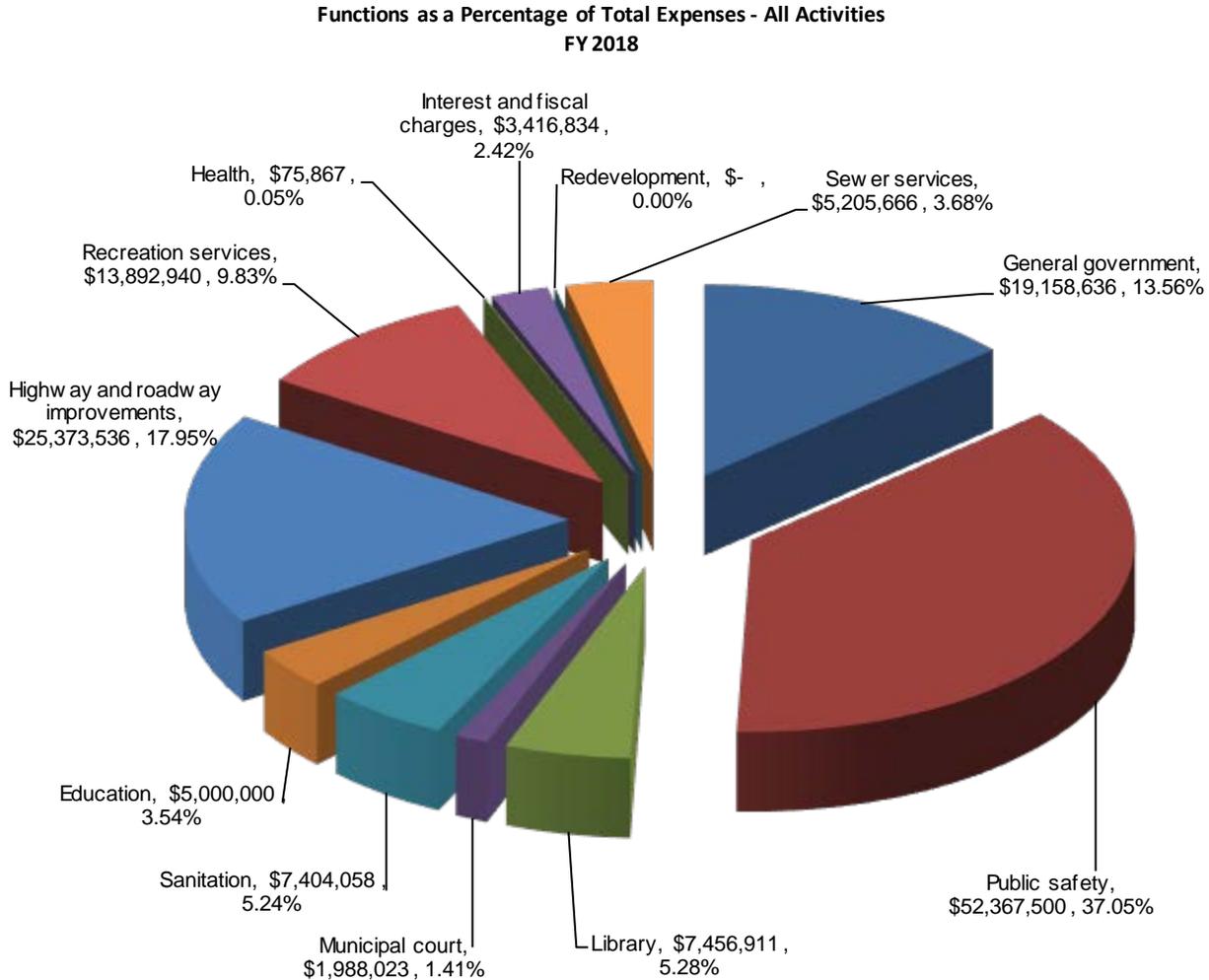
The schedule below shows the % change in detail by each category.

**CHANGE IN NET POSITION - PERCENTAGE BY CATEGORY
AS OF SEPTEMBER 30**

Category	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
REVENUES						
Program Revenues:						
Charges for services	12.70%	13.64%	98.27%	94.32%	15.59%	16.16%
Operating grants and contributions	2.65%	3.64%	0.00%	0.00%	2.56%	3.52%
Capital grants and contributions	1.73%	3.31%	0.00%	0.00%	1.68%	3.21%
General Revenues:						
Sales and use taxes	59.20%	57.50%	0.00%	0.00%	57.20%	55.70%
Property taxes	9.39%	9.13%	0.00%	0.00%	9.08%	8.84%
Other taxes	10.68%	9.93%	0.00%	0.00%	10.32%	9.62%
Intergovernmental revenue not restricted	2.58%	2.40%	0.00%	0.00%	2.49%	2.32%
Unrestricted investment income	0.69%	0.15%	1.73%	5.68%	0.72%	0.32%
Gain on sale of disposed equipment	0.09%	0.01%	0.00%	0.00%	0.09%	0.01%
Other revenue	0.28%	0.31%	0.00%	0.00%	0.27%	0.30%
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
EXPENSES						
Program Activities:						
General government	13.48%	14.07%	0.00%	0.00%	12.97%	13.56%
Public safety	37.22%	38.47%	0.00%	0.00%	35.80%	37.05%
Library	5.73%	5.48%	0.00%	0.00%	5.51%	5.28%
Municipal court	1.50%	1.46%	0.00%	0.00%	1.44%	1.41%
Sanitation	5.36%	5.44%	0.00%	0.00%	5.16%	5.24%
Education	3.71%	3.67%	0.00%	0.00%	3.57%	3.54%
Highway and roadway improvements	19.00%	18.64%	0.00%	0.00%	18.28%	17.95%
Recreation services	10.60%	10.21%	0.00%	0.00%	10.19%	9.83%
Health	0.06%	0.06%	0.00%	0.00%	0.05%	0.05%
Interest and fiscal charges	3.34%	2.51%	0.00%	0.00%	3.22%	2.42%
Redevelopment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sewer services	0.00%	0.00%	100.00%	100.00%	3.80%	3.68%
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
SPECIAL ITEMS						
Revenue rebate to developer	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total special items	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>100.00%</u>	<u>100.00%</u>
CHANGE IN NET POSITION	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Expenses

Public safety activities, which include dispatch, police, fire, and inspections, accounted for 37.05% of the total expenses on the Statement of Activities. After the highway and road improvement category that represented 17.95% of expenses, general government (13.56%), recreation services, including park maintenance (9.83%), library (5.28%) and sanitation (5.24%) comprised the other major categories. Interest and fiscal charges, which represent mandatory spending (as opposed to discretionary spending) represented 2.42% of total expenses.



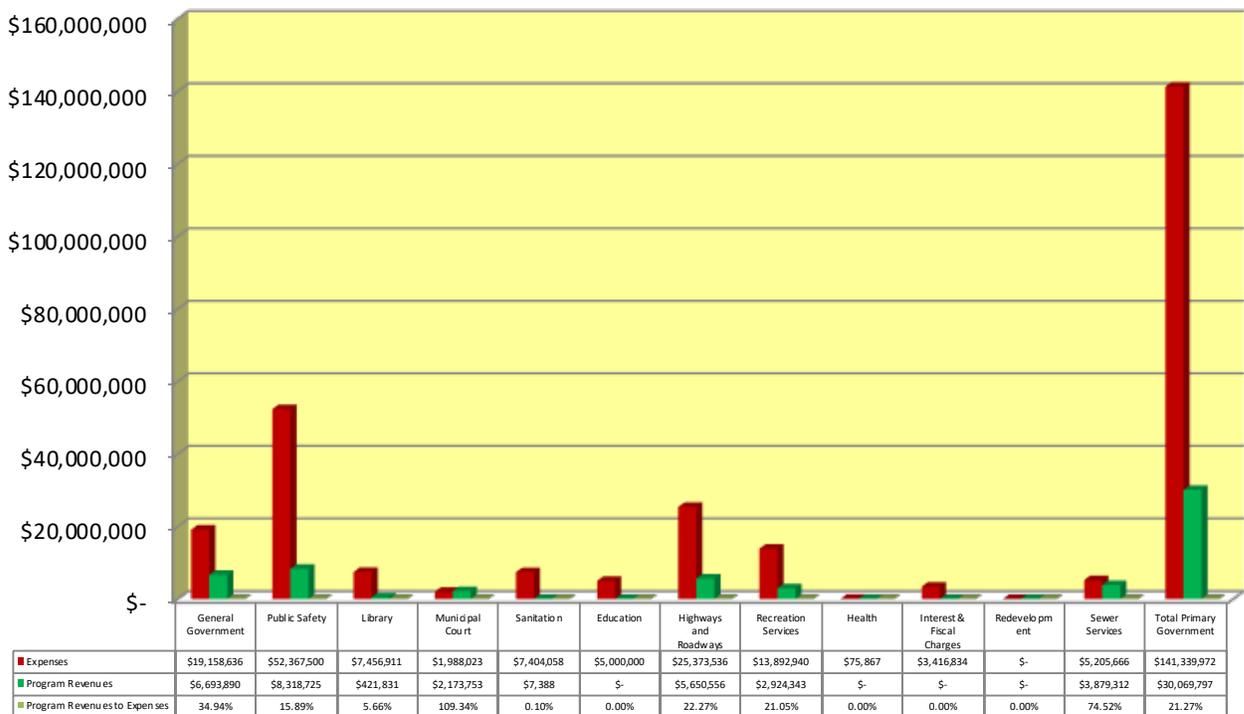
The chart above illustrates the entire expense breakdown by function and corresponding percentage for fiscal year 2018. The percentages match closely with those of fiscal year 2017, with some notable differences. The largest increase in percentage composition was in the public safety category. This is mainly due to the focus and importance of public safety for citizens. In addition, interest and fiscal charges represented the largest decrease due to a one-time aberration in debt service that occurred in fiscal year 2017.

Program Revenues

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The figure below depicts the amount of program expenses and the offsetting program revenue by function. As illustrated, public safety makes up the largest program income category, comprising \$8,318,725. Public Safety consists of various sources related to police, fire, dispatch and inspections, including various grants and building permits. Permit fees saw a large increase of over \$1.4 million, partially due to new housing and commercial developments, as well as a change in fee structure. General government also has large program income at \$6,693,890. This is mainly due to business license revenue collected by the Revenue Department.

Expenses and Program Revenues - All Activities
FY 2018



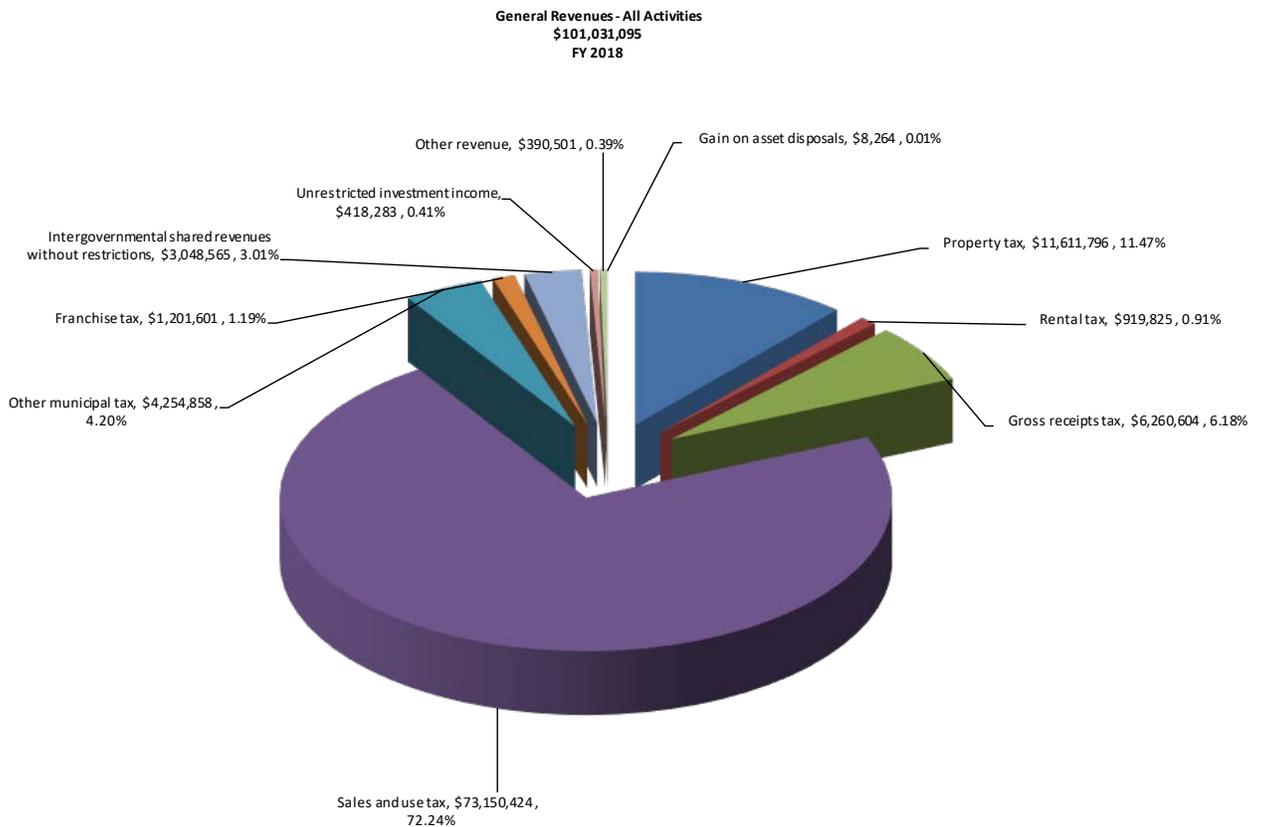
In addition, Municipal Court was the only category that had program revenue exceed expenses. For fiscal year 2018, Municipal Court had expenses totaling \$1,988,023 and program revenues totaling \$2,173,753, which represented 109.34% of revenues to expenses. This percentage was an increase compared to fiscal year 2017, which had 97.91% of program revenue to expenses. It is important to note that by state law, some of Municipal Court's funding is used to defray costs of operating the jail, which is included under the public safety category.

Sewer Service expenses for fiscal year 2018 totaled \$5,205,666 and program revenues totaled \$3,879,312, which represented 74.52% of revenues to expenses. The City continues to monitor the gap between the sewer's revenues and expenses.

General Revenues

As a whole, primary government programs offset 21.27% of their total expenses (\$141,339,972) from program revenue (\$30,069,797). General revenues help to offset the balance of these programs by \$101,031,095.

Sales and use tax encompass the overwhelming percentage of general revenues, making up \$73,150,424 of them, which is 72.24% of total general revenues. The second largest category that contributes to general revenues is property tax, which comprised \$11,611,796 or 11.47% of total revenues. Gross receipts taxes from public utilities and insurance companies comprised the third largest source of general revenue bringing in \$6,260,604, or 6.18%.



Also in fiscal year 2018, the City rebated \$1,019,586 to developers, which is shown as a special item on the financial statement.

In summary, after taking into account total expenses, total program revenues, total general revenues, and special items for governmental activities in the Statement of Activities, net position decreased by \$9,932,311 for the primary government. As a result, along with the decrease in net position for the business-type activities of \$1,092,729, the net position at the end of the year totaled \$320,808,183 for all activities, after the prior period adjustment reduced the beginning of year net position by (\$107,393).

OTHER PROPRIETARY FUNDS

Internal Service Funds

In addition to the Sewer Enterprise Fund, the City has a Redevelopment Enterprise Fund and four internal service funds. These internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements on pages 54-56. Individual fund data for these funds is provided in the form of *combining statements* on pages 104-106 of this report.

In terms of the Redevelopment Fund, in fiscal year 2011 the City purchased an apartment complex and its land to redevelop the area. The City managed the remainder of the apartment rentals until the leases were up and then contracted to demolish the structures. The City sold this land to a commercial developer in fiscal year 2013. A neighborhood Walmart has since been constructed. This fund remains for future redevelopment opportunities as they occur.

Due to the implementation of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (OPEB) in fiscal year 2009, the City separated the health insurance internal service fund into two internal service funds, one for active employees and one for retirees. These track all expenses relating to health and dental insurance for employees, retirees, and cobra participants, as applicable. The workers' compensation internal service fund tracks all revenues/expenses related to the administration of our workers' compensation program. In addition, the City has a property and casualty internal service fund. The City is self-insured to some extent for all four of these programs.

The active health insurance internal service fund ended the year with \$1,777,954 in net position, while the retiree health insurance internal service fund ended the year with (\$3,854,604) in net position. The active health insurance internal service fund increased by \$431,783. The retiree health insurance internal service fund net position is due to the accumulated recording of the net OPEB obligation as a result of the GASB Statement No. 75 implementation mentioned previously. The prior period adjustment resulted in a (\$3,248,027) reduction in net position.

The workers' compensation internal service fund ended the year with (\$189,464) in net position due to some unforeseen settlements, while the property and casualty internal service fund, ended the year with \$31,064. Overall, the City is pleased with the net position of these internal service funds. However, we will continue to monitor the activity in fiscal year 2019 to adjust funding rates as needed.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Hoover uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information not only provides more detail, but is also useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The table below illustrates the breakdown of governmental funds for fiscal year 2018.

	2018 Governmental Funds					
	General Fund	Capital Projects Fund	GOW 2016 Capital Projects Fund	Parks & Recreation Board	Other Governmental Funds	Total Governmental Funds
Total revenues	\$ 114,726,093	\$ 269,000	\$ 191,030	\$ -	\$ 8,883,576	\$ 124,069,699
Total expenditures	106,861,075	8,713,383	1,564	27,398,161	10,151,891	153,126,073
Total other financing sources (uses)	(6,745,433)	2,902,173	(25,990,836)	27,398,161	2,638,469	202,534
Total special items	(1,019,586)	-	-	-	-	(1,019,586)
Net change in fund balances	100,000	(5,542,210)	(25,801,370)	-	1,370,155	(29,873,425)
Fund balances, beginning of year	32,100,000	31,028,416	32,493,059	-	18,224,929	113,846,404
Prior period adjustment	-	-	-	-	-	-
Fund balances, end of year	<u>\$ 32,200,000</u>	<u>\$ 25,486,206</u>	<u>\$ 6,691,689</u>	<u>\$ -</u>	<u>\$ 19,595,083</u>	<u>\$ 83,972,978</u>
Percent of fund balance to expenditures	30.13%	292.49%	427857.35%	0.00%	193.02%	54.84%

Other than the General Fund, the City has three other governmental major funds. They are the Capital Projects Fund, the 2016 GOW Capital Projects Fund, and the Parks & Recreation Board Fund. All other funds, which consist of special revenue funds and other capital project funds, are lumped into the other governmental funds column.

As of September 30, 2018, the City of Hoover's governmental funds reported combined ending fund balances of \$83,972,978. Approximately \$30,618,296 or 36.46% constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of the fund balance is non-spendable (.11%), restricted (23.33%), committed (38.32%), or assigned (1.78%). These fund balance categories are defined in the Notes to the Financial Statements.

In fiscal year 2017, the combined governmental ending fund balances were \$113,846,404. The total end of the year fund balances decreased by \$29,873,425 from fiscal 2017 to fiscal 2018. This decrease was actualized as follows: General Fund - \$100,000, Capital Projects Fund - (\$5,542,210), 2016 GOW Capital Projects Fund - (\$25,801,370), and Other Governmental Funds - \$1,370,155. By resolution, the excess in the General Fund above \$100,000 is transferred to the Capital Projects Fund.

General Fund

The General Fund is the chief operating fund for the City of Hoover. As of September 30, 2018, the total fund balance of the general fund was \$32,200,000 as compared with September 30, 2017 where it was \$32,100,000, an increase of \$100,000. The end of the year fund balance for fiscal year 2018 represents approximately 30.13% of total general fund expenditures, which is a very healthy fund balance.

Capital Projects Fund

The capital projects fund is the primary fund for tracking city funding for various capital projects and/or capital items. As of September 30, 2018, the total ending fund balance for the capital projects fund was \$25,486,206. For the fiscal year, transfers to and from various fund offset the total expenditures during the year of \$8,713,383, with a net decrease to the fund of \$5,542,210, including revenue.

The City does have several ongoing projects and commitments that are to be funded from this fund. These commitments represent projects that have been approved and have been started, but not completed. As of September 30, 2018, although all of the fund balance shows as committed, the total city portion of ongoing projects from this fund is estimated at \$23,083,548. The balance, \$2,402,658 is not dedicated to specific projects and is available to be allocated to future projects as needed. The fiscal year 2019 budget did dedicate some of these funds to new or existing projects as needed.

2016 GOW Capital Projects Fund

The 2016 GOW Capital Projects fund is the fund for tracking the 2016 bond issuance related to the new events facility and other improvements at the Hoover Metropolitan Complex. As of September 30, 2018, the total ending fund balance for the 2016 GOW Capital Projects Fund was \$6,691,689. The overall decrease in the fund of \$25,801,370 is due to using up most of the borrowed funds. The balance of funds is expected to be spent by the end of fiscal year 2019. At the end of the project, multi-purpose fields for soccer, football, lacrosse, and baseball will be available, as well as 16 tennis courts, among other amenities.

Parks & Recreation Board

In fiscal year 2018, the City contributed over \$27 million to the parks & recreation board in order to make improvements to the Hoover Metropolitan Complex. Additional contributions are expected during fiscal year 2019.

Other Governmental Funds

Other governmental funds include various special revenue funds and other capital project funds. Anything that has a legal requirement to be tracked separately and general grants that the City receives are all tracked in various special revenue funds. These funds are intended for specific uses. The other governmental funds are funds that the City uses to track outside funding, in particular, grants for capital projects. Keeping these funds separate from the main capital project fund helps the City to facilitate record keeping. In other words, the City budgets the City portion of capital projects in the capital projects fund and the outside funding portion in these

other governmental funds. All projects are tracked with a project code that provides an overview of the entire project, no matter what funding sources are utilized.

General Fund Budgetary Highlights

The original budget and the final amended budget for the general fund both projected a net increase of budgetary fund balance in the amount of \$100,000. However, as shown below, budgeted revenues increased by \$1,921,824, or 1.73% of the original budget. This was mostly due to an increase in tax revenue over the original projection by approximately \$1.8 million.

The total expenditure budget decreased by \$1,314,985, or 1.19%. The major reason for this (and the revenue projection change) was to allow a transfer to the capital projects fund for future projects by using the surplus at the end of the fiscal year. Since fiscal year 2007, the City has transferred all excess in the general fund above \$100,000 to the capital projects fund each year.

General Fund Original Budget to Amended Budget

	Original Budget	Amended Budget	Difference Between Original Budget and Amended Budget	% Difference Between Original Budget and Amended Budget
Revenues				
Taxes	\$ 95,223,500	\$ 97,102,198	\$ 1,878,698	1.97 %
Licenses and permits	8,159,600	8,197,726	38,126	0.47
Intergovernmental	1,887,700	1,887,700	-	0.00
Fines and forfeits	840,000	840,000	-	0.00
Investment income	750,100	750,100	-	0.00
Rents and royalties	658,500	658,500	-	0.00
Contributions and reimbursements	214,500	214,500	-	0.00
Charges for services	1,385,500	1,385,500	-	0.00
Other	1,880,600	1,885,600	5,000	0.27
Total revenues	111,000,000	112,921,824	1,921,824	1.73 %
Expenditures				
Current operations				
General government	16,522,231	15,369,659	(1,152,572)	-6.98 %
Public safety	43,646,807	44,643,069	996,262	2.28
Library	7,356,085	7,169,931	(186,154)	-2.53
Municipal court	131,959	117,892	(14,067)	-10.66
Sanitation	7,471,858	7,404,059	(67,799)	-0.91
Education	5,000,000	5,000,000	-	0.00
Highway and roadway improvements	5,148,289	4,998,255	(150,034)	-2.91
Recreation services	12,700,624	11,941,720	(758,904)	-5.98
Health	75,000	75,868	868	1.16
Total	98,052,853	96,720,453	(1,332,400)	-1.36 %
Capital outlays	328,325	345,740	17,415	5.30 %
Debt service				
Principal	7,415,000	7,415,000	-	0.00 %
Interest	4,366,207	4,366,207	-	0.00
Issuance costs	-	-	-	-
Fiscal agent fees	2,200	2,200	-	0.00
Total expenditures	110,164,585	108,849,600	(1,314,985)	-1.19 %
Excess (deficiency) of revenues over (under) expenditures	835,415	4,072,224	3,236,809	3.87
Other financing sources (uses)				
Transfers in	31,665,354	31,593,604	(71,750)	0.00 %
Transfers out	(31,053,769)	(34,218,828)	(3,165,059)	0.10
Payment to refund bond escrow agent	-	-	-	0.00
Total other financing sources (uses)	611,585	(2,625,224)	(3,236,809)	-5.29 %
Special items				
Revenue rebate to developer	(1,347,000)	(1,347,000)	-	0.00 %
Total special items	(1,347,000)	(1,347,000)	-	0.00
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	100,000	100,000	-	0.00 %
Fund balances, beginning of year	32,100,000	32,100,000	-	-
Fund balances, end of year	\$ 32,200,000	\$ 32,200,000	\$ -	0.00% %

For a budget to actual comparison, the table below shows the percentage difference by function for each category. An end of the year amendment was done that amended revenue/expenditure accounts to transfer all General Fund excess above \$100,000 to the Capital Projects Fund for the financing of future projects. This requires a final budget amendment that closely mirrors the actual projections for the fiscal year.

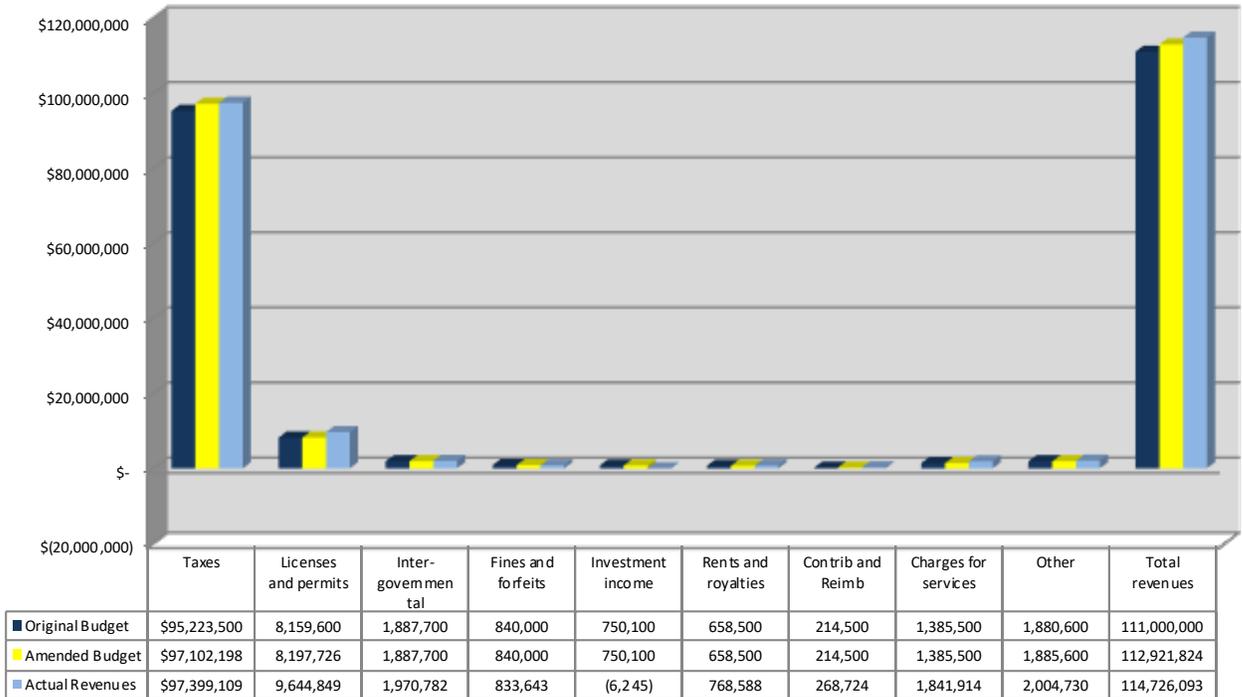
Revenues came in over \$1.8 million more than the amended projection, mostly attributable to licenses and permits (over \$1.4 million). Investment income reflects almost \$750,000 less in actual compared to budget. This was due to market conditions and their effect on the investment portfolio.

Total expenditures were \$2 million less than the amended budget. Most of this was related to general government and recreation services. Compared to the original budget, total expenditures were \$3.3 million less than projected.

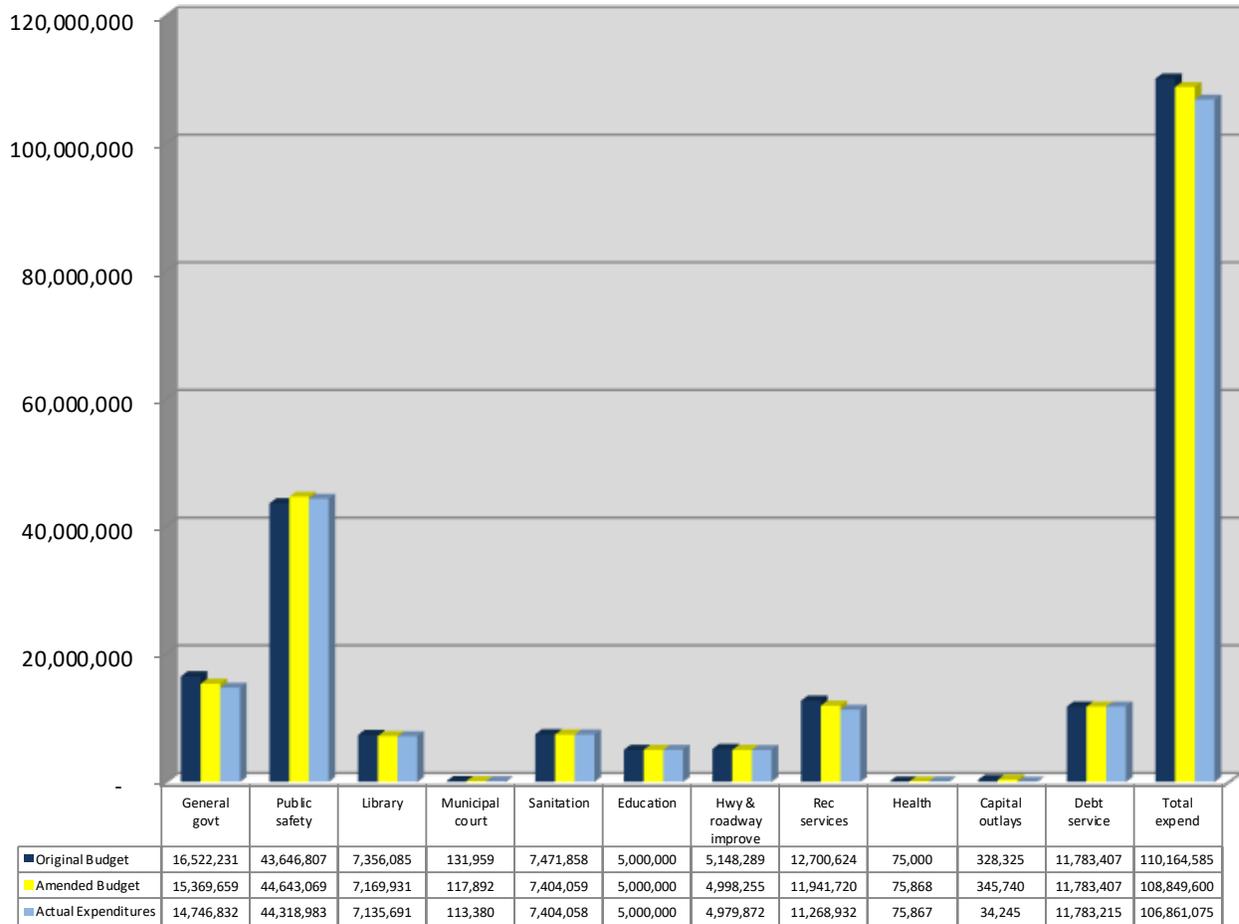
General Fund Original Budget, and Amended Budget to Actual					
	Original Budget	Amended Budget	Actual	Amended Variance Favorable (Unfavorable)	% Difference Between Amended Budget and Actual Expenditure
Revenues					
Taxes	\$ 95,223,500	\$ 97,102,198	\$ 97,399,109	\$ 296,911	0.31 %
Licenses and permits	8,159,600	8,197,726	9,644,849	1,447,123	17.65
Intergovernmental	1,887,700	1,887,700	1,970,782	83,082	4.40
Fines and forfeits	840,000	840,000	833,643	(6,357)	-0.76
Investment income	750,100	750,100	(6,245)	(756,345)	-100.83
Rents and royalties	658,500	658,500	768,588	110,088	16.72
Contributions and reimbursements	214,500	214,500	268,724	54,224	25.28
Charges for services	1,385,500	1,385,500	1,841,914	456,414	32.94
Other	1,880,600	1,885,600	2,004,730	119,130	6.32
Total revenues	<u>111,000,000</u>	<u>112,921,824</u>	<u>114,726,093</u>	<u>1,804,269</u>	<u>1.60</u>
Expenditures					
Current operations					
General government	16,522,231	15,369,659	14,746,832	622,827	4.05
Public safety	43,646,807	44,643,069	44,318,983	324,086	0.73
Library	7,356,085	7,169,931	7,135,691	34,240	0.48
Municipal court	131,959	117,892	113,380	4,512	3.83
Sanitation	7,471,858	7,404,059	7,404,058	1	0.00
Education	5,000,000	5,000,000	5,000,000	-	0.00
Highway & roadway improvements	5,148,289	4,998,255	4,979,872	18,383	0.37
Recreation services	12,700,624	11,941,720	11,268,932	672,788	5.63
Health	75,000	75,868	75,867	1	0.00
Total	<u>98,052,853</u>	<u>96,720,453</u>	<u>95,043,615</u>	<u>1,676,838</u>	<u>1.73</u>
Capital outlays	328,325	345,740	34,245	311,495	90.10
Debt service					
Principal	7,415,000	7,415,000	7,415,000	-	0.00
Interest	4,366,207	4,366,207	4,366,015	192	0.00
Fiscal agent fees	2,200	2,200	2,200	-	0.00
Total expenditures	<u>110,164,585</u>	<u>108,849,600</u>	<u>106,861,075</u>	<u>1,988,526</u>	<u>1.83</u>
Excess (deficiency) of revenues over (under) expenditures	835,415	4,072,224	7,865,019	3,792,795	93.14
Other financing sources (uses)					
Transfers in	31,665,354	31,593,604	25,525,669	(6,067,935)	-19.21
Transfers out	(31,053,769)	(34,218,828)	(32,271,102)	1,947,726	-5.69
Payment to refund bond escrow agent	-	-	-	-	0.00
Total other financing sources (uses)	<u>611,585</u>	<u>(2,625,224)</u>	<u>(6,745,433)</u>	<u>(4,120,209)</u>	<u>156.95</u>
Special items					
Revenue rebate to developer	(1,347,000)	(1,347,000)	(1,019,586)	327,414	-24.31
Total special items	<u>(1,347,000)</u>	<u>(1,347,000)</u>	<u>(1,019,586)</u>	<u>327,414</u>	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>0.00 %</u>
Fund balances, beginning of year			<u>32,100,000</u>		
Fund balances, end of year			<u>\$ 32,200,000</u>		

The figures below and on the next page summarize the comparison of total revenue and total expenditures by original budget, amended budget, and actual received for fiscal year 2018.

GENERAL FUND BUDGET - REVENUES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL REVENUE
FY 2018



GENERAL FUND BUDGET - EXPENDITURES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL EXPENDITURES
FY 2018



Capital Asset and Debt Administration

Capital Assets

The City of Hoover's investment in capital assets for its governmental and business-type activities as of September 30, 2018, amounts to \$433,289,714 (net of accumulated depreciation). This was an overall increase of \$13,361,052 from fiscal year 2017 mainly due to the net of depreciation and the additions during the fiscal year related to storm water, a bridge, and other infrastructure improvements. This investment in capital assets includes land, construction in progress, streets and bridges infrastructure, buildings and capital facilities, equipment and vehicles, improvements other than buildings, and other infrastructure.

Business-type activities decreased its net capital assets in fiscal year 2018. The Sewer Enterprise fund added \$1,869,410 million in assets, for various sewer system improvements. The overall net change with accumulated depreciation for the sewer system assets was a decrease of \$2,107,177.

Please refer to the Notes to the Financial Statements section on pages 64 and 66 for more detail on capital asset activity.

Debt Administration

As of the fiscal year end, the City of Hoover had \$101,480,000 of governmental debt and \$21,330,000 of business-type debt outstanding for the sewer enterprise fund. The City was awarded an AAA credit rating from Standard and Poor's Corporation in 2014, which was reconfirmed in 2016, and maintains an Aa1 from Moody's Investors Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to twenty percent (20%) of its total assessed valuation. The current constitutional debt limitation for the City of Hoover is \$394,472,149, which is significantly in excess of the City of Hoover's outstanding general obligation debt by \$268,808,549. To be conservative, business-type debt is calculated against this ratio.

Additional information on the City of Hoover's long-term debt can be found in note (3) beginning on page 67 of this report.

ECONOMIC FACTORS

The Government's financial condition continues to be positive, but recent trends require close monitoring of revenues and expenditures. The City relies on taxes (sales and use, property, gross receipts, franchise, etc.), licenses and permits, intergovernmental revenue, fines and forfeits, charges for service, investment income, rents and royalties, contributions and reimbursements, and other revenue for their governmental activities. The primary source of revenue is sales and use tax (\$73.1 million).

Online shopping continues to have an effect on our sales tax revenue growth. During fiscal year 2018, the City's overall general fund revenues increased by over \$4 million. At the same time, total expenditures in the general fund only increased by \$1.2 million. This was due to conservative management practices that limited spending, as well as slowed filling vacant positions. Since the City is heavily reliant on sales tax revenue, and online shopping will only trend upward, the City will continue to examine ways to address both revenue collections and expenditures. For fiscal year 2019, a tax increase will go into effect to 3.5% sales and use tax, a 50 basis point increase for most categories.

The City continues to budget conservatively by realizing that use tax collected is not always a trending revenue source, but rather may indicate one time investments in company equipment. Our unassigned fund balance remained relatively unchanged at \$30,618,296. This number substantiates the strength of the City's financial position.

For the sewer business-type activities, the user pays a fee or charge associated with the service in order to offset its costs. The City is continuing to monitor the gap between the sewer's revenues and expenses.

The unemployment rate for the City of Hoover for 2018 was 2.8%, which decreased from 2017's number of 3.2%, indicative of a healthy economy for jobs. This number is favorable compared to other government entities within the State of Alabama and nationally.

Overall, the City has maintained its fiscal health, and due to its conservative financial practices, management expects to continue to weather any future economic slowdown or any other factors and still remain financially sound by making adjustments as necessary.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City's Chief Financial & Information Officer, Melinda James Lopez, at 100 Municipal Lane, Hoover, Alabama 35216.

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BASIC FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Statement of Net Position
September 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 90,626,386	\$ 6,318,894	\$ 96,945,279
Receivables:			
Taxes	18,134,744	-	18,134,744
Accounts	1,252,144	484,393	1,736,537
Statutory actuarial receivable	210,956	-	210,956
Due from other governments	142,951	-	142,951
Parts and supplies	63,543	-	63,543
Prepaid items	228,895	-	228,895
Total current assets	<u>110,659,619</u>	<u>6,803,287</u>	<u>117,462,905</u>
Noncurrent assets			
Capital assets			
Depreciable:			
Buildings/improvements to buildings	147,486,939	26,626,760	174,113,699
Storm sewer/drainage improvements	76,376,251	-	76,376,251
Equipment and vehicles	56,006,293	1,062,649	57,068,941
Improvements o/t buildings	26,983,427	21,409,452	48,392,878
Streets and bridges	260,109,971	-	260,109,971
Other infrastructure	12,404,506	26,088,809	38,493,315
Accumulated depreciation	(259,957,953)	(46,123,790)	(306,081,743)
Non-depreciable:			
Land	40,932,140	1,670,000	42,602,140
Construction in progress - other	42,128,746	85,516	42,214,262
Total capital assets, net of depreciation	<u>402,470,319</u>	<u>30,819,395</u>	<u>433,289,714</u>
Statutory actuarial receivable	395,066	-	395,066
Total noncurrent assets	<u>402,865,385</u>	<u>30,819,395</u>	<u>433,684,780</u>
Total assets	<u>513,525,004</u>	<u>37,622,682</u>	<u>551,147,685</u>
Deferred outflows of resources			
Deferred amount related to pensions	20,693,973	-	20,693,973
Deferred amount related to opeb	785,177	-	785,177
Deferred amount on debt refunding	1,409,369	1,390,920	2,800,289
Total deferred outflows of resources	<u>22,888,519</u>	<u>1,390,920</u>	<u>24,279,439</u>
Liabilities			
Current liabilities payable from current assets			
Accounts payable and accrued liabilities	\$ 10,664,988	\$ 161,895	\$ 10,826,883
Interest payable	2,183,758	64,456	2,248,214
Unearned revenue	63,520	-	63,520
Internal payable	5,430	(5,430)	-
Current maturities of long-term liabilities:			
Bonds, warrants and loans payable, net	9,931,713	1,390,946	11,322,659
Compensated absences	4,751,881	12,452	4,764,333
Claims payable workers compensation	290,056	-	290,056
Claims payable property and casualty	476,626	-	476,626
Total current liabilities	<u>28,367,974</u>	<u>1,624,318</u>	<u>29,992,293</u>
Long-term liabilities			
Bonds, warrants and loans payable, net	105,285,341	21,176,071	126,461,412
Compensated absences	8,138,043	14,137	8,152,180
Net pension liability	66,406,046	-	66,406,046
Net opeb obligation	6,369,055	-	6,369,055
Claims payable workers compensation	555,277	-	555,277
Claims payable property and casualty	659,313	-	659,313
Total noncurrent liabilities	<u>187,413,075</u>	<u>21,190,208</u>	<u>208,603,283</u>
Total liabilities	<u>215,781,049</u>	<u>22,814,526</u>	<u>238,595,575</u>
Deferred inflows of resources			
Deferred amount related to pensions	5,000,268	-	5,000,268
Deferred amount related to opeb	169,523	-	169,523
Deferred amount on property tax levy	10,853,575	-	10,853,575
Total deferred outflows of resources	<u>16,023,366</u>	<u>-</u>	<u>16,023,366</u>
Net Position			
Net investment in capital assets	299,158,077	9,643,298	308,801,375
Restricted for:			
Public safety	3,117,349	-	3,117,349
Municipal court	1,893,875	-	1,893,875
General government	4,966,882	-	4,966,882
Recreation services	-	-	-
Highway and roadway improvements	9,616,977	-	9,616,977
Unrestricted (deficit)	<u>(14,144,053)</u>	<u>6,555,777</u>	<u>(7,588,276)</u>
Total net position	<u>\$ 304,609,108</u>	<u>\$ 16,199,075</u>	<u>\$ 320,808,183</u>

The accompanying notes are an integral part of these financial statements.

THE CITY OF HOOVER, ALABAMA
Statement of Activities
For the year ended September 30, 2018

Functions	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 19,158,636	\$ 6,654,029	\$ 39,861	\$ -	\$ (12,464,747)	\$ -	\$ (12,464,747)
Public safety	52,367,500	7,049,020	1,154,860	114,845	(44,048,775)	-	(44,048,775)
Library	7,456,911	333,158	88,673	-	(7,035,080)	-	(7,035,080)
Municipal court	1,988,023	2,110,604	63,149	-	185,730	-	185,730
Sanitation	7,404,058	7,388	-	-	(7,396,670)	-	(7,396,670)
Education	5,000,000	-	-	-	(5,000,000)	-	(5,000,000)
Highway and roadway improvements	25,373,536	120,392	1,516,851	4,013,313	(19,722,980)	-	(19,722,980)
Recreation services	13,892,940	1,073,542	1,763,301	87,500	(10,968,597)	-	(10,968,597)
Health	75,867	-	-	-	(75,867)	-	(75,867)
Interest and fiscal charges	3,416,834	-	-	-	(3,416,834)	-	(3,416,834)
Total governmental activities	<u>136,134,306</u>	<u>17,348,132</u>	<u>4,626,695</u>	<u>4,215,658</u>	<u>(109,943,821)</u>	<u>-</u>	<u>(109,943,821)</u>
Business-type activities							
Redevelopment	-	-	-	-	-	-	-
Sewer services	5,205,666	3,879,312	-	-	-	(1,326,354)	(1,326,354)
Total business-type activities	<u>5,205,666</u>	<u>3,879,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,326,354)</u>	<u>(1,326,354)</u>
Total primary government	<u>\$ 141,339,972</u>	<u>\$ 21,227,444</u>	<u>\$ 4,626,695</u>	<u>\$ 4,215,658</u>	<u>(109,943,821)</u>	<u>(1,326,354)</u>	<u>(111,270,175)</u>
General revenues							
Property tax					11,611,796	-	11,611,796
Rental tax					919,825	-	919,825
Gross receipts tax					6,260,604	-	6,260,604
Sales and use tax					73,150,424	-	73,150,424
Other municipal tax					4,254,858	-	4,254,858
Franchise tax					1,201,601	-	1,201,601
Intergovernmental shared revenues without restrictions					3,048,565	-	3,048,565
Unrestricted investment income					184,657	233,626	418,283
Other revenue					390,501	-	390,501
Gain on asset disposals					8,264	-	8,264
Special - rebate to developers					(1,019,586)	-	(1,019,586)
Total general revenues, transfers and special items					<u>100,011,509</u>	<u>233,626</u>	<u>100,245,135</u>
Change in net position					(9,932,311)	(1,092,729)	(11,025,040)
Net position at beginning of year					314,648,811	17,291,804	331,940,615
Prior period adjustment (Note #16 and #17)					(107,393)	-	(107,393)
Net position at beginning of year, restated					<u>314,541,419</u>	<u>17,291,804</u>	<u>331,833,222</u>
Net position at end of year					<u>\$ 304,609,108</u>	<u>\$ 16,199,075</u>	<u>\$ 320,808,183</u>

The accompanying notes are an integral part of these financial statements.

THE CITY OF HOOVER, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2018

	General Fund	Capital Projects Fund	GOW 2016 Capital Projects Fund	Parks & Recreation Board	Other Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 29,884,123	\$ 26,282,775	\$ 10,495,443	\$ -	\$ 18,525,324	\$ 85,187,665
Receivables						
Taxes	17,125,168	-	-	-	1,009,576	18,134,744
Accounts	723,210	5,764	36,513	-	486,657	1,252,144
Due from other governments	366	-	-	-	142,586	142,951
Internal balances	143,090	-	-	-	-	143,090
Parts and supplies	63,543	-	-	-	-	63,543
Prepaid items	25,874	-	-	-	-	25,874
	<u>47,965,373</u>	<u>26,288,539</u>	<u>10,531,956</u>	<u>-</u>	<u>20,164,143</u>	<u>104,950,011</u>
Total assets	\$ 47,965,373	\$ 26,288,539	\$ 10,531,956	\$ -	\$ 20,164,143	\$ 104,950,011
Liabilities and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 4,872,321	\$ 802,333	\$ 3,840,267	\$ -	\$ 401,926	\$ 9,916,848
Unearned revenue	39,477	-	-	-	24,044	63,520
Internal balances	-	-	-	-	143,090	143,090
Refundable deposits	-	-	-	-	-	-
	<u>4,911,798</u>	<u>802,333</u>	<u>3,840,267</u>	<u>-</u>	<u>569,059</u>	<u>10,123,458</u>
Total liabilities	4,911,798	802,333	3,840,267	-	569,059	10,123,458
Deferred inflows of resources:						
Revenues: property tax levy	10,853,575	-	-	-	-	10,853,575
	<u>10,853,575</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,853,575</u>
Deferred inflows of resources	10,853,575	-	-	-	-	10,853,575
Fund balances						
Nonspendable: parts & supplies	63,543	-	-	-	-	63,543
Nonspendable: prepaid items	25,874	-	-	-	-	25,874
Restricted	-	-	-	-	19,595,083	19,595,083
Committed	-	25,486,206	6,691,689	-	-	32,177,895
Assigned	1,492,287	-	-	-	-	1,492,287
Unassigned	30,618,296	-	-	-	-	30,618,296
	<u>32,200,000</u>	<u>25,486,206</u>	<u>6,691,689</u>	<u>-</u>	<u>19,595,083</u>	<u>83,972,978</u>
Total fund balances	32,200,000	25,486,206	6,691,689	-	19,595,083	83,972,978
Total liabilities and fund balances	\$ 47,965,373	\$ 26,288,539	\$ 10,531,956	\$ -	\$ 20,164,143	\$ 104,950,011

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 402,470,319
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets, liabilities and deferrals of certain internal service funds are included in governmental activities in the statement of net position.	(2,240,481)
Net pension liability	(66,406,046)
Deferred outflow (inflow) related to pensions	15,693,705
Deferred outflow (inflow) on debt refunding	1,409,369
Accrued interest expense on debt	(2,183,758)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(128,106,978)</u>
Net position of governmental activities	\$ 304,609,108

The accompanying notes are an integral part of these financial statements.

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended September 30, 2018

	General Fund	Capital Projects Fund	GOW 2016 Capital Projects Fund	Parks & Recreation Board	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 97,399,109	\$ -	\$ -	\$ -	\$ -	\$ 97,399,109
Licenses and permits	9,644,849	-	-	-	-	9,644,849
Intergovernmental	1,970,782	-	-	-	4,481,473	6,452,254
Fines and forfeits	833,643	-	-	-	1,707,793	2,541,435
Investment income	(6,245)	-	191,030	-	89,341	274,126
Rents and royalties	768,588	-	-	-	-	768,588
Contributions and reimbursements	268,724	186,310	-	-	143,050	598,085
Charges for services	1,841,914	-	-	-	2,460,787	4,302,701
Other	2,004,730	82,690	-	-	1,132	2,088,552
Total revenues	<u>114,726,093</u>	<u>269,000</u>	<u>191,030</u>	<u>-</u>	<u>8,883,576</u>	<u>124,069,699</u>
Expenditures						
Current operations						
General government	14,746,832	972,962	-	-	1,000	15,720,795
Public safety	44,318,983	107,656	-	-	4,824,135	49,250,774
Library	7,135,691	48,372	-	-	13,818	7,197,882
Municipal court	113,380	-	-	-	1,856,115	1,969,494
Sanitation	7,404,058	-	-	-	-	7,404,058
Education	5,000,000	-	-	-	-	5,000,000
Highway and roadway improvements	4,979,872	277,770	-	-	426,680	5,684,322
Recreation services	11,268,932	133,119	1,372	-	16,852	11,420,276
Health	75,867	-	-	-	-	75,867
Total	<u>95,043,615</u>	<u>1,539,879</u>	<u>1,372</u>	<u>-</u>	<u>7,138,601</u>	<u>103,723,467</u>
Capital outlays	34,245	6,222,304	-	27,398,161	3,013,290	36,668,000
Debt service:						
Principal	7,415,000	951,200	-	-	-	8,366,200
Interest	4,366,015	-	192	-	-	4,366,206
Issuance costs	-	-	-	-	-	-
Fiscal agent fees	2,200	-	-	-	-	2,200
Total expenditures	<u>106,861,075</u>	<u>8,713,383</u>	<u>1,564</u>	<u>27,398,161</u>	<u>10,151,891</u>	<u>153,126,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,865,019</u>	<u>(8,444,383)</u>	<u>189,466</u>	<u>(27,398,161)</u>	<u>(1,268,315)</u>	<u>(29,056,374)</u>
Other financing sources (uses)						
Transfers in	25,525,669	4,309,498	-	27,398,161	3,138,469	60,371,797
Transfers out	(32,271,102)	(1,407,325)	(25,990,836)	-	(500,000)	(60,169,263)
Debt issued	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-
Total other financing sources (uses)	<u>(6,745,433)</u>	<u>2,902,173</u>	<u>(25,990,836)</u>	<u>27,398,161</u>	<u>2,638,469</u>	<u>202,534</u>
Special items						
Revenue rebate to developer	(1,019,586)	-	-	-	-	(1,019,586)
Total special items	<u>(1,019,586)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,019,586)</u>
Net change in fund balances	100,000	(5,542,210)	(25,801,370)	-	1,370,155	(29,873,425)
Fund balances, beginning of year	32,100,000	31,028,416	32,493,059	-	18,224,929	113,846,404
Fund balances, end of year	<u>\$ 32,200,000</u>	<u>\$ 25,486,206</u>	<u>\$ 6,691,689</u>	<u>\$ -</u>	<u>\$ 19,595,083</u>	<u>\$ 83,972,978</u>

The accompanying notes are an integral part of these financial statements.

THE CITY OF HOOVER, ALABAMA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the year ended September 30, 2018

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (29,873,425)

The issuance of long-term debt (bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal debt payments	8,366,200
Amortization of debt premium on 2010 issue	546,124
Amortization of debt premium on 2016 issues	845,548
Amortization of deferred loss 2010 issue	(457,093)

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Outlays capitalized	36,172,413
Depreciation	(26,996,699)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Contribution of capital assets (includes accepted streets and donated items)	3,175,677
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Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The net effect of various transactions involving capital assets is to decrease net position.

Cost of assets disposed	(400,582)
Accumulated depreciation of assets disposed	376,786

In the statement of activities, interest is accrued on outstanding loans, whereas in governmental funds, an interest expenditure is reported when due.

16,993

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

Accrued compensated absences	(250,347)
Pension expense	(2,226,055)

Internal service funds are used by management to charge the costs of certain activities, such as health insurance, property & casualty, and workers compensation, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

772,150

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (9,932,311)

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
General Fund
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 95,223,500	\$ 97,102,198	\$ 97,399,109	\$ 296,911
Licenses and permits	8,159,600	8,197,726	9,644,849	1,447,123
Intergovernmental	1,887,700	1,887,700	1,970,782	83,082
Fines and forfeits	840,000	840,000	833,643	(6,357)
Investment income	750,100	750,100	(6,245)	(756,345)
Rents and royalties	658,500	658,500	768,588	110,088
Contributions and reimbursements	214,500	214,500	268,724	54,224
Charges for services	1,385,500	1,385,500	1,841,914	456,414
Other	1,880,600	1,885,600	2,004,730	119,130
Total revenues	<u>111,000,000</u>	<u>112,921,824</u>	<u>114,726,093</u>	<u>1,804,269</u>
Expenditures				
Current operations				
General government	16,522,231	15,369,659	14,746,832	622,827
Public safety	43,646,807	44,643,069	44,318,983	324,086
Library	7,356,085	7,169,931	7,135,691	34,240
Municipal court	131,959	117,892	113,380	4,512
Sanitation	7,471,858	7,404,059	7,404,058	1
Education	5,000,000	5,000,000	5,000,000	-
Highway and roadway improvements	5,148,289	4,998,255	4,979,872	18,383
Recreation services	12,700,624	11,941,720	11,268,932	672,788
Health	75,000	75,868	75,867	1
Total	<u>98,052,853</u>	<u>96,720,453</u>	<u>95,043,615</u>	<u>1,676,838</u>
Capital outlays	328,325	345,740	34,245	311,495
Debt service:				
Principal	7,415,000	7,415,000	7,415,000	-
Interest	4,366,207	4,366,207	4,366,015	192
Issuance costs	-	-	-	-
Fiscal agent fees	2,200	2,200	2,200	-
Total expenditures	<u>110,164,585</u>	<u>108,849,600</u>	<u>106,861,075</u>	<u>1,988,525</u>
Excess (deficiency) of revenues over (under) expenditures	<u>835,415</u>	<u>4,072,224</u>	<u>7,865,019</u>	<u>3,792,795</u>
Other financing sources (uses)				
Transfers in	31,665,354	31,593,604	25,525,669	(6,067,935)
Transfers out	(31,053,769)	(34,218,828)	(32,271,102)	1,947,726
Payment to bond refunding escrow agent	-	-	-	-
Total other financing sources (uses)	<u>611,585</u>	<u>(2,625,224)</u>	<u>(6,745,433)</u>	<u>(4,120,209)</u>
Special items				
Revenue rebate to developer	(1,347,000)	(1,347,000)	(1,019,586)	327,414
Total special items	<u>(1,347,000)</u>	<u>(1,347,000)</u>	<u>(1,019,586)</u>	<u>327,414</u>
Net change in fund balances	100,000	100,000	100,000	-
Fund balances, beginning of year	<u>32,100,000</u>	<u>32,100,000</u>	<u>32,100,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 32,200,000</u>	<u>\$ 32,200,000</u>	<u>\$ 32,200,000</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

THE CITY OF HOOVER, ALABAMA
Statement of Fund Net Position
Proprietary Funds
September 30, 2018

	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	Redevelopment	Total	
Assets				
Current assets:				
Pooled cash and investments	\$ 3,550,662	\$ 2,768,232	\$ 6,318,894	\$ 5,438,721
Land held for resale	-	-	-	-
Prepaid items	-	-	-	203,021
Internal balances	-	-	-	-
Accounts/stop loss receivable	484,393	-	484,393	-
Statutory actuarial receivable	-	-	-	210,956
Total current assets	<u>4,035,055</u>	<u>2,768,232</u>	<u>6,803,287</u>	<u>5,852,697</u>
Noncurrent assets:				
Capital assets				
Land	1,670,000	-	1,670,000	-
Construction in progress	85,516	-	85,516	-
Buildings/improvements to buildings	26,626,760	-	26,626,760	-
Equipment and vehicles	1,062,649	-	1,062,649	-
Improvements o/t buildings	21,409,452	-	21,409,452	-
Infrastructure improvements	26,088,809	-	26,088,809	-
Less accumulated depreciation	<u>(46,123,790)</u>	<u>-</u>	<u>(46,123,790)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	30,819,395	-	30,819,395	-
Statutory actuarial receivable	-	-	-	395,066
Total noncurrent assets	<u>30,819,395</u>	<u>-</u>	<u>30,819,395</u>	<u>395,066</u>
Total assets	<u>34,854,450</u>	<u>2,768,232</u>	<u>37,622,682</u>	<u>6,247,763</u>
Deferred outflows of resources:				
Deferred amount on opeb	-	-	-	785,177
Deferred amount on refunding	1,390,920	-	1,390,920	-
Total deferred outflows of resources	<u>1,390,920</u>	<u>-</u>	<u>1,390,920</u>	<u>785,177</u>
Liabilities				
Current liabilities:				
General obligation warrants payable	\$ 1,390,946	\$ -	\$ 1,390,946	\$ -
Accounts payable	159,734	-	159,734	106,626
Retainage payable	-	-	-	-
Unearned revenue	-	-	-	-
Accrued salary expense	2,161	-	2,161	571,729
Interest payable	64,456	-	64,456	-
Claims payable	-	-	-	836,468
Compensated absences	12,452	-	12,452	-
Internal balances	-	-	-	-
Total current liabilities	<u>1,629,749</u>	<u>-</u>	<u>1,629,749</u>	<u>1,514,823</u>
Noncurrent liabilities:				
Compensated absences	14,137	-	14,137	-
Claims payable	-	-	-	7,583,645
General obligation warrants payable	21,176,071	-	21,176,071	-
Total noncurrent liabilities	<u>21,190,208</u>	<u>-</u>	<u>21,190,208</u>	<u>7,583,645</u>
Total liabilities	<u>22,819,957</u>	<u>-</u>	<u>22,819,957</u>	<u>9,098,468</u>
Deferred inflows of resources:				
Deferred amount on opeb	-	-	-	169,523
Net position				
Net investment in capital assets	9,643,298	-	9,643,298	-
Unrestricted (deficit)	<u>3,782,114</u>	<u>2,768,232</u>	<u>6,550,346</u>	<u>(2,235,051)</u>
Total net position	<u>\$ 13,425,413</u>	<u>\$ 2,768,232</u>	<u>\$ 16,193,645</u>	<u>\$ (2,235,051)</u>
Some amounts reported for <i>business-type activities</i> in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.				
	<u>5,430</u>	<u>-</u>	<u>5,430</u>	
Net position of business-type activities	<u>\$ 13,430,843</u>	<u>\$ 2,768,232</u>	<u>\$ 16,199,075</u>	

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended September 30, 2018

	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	Redevelopment	Total	
Operating revenues				
Charges for services	\$ 3,879,312	\$ -	\$ 3,879,312	\$ 11,771,496
Participant premiums	-	-	-	1,783,355
Late fees	-	-	-	30
Stop loss reimbursements	-	-	-	608,318
Subrogation recoveries	-	-	-	165,550
Public assistance reimbursements	-	-	-	-
Rents	-	-	-	-
Forfeitures	-	-	-	-
Rebates or refunds	-	-	-	564,608
Other revenue	-	-	-	-
Total operating revenue	<u>3,879,312</u>	<u>-</u>	<u>3,879,312</u>	<u>14,893,357</u>
Operating expenses				
Cost of services	-	-	-	13,591,726
Collection fees	207,761	-	207,761	-
Depreciation	2,279,937	-	2,279,937	-
Management fees	929,449	-	929,449	-
Personal services	155,424	-	155,424	-
Repairs and maintenance	161,949	-	161,949	-
Supplies	228,505	-	228,505	-
Telephone	11,286	-	11,286	-
Utilities	478,433	-	478,433	-
Total operating expenses	<u>4,452,744</u>	<u>-</u>	<u>4,452,744</u>	<u>13,591,726</u>
Operating income (loss)	(573,433)	-	(573,433)	1,301,631
Non-operating revenues (expenses)				
Investment earnings	233,626	-	233,626	-
Sale of capital assets - gain (loss)	-	-	-	-
Actuarial adjustment	-	-	-	(325,580)
Interest and fiscal charges	(754,289)	-	(754,289)	-
Total non-operating revenues (expenses)	<u>(520,663)</u>	<u>-</u>	<u>(520,663)</u>	<u>(325,580)</u>
Transfers in (out)	-	-	-	(202,534)
Change in net position	(1,094,096)	-	(1,094,096)	773,517
Total net position, beginning of year	14,519,508	2,768,232	17,287,740	239,460
Prior period adjustment (Note #17)	-	-	-	(3,248,027)
Net position at beginning of year, restated	<u>14,519,508</u>	<u>2,768,232</u>	<u>17,287,740</u>	<u>(3,008,567)</u>
Total net position, end of year	<u>\$ 13,425,413</u>	<u>\$ 2,768,232</u>	<u>\$ 16,193,645</u>	<u>\$ (2,235,051)</u>
Some amounts reported for <i>business-type activities</i> in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.	<u>1,367</u>	<u>-</u>	<u>1,367</u>	
Change in net position of business-type activities	<u>\$ (1,092,729)</u>	<u>\$ -</u>	<u>\$ (1,092,729)</u>	

The accompanying notes are an integral part of these financial statements.

THE CITY OF HOOVER, ALABAMA
Statement of Cash Flows
Proprietary Funds
For the year ended September 30, 2018

	Business-type Activities -	Business-type Activities -	Business-type Activities -	Internal Service Funds
	Enterprise Funds	Enterprise Funds	Enterprise Funds	
	Sewer	Redevelopment	Total	
Cash flows from operating activities				
Cash received from government	\$ -	\$ -	\$ -	\$ 11,771,496
Cash received from customers	3,804,930	-	3,804,930	-
Cash payments to suppliers	(1,095,374)	-	(1,095,374)	(14,088,776)
Cash received from stop loss reimbursements	-	-	-	609,902
Cash received from subrogation	-	-	-	165,550
Cash received from rebates/overpayments	-	-	-	564,608
Cash received from public assistance reimbursements	-	-	-	1,783,184
Cash received from participants	-	-	-	-
Cash payments to management companies	(929,449)	-	(929,449)	-
Cash payments to employees	(152,213)	-	(152,213)	-
Net cash provided (used) by operating activities	<u>1,627,894</u>	<u>-</u>	<u>1,627,894</u>	<u>805,964</u>
Cash flows from noncapital financing activities				
Transfer to other funds	-	-	-	(202,534)
Transfer from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,534)</u>
Cash flows from capital and related financing activities				
Proceeds from capital debt	-	-	-	-
Internal transfers	-	-	-	-
Premium on debt	-	-	-	-
Debt issuance cost	-	-	-	-
Sale of capital assets	-	-	-	-
Acquisition and construction of capital assets	(172,760)	-	(172,760)	-
Payments of warrants	(1,240,000)	-	(1,240,000)	-
Cash paid for interest on debt	(800,870)	-	(800,870)	-
Net cash provided (used) by capital and related financing activities	<u>(2,213,630)</u>	<u>-</u>	<u>(2,213,630)</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends received	<u>230,942</u>	<u>-</u>	<u>230,942</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>230,942</u>	<u>-</u>	<u>230,942</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	(354,793)	-	(354,793)	603,429
Pooled cash and investments, beginning of year	<u>3,905,455</u>	<u>2,768,232</u>	<u>6,673,687</u>	<u>4,835,291</u>
Pooled cash and investments, end of year	<u>\$ 3,550,662</u>	<u>\$ 2,768,232</u>	<u>\$ 6,318,894</u>	<u>\$ 5,438,721</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ (573,433)	\$ -	\$ (573,433)	\$ 1,301,631
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	2,279,937	-	2,279,937	(566,805)
(Increase) decrease in accounts receivable	(74,382)	-	(74,382)	1,383
Increase (decrease) in accounts payable and accrued expenses	(7,439)	-	(7,439)	69,755
Increase (decrease) in compensated absences payable & accrued salaries	3,211	-	3,211	-
Total adjustments	<u>2,201,327</u>	<u>-</u>	<u>2,201,327</u>	<u>(495,668)</u>
Net cash provided by operating activities	<u>\$ 1,627,894</u>	<u>\$ -</u>	<u>\$ 1,627,894</u>	<u>\$ 805,964</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General Statement

The City of Hoover (the "City") was formed on May 18, 1967, and is governed by a mayor and seven-member city council.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

B. Financial Reporting Entity

As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and entities for which the government is considered to be financially accountable. Upon review it has been determined that the City has one component unit, the Parks and Recreation Board.

C. Basis of Presentation

The City's basic financial statements consist of government-wide statements that include a statement of net position and a statement of activities, as well as fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements:

The government-wide financial statements (the statement of net position and the statement of changes in position) report information on all of the activities of the City. The effect of interfund activity within the governmental and business-type activities columns, has been removed from these statements. Whereas direct services provided and used in this consolidation are not eliminated, indirect expenses are. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, the uses, and the balance of current financial resources.

Governmental Funds - Restricted and Unrestricted Resources:

When restricted and unrestricted fund balance is available for the same purpose, restricted resources will be used first, followed by unrestricted resources as needed.

When unrestricted fund balance is available for the same purpose, assigned fund balance will be used first, followed by committed fund balance, and then unassigned fund balance as necessary.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Basis of Presentation (Continued)

Major Governmental Funds:

General Fund -

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Capital Projects Fund -

The Capital Projects fund is used to account for the acquisition or construction of major capital projects or other major capital items. The funding usually comes from budgeted transfers from the General Fund.

GOW 2016 Capital Projects Fund -

The GOW 2016 Capital Projects fund is used to account for the net proceeds from the Series 2016 general obligation warrants. These funds are being used for the construction of capital improvements at the Hoover Metropolitan Complex, including the Finley event center and multi-purpose fields.

Non-Major Governmental Fund Types (Other Governmental Funds):

Special Revenue Funds -

The Special Revenue Funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including major capital projects).

Restricted assets and liabilities payable that are current in nature are reported with current assets and current liabilities in the financial statements.

Other Capital Projects Fund -

This fund accounts for engineering and construction costs that are related to capital expenditures that are reimbursed by other governmental agencies.

Blended Component Unit

Parks & Recreation Board -

The Parks & Recreation Board Fund is used to account for the acquisition or construction of Phase 2 fields at the Hoover Metropolitan Complex. The funding comes from transfers from the Capital Projects Fund and the GOW 2016 Capital Projects Fund.

The following describes the basis for including the Parks & Recreation Board Fund as a blended component unit versus a discrete component unit: (1) The City can impose its will on the Parks and Recreation Board by significantly influencing programs, projects, activities, and/or level of services provided by the Board (2) The Board was organized as a nonprofit corporation with the City as the sole corporate member, as identified in the Board's articles of incorporation or Bylaws (3) The City appoints all members of the Board's governing body.

Proprietary Funds:

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of operating income and changes in net position and cash flow. All assets and liabilities are included on the Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. Basis of Presentation (Continued)

Sewer Fund - Major Proprietary Fund

The Sewer Fund is used to account for the provision of sewer services to the residents of the City. Activities of the fund include administration, operations, and maintenance of the sewer system and billing and collection activities. The fund also accounts for the accumulation of resources and the payment of long-term debt principal and interest of sewer debt. All costs are financed through charges to utility customers with rates reviewed and adjusted if necessary to ensure integrity of the funds. Billing and collection services are performed by the Birmingham Water Works Board.

Redevelopment Fund - Non Major Proprietary Fund

The Redevelopment Fund is used to account for the purchase of property in order to redevelop parts of the City. The first purchase of property was an apartment complex. All costs and revenues associated with these apartments were accounted for in this fund.

Internal Service Funds -

Internal service funds are used to account for the financing of goods or services to other funds and departments of the primary government on a cost-reimbursement basis.

The Health Insurance Funds are used to account for all health and dental insurance related costs for employees and retirees, including those participating in cobra. In fiscal year 2009, we separated these into two funds, in order to separate active employees from retirees.

The Workers Compensation Fund is used to account for all workers compensation related expenses that occur within the governmental entity.

The Property & Casualty Fund is used to account for all such loss expenses that occur within the governmental entity.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

The government-wide statement of activities reflects both the gross and net cost per functional category (general government, education, public safety, etc.) that are otherwise being supported by general government revenues (property and sales taxes, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function or a business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported as general revenues. The City does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants and contributions.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

D. Measurement Focus/Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized 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. In general, the City considers revenues as available, if they are collected within 60 days after year-end. However, for expenditure driven grants, a longer availability period is used for recognition of related revenues. With regard to expenditures, they are normally recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

The revenues susceptible to accrual are sales & use taxes, property taxes, lease/rental taxes, lodging taxes, interest income, and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

On and after the first day of October 2017, all municipal taxes due to the City of Hoover, Alabama, shall be based and due on State and County assessment of the property within the limits of said City for the preceding tax year, and shall be due and delinquent at the time when State and County taxes for the preceding year are due and delinquent. The taxes are due October 1 and delinquent after December 31.

E. Budgetary Information

Although not required by State or local law, annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, all special revenue funds, and all capital project funds on the modified accrual basis of accounting.

All annual appropriations lapse at fiscal year end, except for the capital project funds. Instead, because project-length financial plans are adopted for all capital project funds, the balance of the initial appropriation carries over to the subsequent fiscal year(s) as needed until the project is completed. As a result, capital project fund budgets are included in the annual budget, but they are budgeted for the entire length of the project.

The City normally follows the procedures set forth below in establishing the budgetary data reflected in the fund financial statements:

1. Prior to July 1, departments of the City submit requests for appropriation to the Information & Reporting Department so that a budget may be prepared. A budget worksheet is prepared by fund, category, and function and includes annual information on previous years, current estimates, and requested appropriations for the next fiscal year.
2. Prior to October 1, the Mayor submits the proposed 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. Any changes in the budget must be within the revenues and reserves estimated, as available by the Chief Financial & Information Officer.
4. Expenditures may not legally exceed budgeted appropriations at the fund/category level. Management may not amend or transfer appropriations within the budget at or above the fund/category level without the approval of the City Council, except for project budgets. The City Council may legally amend the budget at any time during the fiscal year.

The City Council made several supplemental budgetary appropriations throughout the year. These supplemental appropriations are reflected in the budget information of these financial statements.

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 employed as an extension of the formal budgetary process for the primary government during the year.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

F. Deposits and Investments

The primary government maintains a cash management system in which substantially all cash is held in a bank public funds investment account. The primary government generally follows the practice of pooling cash of all funds within this investment account in order to maximize return. Interest is allocated to the State Forfeiture Fund, Federal Forfeiture Funds, and the Sewer Enterprise Fund as applicable, based on the balances held in those funds. It is the primary government's policy to prohibit individual funds from making disbursements in excess of their balance in the pooled cash and investments account.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

At year end, the bank balance of the City's operating funds was either covered by federal depository insurance or secured by collateral through the Alabama State Treasury's Security for Alabama Funds Enhancement (SAFE) Program. Under the SAFE program, the City's funds are protected through a collateral pool administered by the Alabama State Treasury. Certain banks holding deposits belonging to the state, counties, cities or agencies of any of these entities must pledge securities as collateral against these deposits. In the event of the failure of a bank, securities pledged by that bank would be liquidated by the State Treasurer to replace the public deposits. If the securities pledged failed to produce adequate funds for that purpose, every bank participating in the pool would share the liability for the remaining balance. At September 30, 2018, most all of the City's depositories are participating in the SAFE program, with a bank balance of \$29,218,068 and a carrying balance of \$24,769,558.

All investments are reported at fair value in accordance with GASB Statement No. 31.

As of September 30, 2018, the City had the following investments and maturities.

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1 to Less Than 3	3 to Less Than 6	6 to Less Than 10
Certificates of Deposit	\$ 7,158,442	\$ 2,861,826	\$ 3,816,735	\$ 479,881	\$ -
Money market accounts	7,767,507	7,767,507	-	-	-
US Government Agencies:					
US Treasuries	50,218,946	25,788,867	19,603,516	4,826,563	-
US Treasury STRIPS	7,013,042	-	7,013,042	-	-
Total US Government Agencies	57,231,987	25,788,867	26,616,558	4,826,563	-
Grand total all investments	<u>\$ 72,157,936</u>	<u>\$ 36,418,200</u>	<u>\$ 30,433,293</u>	<u>\$ 5,306,444</u>	<u>\$ -</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from the rising interest rates, the City's investment policy generally restricts investments to not exceed 10 years.

Credit Risk. State statutes authorize the City to invest in obligations as defined in Section 11-18-21 of the Code of Alabama 1975. This section limits the kinds of investments that the City can make. All applicable investments are either direct obligations of the United States (rated AAA by Moody's Investor Service), or Certificates of Deposit insured by the FDIC.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

G. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year. Prepaids are presented using the consumption method by recording a current asset for the prepaid amount at the time of purchase and reflecting the expenditure/expense in the year in which the services are consumed.

H. Parts and Supplies

Parts and supplies consist of supplies held for consumption and are recorded at cost.

I. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Internal Balances." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances that remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "Internal Payables."

J. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused annual/vacation leave, compensated time leave, and reserve/sick pay leave benefits. Leave pay is accrued when incurred in the proprietary funds and reported as a fund liability. The accrued compensated leave liability is not expected to be liquidated with current financial resources in the governmental funds and thus no liability is recorded. As a result, compensated absences are reported in governmental funds only if they have matured. This liability is accrued when presented at the government-wide level. Related payroll taxes are included in the accrued compensated leave account.

K. Unearned Revenue

The City reports unearned revenue in connection with resources that have been received, but are not yet recognizable.

L. Net Position

In the government-wide financial statements, net position is classified in the following categories:

- Net investment in capital assets - This amount of capital assets is net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.
- Restricted - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provision.
- Unrestricted (deficit) - This amount is net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

M. Fund Equity

The City is required, as applicable, to present fund balances in five categories as described in Note 9. It is the City's policy to use restricted balances first, followed by committed resources, assigned resources, and finally unassigned resources, as needed.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has three items that qualify for reporting in this category: (1) unamortized losses on defeased warrants (2) deferred outflow items related to the City's pension plan, which are described further in Note 7 and 13, and (3) deferred outflow items related to the City's other post employment benefits, which are described further in Note 8 and 13.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has three items that qualify for reporting in this category: (1) deferred amount on property tax levy (2) deferred inflow items related to the City's pension plan, which are described further in Note 7 and 13, and (3) deferred inflow items related to the City's other post employment benefits, which are described further in Note 8 and 13.

O. Pensions

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

P. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (roads, bridges, sidewalks, and similar items), and other improvements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost. Donated assets or contributed capital are reported at acquisition value. Repairs and maintenance are recorded as expenses. Renewals and improvements that materially extend the useful life of an asset are capitalized.

Capitalized assets have an original cost of \$10,000 or more and have a multi-year useful life. Depreciation has been calculated on each class of depreciable property using the straight-line half year convention method. Estimated useful lives are as follows:

Buildings and capital facilities	25 - 50 years
Furniture, equipment, and vehicles	3 - 15 years
Improvements	25 - 50 years
Other infrastructure	25 - 50 years
Bridges	3 - 50 years
Street system	15 - 20 years
Street system improvements	5 - 20 years

Q. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

R. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the statement of net position. Warrant premiums and discounts are deferred and amortized over the life of the warrants using the warrant outstanding method. Warrants payable are reported net of the applicable warrant premium or discount. Warrant issue costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize warrants premiums, discounts and issuance costs during the current period. The face amount of debt issued is reported as other financing sources, while premiums and discounts are reported as other financing sources and uses, respectively.

S. Other Post-employment Benefit Obligations (OPEB)

The City is required to report the City's actuarially determined net OPEB obligation as a long-term liability in the government-wide financial statements (See Note 8).

T. Blended Component Units

The Hoover Parks & Recreation Board exists in order to oversee recreational activities for the City of Hoover. The members of the board are appointed by the Hoover City Council. In addition, the board's budget is also subject to approval by the City Council and the primary government has operational responsibility for the board.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(2) CAPITAL ASSETS

	Balance Beginning of Year	Classification Reclasses or Adjustments	Adjusted Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities						
Capital assets not being depreciated						
Land	\$ 40,623,640	\$ -	\$ 40,623,640	\$ 308,500	\$ -	\$ 40,932,140
Construction in progress	12,882,260	-	12,882,260	30,546,470	(1,299,985)	42,128,746
Total capital assets not being depreciated	<u>53,505,900</u>	<u>-</u>	<u>53,505,900</u>	<u>30,854,970</u>	<u>(1,299,985)</u>	<u>83,060,886</u>
Other capital assets						
Buildings/improvements to buildings	147,168,319	-	147,168,319	318,619	-	147,486,939
Equipment and vehicles	55,521,706	-	55,521,706	885,169	(400,582)	56,006,293
Improvements o/t buildings	25,215,321	-	25,215,321	1,768,106	-	26,983,427
Infrastructure:						
Street system	230,121,781	-	230,121,781	-	-	230,121,781
Street system improvements	17,411,544	-	17,411,544	2,252,259	-	19,663,803
Storm sewer	59,045,194	15,117,241	74,162,435	2,213,815	-	76,376,251
Bridges	9,377,370	-	9,377,370	947,017	-	10,324,387
Other infrastructure (sidewalks, traffic signals)	10,996,387	-	10,996,387	1,408,119	-	12,404,506
Total other capital assets at historical cost	<u>554,857,622</u>	<u>15,117,241</u>	<u>569,974,863</u>	<u>9,793,105</u>	<u>(400,582)</u>	<u>579,367,386</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	34,758,936	-	34,758,936	2,947,053	-	37,705,989
Equipment and vehicles	37,069,540	5,056	37,074,596	4,119,820	(376,786)	40,817,629
Improvements o/t buildings	10,517,674	-	10,517,674	889,908	-	11,407,582
Infrastructure:						
Street system	99,719,438	-	99,719,438	15,341,452	-	115,060,890
Street system improvements	2,571,436	-	2,571,436	959,306	-	3,530,741
Storm sewer	31,689,460	11,971,551	43,661,011	2,047,052	-	45,708,063
Bridges	1,738,191	-	1,738,191	309,907	-	2,048,098
Other infrastructure (sidewalks, traffic signals)	3,296,758	-	3,296,758	382,202	-	3,678,960
Total accumulated depreciation	<u>221,361,433</u>	<u>11,976,607</u>	<u>233,338,040</u>	<u>26,996,699</u>	<u>(376,786)</u>	<u>259,957,953</u>
Other capital assets, net	<u>333,496,189</u>	<u>3,140,634</u>	<u>336,636,824</u>	<u>(17,203,595)</u>	<u>(23,796)</u>	<u>319,409,433</u>
Governmental activities capital assets, net	<u>\$ 387,002,090</u>	<u>\$ 3,140,634</u>	<u>\$ 390,142,724</u>	<u>\$ 13,651,376</u>	<u>\$ (1,323,781)</u>	<u>\$ 402,470,319</u>
Business Type Activities						
Capital assets not being depreciated						
Land	\$ 1,670,000	\$ -	\$ 1,670,000	\$ -	\$ -	\$ 1,670,000
Construction in progress	1,751,410	-	1,751,410	30,757	(1,696,650)	85,516
Total capital assets not being depreciated	<u>3,421,409</u>	<u>-</u>	<u>3,421,409</u>	<u>30,757</u>	<u>(1,696,650)</u>	<u>1,755,516</u>
Other capital assets						
Buildings/improvements to buildings	26,626,760	-	26,626,760	-	-	26,626,760
Equipment and vehicles	970,437	-	970,437	92,212	-	1,062,649
Improvements o/t buildings	21,409,452	-	21,409,452	-	-	21,409,452
Other infrastructure	24,342,368	-	24,342,368	1,746,441	-	26,088,809
Total other capital assets at historical cost	<u>73,349,016</u>	<u>-</u>	<u>73,349,016</u>	<u>1,838,653</u>	<u>-</u>	<u>75,187,669</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	14,143,940	-	14,143,940	517,610	-	14,661,550
Equipment and vehicles	860,393	-	860,393	31,358	-	891,751
Improvements o/t buildings	13,509,770	-	13,509,770	1,175,686	-	14,685,457
Infrastructure improvements	15,329,750	-	15,329,750	555,282	-	15,885,032
Total accumulated depreciation	<u>43,843,853</u>	<u>-</u>	<u>43,843,853</u>	<u>2,279,937</u>	<u>-</u>	<u>46,123,790</u>
Other capital assets, net	<u>29,505,163</u>	<u>-</u>	<u>29,505,163</u>	<u>(441,284)</u>	<u>-</u>	<u>29,063,879</u>
Business-type activities capital assets, net	<u>\$ 32,926,572</u>	<u>\$ -</u>	<u>\$ 32,926,572</u>	<u>\$ (410,527)</u>	<u>\$ (1,696,650)</u>	<u>\$ 30,819,395</u>

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

Governmental activities:	
General government and administration	\$ 1,393,675
Public safety	3,465,531
Library	312,640
Municipal court	20,139
Highway and roadway improvements	19,251,072
Recreational services	2,553,641
Total depreciation expense - Governmental activities	<u>\$ 26,996,699</u>
Business-type activities:	
Sewer services	\$ 2,279,937
Total depreciation expense - Business-type activities	<u>\$ 2,279,937</u>

Depreciation expense has been calculated on each class of depreciable property using the straight-line half year convention method.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(3) LONG-TERM DEBT:

The City issues general obligation warrants to provide funds for the acquisition and construction of major capital facilities. General obligation warrants have been issued for both general government and proprietary activities. The City is in compliance with all significant limitations and restrictions contained in the ordinances authorizing the issuance of general obligation warrants.

General obligation warrants are direct obligations and pledge the full faith and credit of the City. Debt service for the warrants is provided by tax revenues of the City's General Fund and by charges for services of the City's Sewer Enterprise Fund. These warrants generally are issued as 20-year serial warrants with increasing amounts of principal maturing and decreasing amounts of interest payable each year. However, the sewer general obligation warrants were issued as 30-year warrants.

At September 30, 2018, bonds payable consisted of the following individual issues:

	<u>Governmental</u>	<u>Business-type</u>
\$58,510,000 general obligation warrants dated November 1, 2010; due \$5,025,000 to \$8,830,000 annually beginning March 1, 2011; interest at 2.00% to 5.00% due semiannually commencing March 1, 2011	\$ 32,865,000	\$ -
\$68,615,000 general obligation warrants dated July 15, 2016; due \$3,750,000 to \$6,245,000 annually beginning July 01, 2023; interest at 2.00% to 4.00% due semiannually commencing January 1, 2017	68,615,000	-
\$8,915,000 series 2013a general obligation sewer warrant; due \$680,000 to \$1,250,000 annually beginning March 1, 2014; interest at 1.00% to 3.00% due semiannually commencing September 1, 2013	-	3,175,000
\$18,485,000 series 2014a general obligation sewer warrant; due \$255,000 to \$1,485,000 annually beginning March 1, 2015; interest at 3.00% to 5.00% due semiannually commencing March 1, 2015	-	18,155,000
Total Bonds Payable	<u>101,480,000</u>	<u>21,330,000</u>
Plus deferred amounts:		
For issue premiums (2010)	1,245,517	-
For issue premiums (2013)	-	21,803
For issue premiums (2014)	-	1,215,213
For issue premiums (2016)	<u>9,637,938</u>	<u>-</u>
Total Bonds Payable, net	112,363,455	22,567,016
Loans Payable	<u>2,853,600</u>	<u>-</u>
Grand Total Long-Term Debt, net	<u>\$ 115,217,055</u>	<u>\$ 22,567,016</u>

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(3) LONG-TERM DEBT (CONTINUED):

Changes in Long-term Liabilities

	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Due within one year
Governmental activities					
Bonds payable	\$ 108,895,000	\$ -	\$ (7,415,000)	\$ 101,480,000	\$ 7,655,000
Less deferred amounts:					
For issue premiums (2010)	1,791,641	-	(546,124)	1,245,517	479,965
For issue premiums (2016)	10,483,486	-	(845,548)	9,637,938	845,548
Bonds and warrants payable, net	<u>121,170,126</u>	<u>-</u>	<u>(8,806,672)</u>	<u>112,363,455</u>	<u>8,980,513</u>
Loans payable	<u>3,804,800</u>	<u>-</u>	<u>(951,200)</u>	<u>2,853,600</u>	<u>951,200</u>
Compensated absences	<u>12,639,576</u>	<u>4,863,824</u>	<u>(4,613,477)</u>	<u>12,889,924</u>	<u>4,751,881</u>
Internal service funds					
Claims payable - other post employment benefits	\$ 6,320,206	\$ 48,849	\$ -	\$ 6,369,055	\$ -
Claims payable - workers compensation	804,465	2,007,845	(1,966,977)	845,333	290,056
Claims payable - property & casualty	1,070,674	566,346	(501,081)	1,135,939	476,626
Total claims payable	<u>8,195,345</u>	<u>2,623,040</u>	<u>(2,468,058)</u>	<u>8,350,327</u>	<u>766,682</u>
Total governmental activities	<u>\$ 142,561,821</u>	<u>\$ 7,486,865</u>	<u>\$ (16,839,407)</u>	<u>\$ 136,457,305</u>	<u>\$ 15,450,277</u>
Business-type activities - sewer					
Bonds payable	\$ 22,570,000	\$ -	\$ (1,240,000)	\$ 21,330,000	\$ 1,270,000
Less deferred amounts:					
For issue premiums (2013)	45,001	-	(23,198)	21,803	12,918
For issue premiums (2014)	1,323,350	-	(108,137)	1,215,213	108,028
Bonds and warrants payable, net	<u>23,938,351</u>	<u>-</u>	<u>(1,371,335)</u>	<u>22,567,016</u>	<u>1,390,946</u>
Compensated absences	<u>23,460</u>	<u>15,219</u>	<u>(12,090)</u>	<u>26,589</u>	<u>12,452</u>
Total proprietary fund types	<u>\$ 23,961,811</u>	<u>\$ 15,219</u>	<u>\$ (1,383,424)</u>	<u>\$ 22,593,606</u>	<u>\$ 1,403,398</u>

Compensated absences include estimated pay with associated medicare (1.45%) and social security (6.2%).

Due within one year includes above FY 2018 reduction amount plus increase of 3% over previous year.

The general fund, some special revenue funds, and the sewer enterprise fund are used to liquidate the liability for compensated absences each year.

For the internal service funds, claims and judgments due within one year are based on an actuarial evaluation undertaken for the fiscal year.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2018 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2019	\$ 7,655,000	\$ 4,131,175	\$ 1,270,000	\$ 773,470	\$ 13,829,645
2020	7,985,000	3,798,475	1,275,000	758,995	13,817,470
2021	8,395,000	3,388,975	765,000	745,085	13,294,060
2022	8,830,000	2,958,350	795,000	719,175	13,302,525
2023	3,750,000	2,737,600	835,000	678,425	8,001,025
2024	3,900,000	2,592,600	880,000	635,550	8,008,150
2025	4,060,000	2,436,600	925,000	590,425	8,012,025
2026	4,220,000	2,274,200	970,000	543,050	8,007,250
2027	4,390,000	2,105,400	1,020,000	493,300	8,008,700
2028	4,565,000	1,929,800	1,070,000	441,050	8,005,850
2029	4,745,000	1,749,200	1,115,000	397,575	8,006,775
2030	4,935,000	1,559,400	1,150,000	363,600	8,008,000
2031	5,135,000	1,362,000	1,185,000	328,575	8,010,575
2032	5,340,000	1,156,600	1,220,000	292,500	8,009,100
2033	5,550,000	943,000	1,260,000	249,000	8,002,000
2034	5,775,000	721,000	1,315,000	197,500	8,008,500
2035	6,005,000	490,000	1,370,000	143,800	8,008,800
2036	6,245,000	249,800	1,425,000	87,900	8,007,700
2037	-	-	1,485,000	29,700	1,514,700
Total	<u>\$ 101,480,000</u>	<u>\$ 36,584,175</u>	<u>\$ 21,330,000</u>	<u>\$ 8,468,675</u>	<u>\$ 167,862,850</u>

On November 1, 2010, the city issued Warrants for the purpose of (i) advance refunding the City's General Obligation Warrants dated January 1, 2003, issued in the aggregate principal amount of \$78,330,000 and outstanding in the aggregate principal amount of \$56,645,000, (ii) providing a portion of the cost of capital improvements including the purchase of City vehicles (\$3.6 million) and (iii) paying the issuance costs of the Warrants. The 2010 Warrants have a 12 year amortization and a principal amount of \$58,510,000, with a balance of \$32,865,000 at the end of fiscal year 2018. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This advanced refunding produced a cash benefit of approximately (\$7,654) and obtained an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$8,322.

On May 1, 2013, the city issued Series 2013-A Warrants for the purpose of (i) refunding the City's 1999 General Obligation Sewer Warrants issued in the aggregate principal amount of \$8,505,000 and outstanding in the aggregate principal amount of \$3,670,000, (ii) refunding the City's 2000 General Obligation Sewer Warrants issued in the aggregate principal amount of \$9,565,000 and outstanding in the aggregate principal amount of \$4,725,000, (iii) financing the costs of certain miscellaneous capital improvements and, (iv) paying the issuance costs of the 2013-A Warrants. The 2013-A Warrants have a 8 year amortization and a principal amount of \$8,915,000, with a balance of \$3,175,000 at the end of fiscal year 2018. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately \$128,446 and obtained an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$121,956.

On December 30, 2014, the City issued Series 2014-A Warrants for the purpose of (i) refunding the City's 2007 General Obligation Sewer Warrants issued in the aggregate principal amount of \$18,000,000 and outstanding in the aggregate principal amount of \$18,000,000, and, (ii) paying the issuance costs of the 2014-A Warrants. The 2014-A Warrants have a 22 year amortization and a principal amount of \$18,485,000, with a balance of \$18,155,000 at the end of fiscal year 2018. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately \$2,371,260 and obtained an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$1,592,361.

On July 15, 2016, the City issued Series 2016 Warrants in the amount of \$68,615,000 for the purpose of constructing an event facility and other park improvements at the Hoover Metropolitan Complex. The 2016 Warrants have a 20 year amortization and a principal amount of \$68,615,000, with a balance of \$68,615,000 at the end of fiscal year 2018.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for the loan related to the public safety motorola radio upgrade project at September 30, 2018 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2019	\$ 951,200	\$ -	\$ -	\$ -	\$ 951,200
2020	951,200	-	-	-	951,200
2021	951,200	-	-	-	951,200
Total	<u>\$ 2,853,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,853,600</u>

(4) LEASES:

There are currently no lease arrangements to report.

(5) INTERNAL BALANCES:

Internal balances represent short-term loans to help supplement various funds. At September 30, 2018, the outstanding internal balances were as follows:

Fund	Internal Balances Due To	Internal Balances Due From
General Fund	\$ 143,090	\$ -
Other Governmental Funds	-	143,090
Total	<u>\$ 143,090</u>	<u>\$ 143,090</u>

(6) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2018 were as follows:

(Transfers out)	Transfers in					
	General Fund	Capital Projects Fund	GOW 2016 Capital Projects Fund	Parks & Recreation Board	Non-Major Governmental Fund	Proprietary Fund
General Fund	\$ (6,795,433)	\$ 4,156,964	\$ -	\$ -	\$ 2,638,469	\$ -
Capital Projects Fund	-	(1,407,325)	-	1,407,325	-	-
GOW 2016 Capital Fund	-	-	(25,990,836)	25,990,836	-	-
Proprietary Funds	50,000	152,534	-	-	-	(202,534)
Total	<u>\$ (6,745,433)</u>	<u>\$ 2,902,173</u>	<u>\$ (25,990,836)</u>	<u>\$ 27,398,161</u>	<u>\$ 2,638,469</u>	<u>\$ (202,534)</u>

Transfers are primarily used to move funds from the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers for fiscal year 2018 were as follows: \$31,245 - Stormwater Fund, \$2,570,606 - Court and Corrections fund, \$36,618 - General Grants fund, and \$4,156,964 - Capital Projects fund, which totaled \$6,795,433 in transfers from the general fund.

In addition, to facilitate financial recordkeeping, multiple funds roll into the General Fund, which is why transfers in and out of the General Fund are shown in the statements, but here the figure is netted.

For fiscal year 2018, transfers were also made from the Capital Projects Fund (\$1,407,325) and GOW 2016 Capital Projects Fund (\$25,990,836) to the Parks & Recreation Board for improvements at the Hoover Metropolitan Complex. In addition, a transfer in the amount of \$152,534 was made from the Property & Casualty Internal Service Fund to the Capital Projects Fund related to insurance proceeds for offsetting the replacement of assets, as well as \$50,000 transfer to the General Fund, due to the closing of a bank account in the Property & Casualty Internal Service Fund.

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CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2018

(7) EMPLOYEE RETIREMENT PLAN:

Pensions

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

General Information about the Pension Plan

Plan description: The ERS, an agent multiple-employer public employee retirement plan, was established as of October 1, 1945, pursuant to the *Code of Alabama 1975, Title 36, Chapter 27* (Act 515 of the Legislature of 1945). The purpose of the ERS is to provide retirement allowances and other specified benefits for state employees, State Police, and, on an elective basis, to all cities, counties, towns, and quasi-public organizations. The responsibility for the general administration and operation of ERS is vested in its Board of Control which consists of 13 trustees. The Plan is administered by the Retirement Systems of Alabama (RSA). The *Code of Alabama 1975, Title 36, Chapter 27* grants the authority to establish and amend the benefit terms to the ERS Board of Control. The Plan issues a publicly available financial report that can be obtained at www.rsa-al.gov.

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

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

Benefits provided: State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS

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CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2018

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

(except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 ERS members are eligible for retirement after age 62 (56 for State Police) with 10 years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the ERS (except State Police) are allowed 1.65% of their average final compensation (highest 5 of the last 10 years) for each year of service. State Police are allowed 2.375% for each year of state police service in computing the formula method.

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

The ERS serves approximately 909 local participating employers. The ERS membership includes approximately 88,517 participants. As of September 30, 2017, membership consisted of:

Retirees and beneficiaries currently receiving benefits	23,853
Terminated employees entitled to but not yet receiving benefits	1,401
Terminated employees not entitled to a benefit	7,154
Active members	55,941
Post-DROP participants who are still in active service	<u>168</u>
Total	<u><u>88,517</u></u>

The City of Hoover ERS membership includes approximately 1,023 participants. As of September 30, 2017, membership consisted of:

Retired Members or Their Beneficiaries Currently Receiving Benefits	237
Vested Inactive Members	25
Non-vested Inactive Members	55
Active Members	702
Post-DROP Retired Members Still in Active Service	<u>4</u>
Total	<u><u>1,023</u></u>

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CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2018

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Contributions: Tier 1 Covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, covered members of the ERS are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. State Police of the ERS contribute 10% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members. Through fiscal year 2018, the City of Hoover had not increased its contribution rates for their members.

Tier 2 covered members of the ERS contribute 6% of earnable compensation to the ERS as required by statute. Tier 2 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 7% of earnable compensation. Tier 2 State Police members of the ERS contribute 10% of earnable compensation. These contributions rates are the same for Tier 2 covered members of ERS local participating employers.

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2018, the City's active employee contribution rate ranged between 5% and 6% (Tier 1) and 6% and 7% (Tier 2) of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 11.13% of pensionable payroll.

The City's contractually required contribution rate for the year ended September 30, 2018 was 11.90% of pensionable pay for Tier 1 employees, and 9.16% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2015, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$5,065,117 for the year ended September 30, 2018.

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CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2018

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Net Pension Liability

The City's net pension liability was measured as of September 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2016, rolled forward to September 30, 2017, using standard roll-forward techniques as shown in the following table:

	<u>Expected</u>	<u>Actual - 2017 Valuation Assumptions</u>
(a) Total Pension Liability as of September 30, 2016 (a)	\$ 213,058,713	\$ 220,947,827
(b) Discount rate	7.75%	7.75%
(c) Entry Age Normal Cost for the period October 1, 2016 - September 30, 2017 (b)	3,777,092	3,777,092
(d) Transfers Among Employers:	-	718,167
(e) Actual Benefit Payments and Refunds for the period October 1, 2016 - September 30, 2017 (c)	(12,241,681)	(12,241,681)
(f) Total Pension Liability as of September 30, 2017 [(a) x (1+(b))] + (c) + (d) + [(e) x (1+.5(b))]	<u>\$ 220,631,809</u>	<u>\$ 229,850,497</u>
(g) Difference between expected and actual experience (Gain)/Loss		\$ 9,218,688
(h) Less Liability Transferred for Immediate Recognition		<u>718,167</u>
(i) Experience (Gain)/Loss		<u>\$ 8,500,521</u>

Actuarial assumptions: The total pension liability as of September 30, 2017, was determined based on the annual actuarial funding valuation report prepared as of September 30, 2016. The key actuarial assumptions are summarized below:

Inflation	2.75%
Projected salary increases	3.25% - 5.00%
Investment rate of return*	7.75%

* Net of pension plan investment expense

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CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2018

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Mortality rates were based on the sex distinct RP-2000 Blue Collar Mortality Table Projected with Scale BB to 2020 with an adjustment of 125% at all ages for males and 120% for females ages 78 and older. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disabled Retiree Mortality Table Projected with Scale BB to 2020 with an adjustment of 130% at all ages for females.

The actuarial assumptions used in the actuarial valuation as of September 30, 2016, were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2015. The Board of Control accepted and approved these changes in September 2016, which became effective at the beginning of fiscal year 2016.

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	17.0%	4.4%
US Large Stocks	32.0%	8.0%
US Mid Stocks	9.0%	10.0%
US Small Stocks	4.0%	11.0%
Int'l Developed Mkt Stocks	12.0%	9.5%
Int'l Emerging Mkt Stocks	3.0%	11.0%
Alternatives	10.0%	10.1%
Real Estate	10.0%	7.5%
Cash Equivalents	<u>3.0%</u>	1.5%
Total	100.0%	

*Includes assumed rate of inflation of 2.50%.

Discount rate: The discount rate used to measure the total pension liability was the long term rate of return, 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current pan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2018

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2016	\$ 213,058,713	\$ 148,232,274	\$ 64,826,439
Changes for the year:			
Service cost	3,777,092	-	3,777,092
Interest	16,037,685	-	16,037,685
Changes of assumptions	-	-	-
Differences between expected and actual experience	8,500,521	-	8,500,521
Contributions - employer	-	5,144,161	(5,144,161)
Contributions - employee	-	2,838,466	(2,838,466)
Net investment income	-	18,753,064	(18,753,064)
Benefit payments, including refunds of employee contributions	(12,241,681)	(12,241,681)	-
Administrative expense	-	-	-
Transfers among employers	718,167	718,167	-
Net changes	<u>16,791,784</u>	<u>15,212,177</u>	<u>1,579,607</u>
Balances at September 30, 2017	<u>\$ 229,850,497</u>	<u>\$ 163,444,451</u>	<u>\$ 66,406,046</u>

Sensitivity of the net pension liability to changes in the discount rate: The following table presents the City's net pension liability calculated using the discount rate of 7.75%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate (dollar amounts in thousands):

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's net pension liability (asset)	\$ 93,786,493	\$ 66,406,046	\$ 43,407,740

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CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2018

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2017. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2017. The auditor's report dated August 31, 2018, on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

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

For the year ended September 30, 2018, the City recognized pension expense of \$5,085,662. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,433,719	\$ -
Changes of assumptions	6,195,137	
Net difference between projected and actual earnings on pension plan investments	-	5,000,268
Employer contributions subsequent to the measurement date	5,065,117	-
Total	\$ 20,693,973	\$ 5,000,268

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

Year Ended September 30:	Deferred Outflows of Resources
2019	\$ 1,663,247
2020	2,635,533
2021	806,501
2022	1,394,575
2023	2,548,710
Thereafter	1,580,022

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THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2018

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

General Information about the OPEB Plan

Plan description – The City of Hoover (the City) provides certain continuing health care and life insurance benefits for its retired employees. The City of Hoover’s OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the City. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the City. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

Benefits Provided – Medical and dental benefits are provided through a comprehensive self-insured medical benefit plan. The plan provisions are contained in the official plan documents. Medical and dental benefits are provided to employees upon actual retirement. To qualify for retiree medical benefits, retirees must be eligible to retire under the provisions of the Retirement System of Alabama (RSA). The earliest retirement eligibility provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service (called "Tier I members). Employees hired on and after January 1, 2013 (called "Tier II" members) are eligible to retire only after attainment of age 62 or later and completion of 10 years of service. In addition to being RSA eligible there are two additional qualification thresholds:

1. *Department Head* - Ten or more years of service with the City in any full-time department head capacity that qualifies for a health and dental insurance benefit.
2. *Other Staff* - Thirty or more years of service with the City in any full-time position capacity that qualifies for a health and dental insurance benefit.

Employees covered by benefit terms – At September 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	60
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	596
	656

Total OPEB Liability

The City’s total OPEB liability of \$6,369,055 was measured as of September 30, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.63% annually (Beginning of Year to Determine ADC)
	4.18%, annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index as of September 30, 2018, the end of the applicable measurement period.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2018

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

The actuarial assumptions used in the September 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from October 1, 2009 to September 30, 2018.

Changes in the Total OPEB Liability

Balance at September 30, 2017	<u>\$</u>	6,320,206
Changes for the year:		
Service cost		80,728
Interest		213,145
Differences between expected and actual experience		831,364
Changes in assumptions		(179,495)
Benefit payments and net transfers		<u>896,893</u>
Net changes		<u>48,849</u>
 Balance at September 30, 2018	 <u>\$</u>	 <u>6,369,055</u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.18%) or 1-percentage-point higher (5.18%) than the current discount rate:

	1.0% Decrease (3.18%)	Current Discount Rate (4.18%)	1.0% Increase (5.18%)
Total OPEB liability	<u>\$ 6,703,115</u>	<u>\$ 6,369,055</u>	<u>\$ 6,065,919</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	<u>\$ 6,125,792</u>	<u>\$ 6,369,055</u>	<u>\$ 6,734,105</u>

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$330,088. At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	<u>\$ 785,177</u>	<u>\$ -</u>
Changes in assumptions		<u>(169,523)</u>
Total	<u>\$ 785,177</u>	<u>\$ (169,523)</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2018

NOTE 8 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS (CONTINUED)

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

Years ending September 30:	
2019	36,215
2020	36,215
2021	36,215
2022	36,215
2023	36,215
Thereafter	434,579

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(9) FUND BALANCES - GOVERNMENTAL FUNDS

As of September 30, 2018, fund balances for the governmental funds are classified as follows:

Nonspendable - amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Hoover Council. The Hoover Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded through resolutions approved by the Hoover Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Council approved separate boards to govern the Library and the Parks and Recreation department. These boards' policies have assigned all of their activity funds to be used for specific purposes.

Unassigned - all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount.

Fund Balances				
	General Fund	All Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
Non-spendable:				
Parts and supplies	\$ 63,543	-	-	63,543
Prepaid items	25,874	-	-	25,874
Restricted for:				
Dispatch/E911	-	-	596,242	596,242
Police/Forfeitures	-	-	1,581,217	1,581,217
Police/Other	-	-	838,890	838,890
Fire	-	-	101,000	101,000
Municipal court	-	-	1,893,875	1,893,875
Highways/Paving	-	-	9,616,977	9,616,977
Municipal Impr/Capital	-	-	4,966,882	4,966,882
Recreation services	-	-	-	-
Committed:				
Capital projects	-	32,177,895	-	32,177,895
Assigned:				
Library	268,369	-	-	268,369
Recreation services	1,223,918	-	-	1,223,918
Unassigned:				
	30,618,296	-	-	30,618,296
Total fund balances	\$ 32,200,000	\$ 32,177,895	\$ 19,595,083	\$ 83,972,978

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THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(10) OTHER INFORMATION:

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The City manages these risks under a limited risk management program, which is administered by the City through two professional claims-handling firms. The City purchases commercial insurance to cover individual workers' compensation claims in excess of \$600,000 and to cover aggregate compensation claims in excess of \$2,506,290 for a two-year policy ending 2/1/2020. The City's excess workers' compensation coverage provides statutory limits for workers' compensation, including \$1,000,000 in employer's liability. The City also purchases commercial insurance to cover individual property, casualty, and liability claims in excess of \$100,000. Some exclusions do apply on these excess limits. The City discontinued helicopter operations and insurance coverage in fiscal year 2018. All property and casualty claims, claim reserves, and administrative costs of the program are paid from the property and casualty internal service fund and all workers' compensation expenses are paid from the workers' compensation internal service fund.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are based on the estimated ultimate cost of settling the claims considering the effects of inflation and recent claim settlement trends including the frequency and amount of pay-outs and other economic and social factors. The internal service funds for both property and casualty, as well as workers' compensation, report the statutory estimates on claims liability with an offsetting receivable for the expected excess reimbursement. Thus, the net of the two reflects the retention limits held by the City for those claims affected. The liability for claims and judgments is not expected to be liquidated with current financial resources.

Changes in the balances of claims liabilities during fiscal 2017 and 2018 are as follows:

Workers compensation (retention)	2017	2018	Difference
Unpaid claims, beginning	\$ 323,869	\$ 379,842	\$ 55,973
Incurred claims, (including IBNRs)	383,204	2,257,890	1,874,686
Claim Payments, net of recoveries	(327,231)	(1,953,478)	(1,626,247)
Unpaid claims, ending	\$ 379,842	\$ 684,254	\$ 304,412

Property and casualty (retention)	2017	2018	Difference
Unpaid claims, beginning	\$ 581,821	\$ 669,828	\$ 88,007
Incurred claims, (including IBNRs)	294,968	522,249	227,281
Claim Payments, net of recoveries	(206,961)	(501,081)	(294,120)
Unpaid claims, ending	\$ 669,828	\$ 690,996	\$ 21,168

The actuarial adjustment reflected on the Statement of Revenues, Expenses and Changes in Net Position for Proprietary Funds illustrates the difference in estimated claims from the beginning of year to the end of the year as provided by our independent actuarial report. This reflects only the retention change, since the statutory change encompasses an equal offset to assets and liabilities and thus, revenues and expenses net to zero.

The chart below recaps the number of settlements that have exceeded our self-insured retention limits in the last three years.

	FY 2016	FY 2017	FY 2018
Property and casualty	2	0	0
Workers compensation	0	0	0
Total	2	0	0

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THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(10) OTHER INFORMATION:

B. Commitments

Board of Education:

The City's commitment to provide funding to the Board of Education will be determined on an annual basis.

Construction Projects:

As of September 30, 2018, the City has approved items related to construction projects for all governmental fund types in the amount of \$163,773,323. Of this amount, \$104,122,462 has been incurred to date creating a total remaining commitment of \$59,650,861. The City is responsible for funding \$40,338,740 of this commitment with the remaining \$19,312,121 to be funded by other governmental units.

Of this \$59,650,861 remaining commitment, \$23,083,548 is from the capital projects fund, \$6,410,212 is from the GOW 2016 capital projects fund (both major funds), and \$30,157,101 is from non-major governmental funds.

Encumbrances:

The following represents significant encumbrances in total by each major fund and nonmajor funds in the aggregate in conjunction with required disclosures about other significant commitment described above.

	Capital Projects Fund	GOW 2016 Capital Projects Fund	Other Governmental Funds	Total
Outstanding encumbrances at year end	\$ 4,450,586	\$ 5,331,700	\$ 537,305	\$ 10,319,591

C. Contingent Liabilities

Amounts received or receivables from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is also a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City, and the City intends to vigorously defend its position in each lawsuit.

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THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(11) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bonds payable	\$ 101,480,000
Loans payable	2,853,600
Bond issuance premium (2010 and 2016)	10,883,455
Compensated absences	<u>12,889,924</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 <u><u>\$ 128,106,978</u></u>

(12) RESTRICTED NET POSITION

A. Explanation for restrictions on net position

In the Statement of Net Position, net position is restricted for enabling legislation. These items are restricted due to enabling legislation as defined in GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation* and includes all other special revenue funds. The following summarizes these restrictions:

Restricted for:	
Dispatch/E911	\$ 596,242
Police/Forfeitures	1,581,217
Police/Other	838,890
Fire	101,000
Municipal court	1,893,875
Highways/Paving	9,616,977
Municipal Improvements/Capital	4,966,882
Recreation services	-
Total restricted net position	<u><u>\$ 19,595,083</u></u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(13) DEFERRED OUTFLOWS AND INFLOWS

<i>Changes of Deferred Outflows</i>					
	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Due within one year
Governmental activities:					
For deferred amount related to pension	\$ 15,149,931	\$ 5,544,041	\$ -	\$ 20,693,973	\$ -
For deferred amount related to opeb	-	785,177	-	785,177	-
For deferred gain (loss) on refunding (2010)	1,866,462	-	457,093	1,409,369	(457,093)
Total governmental activities	17,016,393	6,329,218	457,093	22,888,519	(457,093)
Business-type activities:					
For deferred gain (loss) on refunding (2013)	\$ 44,408	\$ -	\$ 12,393	\$ 32,015	\$ (12,393)
For deferred gain (loss) on refunding (2014)	1,433,365	-	74,461	1,358,904	(74,461)
Deferred gain (loss) on refundings	1,477,773	-	86,853	1,390,920	(86,853)
Total proprietary business-type activities	1,477,773	-	86,853	1,390,920	(86,853)
Grand total deferred outflows	\$ 18,494,166	\$ 6,329,218	\$ 543,946	\$ 24,279,439	\$ (543,946)
<i>Changes of Deferred Inflows</i>					
	Balance October 1, 2017	Additions	Reductions	Balance September 30, 2018	Due within one year
Governmental activities:					
Deferred inflows of resources					
For deferred amount related to pension	\$ (1,190,221)	\$ -	\$ 6,190,489	\$ 5,000,268	\$ -
For deferred amount related to opeb	-	169,523	-	169,523	-
For deferred amount on property tax levy	10,547,441	306,134	-	10,853,575	10,853,575
Total governmental activities	9,357,220	475,657	6,190,489	16,023,366	10,853,575
Grand total deferred inflows	\$ 9,357,220	\$ 475,657	\$ 6,190,489	\$ 16,023,366	\$ 10,853,575

(14) FAIR VALUE

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at September 30, 2018:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Certificates of Deposit	\$ 7,158,442	\$ -	\$ 7,158,442	\$ -
Money Market Accounts	7,767,507	7,767,507	-	-
US Treasuries	50,218,946	50,218,946	-	-
US Treasuries/STRIPS	7,013,042	7,013,042	-	-
Total Investments	\$ 72,157,936	\$ 64,999,494	\$ 7,158,442	\$ -

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in the methodologies used during the year ended September 30, 2018.

- *Certificates of Deposit*: Valued at cost plus accrued interest, which approximates fair value
- *Money Market Accounts*: Valued at amortized cost, which approximates fair value
- *U.S. Treasuries*: Valued based on secondary trade data provided by an independent source

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(15) TAX REBATES AND ABATEMENTS

The City directly enters into various tax rebate and abatement agreements with local businesses, developers, and/or owners under Amendment 772 to the Constitution of Alabama of 1901 and the Tax Incentive Reform Act of 1992 (codified as Section 40-9B-1), which authorize the City to lend its credit to or grant public funds and things of value in aid of or to any corporation or other business entity for the purpose of promoting the economic development of the City. The following is a list of agreements in effect as of the fiscal year ending 2018.

Purpose	Type of Tax or Revenue Abated	% of Taxes Rebated or Abated During a Fiscal Year of Qualifying Formula	Amount of Taxes Rebated or Abated During the Fiscal Year
Rebate/Galleria (Riverchase Anchor Acq, LLC)	Sales Tax	50%	\$ 897,091
Rebate/ (The Comedy Club, Inc)	Sales Tax	50%	8,223
Rebate/ (MJB Boot, LLC)	Sales Tax	50%	-
Rebate/Whole Foods (Riverchase Lorna, LP)	Sales Tax	50%	-
Rebate/ (Estes Hoover, LLC)	Sales Tax	50%	18,172
Rebate/Field & Stream (PC L7, LLC)	Sales Tax	50%	96,100
Rebate/Village @ Brocks Gap (Altera Dev Co)	Sales Tax	50%	-
Rebate/Stadium Trace Village (Broad Metro, LLC)	Sales Tax	50%	-
Rebate/Stadium Trace Village (Broad Metro, LLC)	Permit Fees	100%	-
	Property Tax (Non-Education)		
Abatement/ (Tom McLeod Software Corp, et al)		100%	-
	Sales & Use Tax (Construction)		
Abatement/ (Tom McLeod Software Corp, et al)		100%	-
	Property Tax (Non-Education)		
Abatement/ (Iberiabank Corp)		100%	-
	Sales & Use Tax (Construction)		
Abatement/ (Iberiabank Corp)		100%	-
			<u>\$ 1,019,586</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2018

(16) PRIOR PERIOD ADJUSTMENTS

During the fiscal year ending September 30, 2018, management had two prior period adjustments. The City updated its stormwater asset estimate by utilizing GIS (geographic information systems), as well as a small adjustment related to disposed equipment for the prior year. Both of these only affected the government wide financial statements. Thus, a prior period adjustment was made as follows: (1) stormwater assets, net of depreciation \$3,145,690, and (2) equipment depreciation correction (\$5,056), for a net total restatement on the government wide financial statements of \$3,140,634. As a result, change in net position increased by \$640,198 for the year ended September 30, 2017.

(17) ACCOUNTING CHANGES AND ACCOUNTING STANDARDS

The GASB issued Statement No. 75, *Accounting and Financial Reporting by Postemployment Benefits Other Than Pensions*, to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions. It also improves information provided by state and local governmental employers about financial support for OPEBs that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

The net position of the governmental activities in the government-wide financial statements at September 30, 2018 was restated to reflect the cumulative effect resulting from the implementation of GASB Statement No. 75 and prior period adjustments discussed in Note 16. The following reflects the effect of implementation of this new accounting standard and the other prior period adjustments.

	Governmental Activities	Business-type Activities
Net position - September 30, 2017	\$ 314,648,811	\$ 17,291,804
Changes in reporting for net OPEB liability of resources and net pension liability	(3,248,027)	-
Changes for other prior period adjustments (Note 16)	3,140,634	-
Total prior period adjustment	(107,393)	-
Net position - September 30, 2017, as restated	\$ 314,541,419	\$ 17,291,804

The net position of the internal service funds at September 30, 2017 was also restated to reflect the cumulative effect resulting from the implementation of GASB Statement No. 75. The following reflects the effect of implementation of this new accounting standard.

	Health Insurance Retirees
Net position - September 30, 2017	\$ 239,460
Changes in reporting for net OPEB liability of resources and net pension liability	(3,248,027)
Total prior period adjustment	(3,248,027)
Net position - September 30, 2017, as restated	\$ (3,008,567)

(18) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 28, 2019, the date in which the financial statements were available to be issued.

See independent auditor's report

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REQUIRED SUPPLEMENTARY INFORMATION

THE CITY OF HOOVER, ALABAMA
Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
Last Ten Fiscal Years Ending September 30th

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total pension liability										
Service cost							\$ 3,265,628	\$ 3,326,857	\$ 3,430,862	\$ 3,777,092
Interest							13,523,768	14,175,319	15,061,807	16,037,685
Changes of benefit terms							-	-	-	-
Differences between expected & actual experience							-	2,574,319	891,519	8,500,521
Changes of assumptions							-	-	8,577,883	-
Benefit payments, including refunds of employee contributions							(8,485,192)	(8,804,809)	(9,185,989)	(12,241,681)
Transfers among employers							-	-	1,417,051	718,167
Net change in total pension liability							<u>8,304,204</u>	<u>11,271,686</u>	<u>20,193,133</u>	<u>16,791,784</u>
Total pension liability - beginning							<u>173,289,690</u>	<u>181,593,894</u>	<u>192,865,580</u>	<u>213,058,713</u>
Total pension liability - ending							<u>\$ 181,593,894</u>	<u>\$ 192,865,580</u>	<u>\$ 213,058,713</u>	<u>\$ 229,850,497</u>
Plan fiduciary net position										
Contributions - employer							\$ 4,444,038	\$ 4,449,246	\$ 4,880,617	\$ 5,144,161
Contributions - member							2,309,545	2,443,812	2,682,264	2,838,466
Net investment income							14,596,387	1,592,336	13,710,378	18,753,064
Benefit payments, including refunds of employee contributions							(8,485,192)	(8,804,809)	(9,185,989)	(12,241,681)
Transfers among employers							(232,040)	(254,334)	1,417,051	718,167
Net change in plan fiduciary net position							<u>12,632,737</u>	<u>(573,749)</u>	<u>13,504,321</u>	<u>15,212,177</u>
Plan net position - beginning							<u>122,668,965</u>	<u>135,301,702</u>	<u>134,727,953</u>	<u>148,232,274</u>
Plan net position - ending							<u>\$ 135,301,702</u>	<u>\$ 134,727,953</u>	<u>\$ 148,232,274</u>	<u>\$ 163,444,451</u>
Net pension liability (asset)										
Net pension liability (asset) - beginning							\$ 50,620,725	\$ 46,292,192	\$ 58,137,627	\$ 64,826,439
Net pension liability (asset) - ending (a) - (b)							<u>46,292,192</u>	<u>58,137,627</u>	<u>64,826,439</u>	<u>66,406,046</u>
Net change in pension liability (asset)							<u>\$ (4,328,533)</u>	<u>\$ 11,845,435</u>	<u>\$ 6,688,812</u>	<u>\$ 1,579,607</u>
Plan fiduciary net position as a percentage of the total pension liability							74.51%	69.86%	69.57%	71.11%
Covered payroll							\$ 39,181,275	\$ 40,432,460	\$ 44,609,370	\$ 44,098,641
Net pension liability (asset) as a percentage of covered-employee payroll							118.15%	143.79%	145.32%	150.59%
Pension expense (income) from reconciliation								\$ 584,767	\$ (1,061,228)	\$ (1,833,138)

¹ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

THE CITY OF HOOVER, ALABAMA
Schedule of Required Supplementary Information
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN
Last Ten Fiscal Years Ending September 30th

	1	Fiscal Year									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially determined contribution	2							\$ 4,589,405	\$ 4,873,464	\$ 5,146,565	\$ 5,065,117
Contributions in relation to the actuarially determined contribution	2							4,589,405	4,873,464	5,146,565	5,065,117
Contribution deficiency (excess)								\$ -	\$ -	\$ -	\$ -
Covered payroll								\$ 40,432,460	\$ 44,609,370	\$ 44,098,641	\$ 44,058,745
Contributions as a percentage of covered payroll								11.35%	10.92%	11.67%	11.50%
City's average contribution rate to fund the normal and accrued liability as a percent of covered payroll								10.90%	10.92%	11.30%	11.13%
City's active employee contribution rate as a percent of covered payroll								5.61%	5.63%	5.65%	5.68%

¹ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

² Amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. For FY 2018, the fiscal year is the twelve month period beginning after 06/15/2017.

THE CITY OF HOOVER, ALABAMA
Schedule of Required Supplementary Information
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
Last Ten Fiscal Years Ending September 30th

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total OPEB liability										
Service cost										\$ 80,728
Interest										213,145
Changes of benefit terms										-
Differences between expected & actual experience										831,364
Changes of assumptions or other inputs										(179,495)
Benefit payments										(896,893)
Net change in total OPEB liability										48,849
Total OPEB liability - beginning										6,320,206
Total OPEB liability - ending										<u>\$ 6,369,055</u>
Covered payroll										\$ 37,322,110
Total OPEB liability as a percentage of covered payroll										17.07%

¹ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

THE CITY OF HOOVER, ALABAMA
Schedule of Required Supplementary Information
SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB PLAN
Last Ten Fiscal Years Ending September 30th

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Actuarially determined contribution										\$ 429,986
Contributions in relation to the actuarially determined contribution										
Employer contributions to trust										-
Employer-paid retiree premiums										896,893
Contribution deficiency (excess)										<u>\$ (466,907)</u>
Covered-employee payroll										\$ 37,322,110
Contributions as a percentage of covered-employee payroll										2.40%

¹ This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
Pension Plan Practices
For the Year Ended September 30, 2018

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2018 were based on the September 30, 2015 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2017 to September 30, 2018:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	26.1 years
Asset valuation method	Five year smoothed market
Inflation	3.00%
Salary increases	3.75 - 7.25%, including inflation
Investment rate of return	8.00%, net of pension plan investment expenses, including inflation

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
OPEB Plan Practices
For the Year Ended September 30, 2018

Benefit Changes. There were no changes of benefit terms for the year ended September 30, 2018.

Changes of Assumption. The discount rate of 09/30/2017 was 3.63% and it changed to 4.18% as of 09/30/18.

No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Statement No. 75, paragraph 4, *Postemployment Benefits Other Than Pensions - Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria - Defined Benefit* to pay related benefits.

Methods and assumptions used to determine contribution rates for the period October 1, 2017 to September 30, 2018:

Actuarial cost method	Individual Entry Age Normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Market value
Inflation	2.50% annually
Healthcare trend	OLD Plan - Flat 5.5% annually; NEW Plan - Flat 3% annually
Salary increases	4.00% annually
Discount rate	3.63% annually (Beginning of Year to Determine ADC) 4.18% annually (As of End of Year to Measurement Date)
Retirement age	30 years of full-time service and RSA retirement eligible For department heads, 10 or more years of full-time service and RSA eligible
Mortality	RP-2000 without projection, 50% unisex blend
Turnover	Age specific table with an average of 5% when applied to the active census

See independent auditor's report

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COMBINING FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2018

	Special Revenue								
	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	Stormwater	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice	Federal Drug Dept of Treasury
Assets									
Pooled cash and investments	\$ 402,870	\$ 3,152,677	\$ 4,167,134	\$ 1,277,119	\$ -	\$ 5,061,626	\$ 790,824	\$ 485,689	\$ 327,876
Receivables									
Taxes	-	-	-	1,009,434	142	-	-	-	-
Accounts	232,267	-	-	-	-	-	2,443	1,418	956
Due from other governments	-	88,908	53,678	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	\$ 635,137	\$ 3,241,585	\$ 4,220,811	\$ 2,286,553	\$ 142	\$ 5,061,626	\$ 793,268	\$ 487,107	\$ 328,832
Liabilities and fund balances									
Accounts payable and accrued liabilities	\$ 38,895	\$ 73,917	\$ 62,063	\$ 101	\$ 3	\$ 94,744	\$ -	\$ 4,046	\$ -
Unearned revenue	-	-	-	-	100	-	23,944	-	-
Internal balances	-	-	-	-	39	-	-	-	-
Refundable deposits	-	-	-	-	-	-	-	-	-
Total liabilities	38,895	73,917	62,063	101	142	94,744	23,944	4,046	-
Fund balances									
Restricted	596,242	3,167,669	4,158,748	2,286,452	-	4,966,882	769,324	483,061	328,832
Total fund balances	596,242	3,167,669	4,158,748	2,286,452	-	4,966,882	769,324	483,061	328,832
Total liabilities and fund balances	\$ 635,137	\$ 3,241,585	\$ 4,220,811	\$ 2,286,553	\$ 142	\$ 5,061,626	\$ 793,268	\$ 487,107	\$ 328,832

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet - Continued
Non-Major Governmental Funds
September 30, 2018

	Special Revenue - Continued							Capital Projects	Total Nonmajor Governmental Funds	
	Court and Correction	Municipal Court Clerk	Court Training	Court Referral Officer Program	Traffic Safety	Municipal Court Judicial Admin	General Grants	Total		Other Capital Projects Fund
Assets										
Pooled cash and investments	\$ 54,355	\$ 162,041	\$ 83,375	\$ 85,511	\$ 1,263,839	\$ 306,843	\$ 903,545	\$ 18,525,324	\$ -	\$ 18,525,324
Receivables										
Taxes	-	-	-	-	-	-	-	1,009,576	-	1,009,576
Accounts	-	-	-	26,241	-	-	56,059	319,384	167,273	486,657
Due from other governments	-	-	-	-	-	-	-	142,586	-	142,586
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 54,355	\$ 162,041	\$ 83,375	\$ 111,752	\$ 1,263,839	\$ 306,843	\$ 959,604	\$ 19,996,869	\$ 167,273	\$ 20,164,143
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 54,355	\$ -	\$ -	\$ 14,817	\$ 16,886	\$ 2,271	\$ 15,606	\$ 377,704	\$ 24,222	\$ 401,926
Unearned revenue	-	-	-	-	-	-	-	24,044	-	24,044
Internal balances	-	-	-	-	-	-	-	39	143,051	143,090
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	54,355	-	-	14,817	16,886	2,271	15,606	401,786	167,273	569,059
Fund balances										
Restricted	-	162,041	83,375	96,935	1,246,953	304,571	943,998	19,595,083	-	19,595,083
Total fund balances	-	162,041	83,375	96,935	1,246,953	304,571	943,998	19,595,083	-	19,595,083
Total liabilities and fund balances	\$ 54,355	\$ 162,041	\$ 83,375	\$ 111,752	\$ 1,263,839	\$ 306,843	\$ 959,604	\$ 19,996,869	\$ 167,273	\$ 20,164,143

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended September 30, 2018

	Special Revenue								
	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	Stormwater	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice	Federal Drug Dept of Treasury
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	915,643	600,458	1,114,127	-	693,840	-	-	-
Fines and forfeits	-	-	-	-	-	-	378,797	-	83,229
Investment income	-	-	-	-	-	-	41,202	30,340	17,799
Rents and royalties	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	-	-	-
Charges for services	2,171,921	-	-	-	118,219	-	-	-	-
Other	-	-	-	-	1,090	-	-	25	-
Total revenues	<u>2,171,921</u>	<u>915,643</u>	<u>600,458</u>	<u>1,114,127</u>	<u>119,309</u>	<u>693,840</u>	<u>420,000</u>	<u>30,365</u>	<u>101,028</u>
Expenditures									
Current operations									
General government	-	-	-	-	-	-	-	-	-
Public safety	2,528,922	-	-	-	27,500	-	-	21,260	-
Library	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	79,500	-	123,054	-	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Total	<u>2,528,922</u>	<u>-</u>	<u>79,500</u>	<u>-</u>	<u>150,554</u>	<u>-</u>	<u>-</u>	<u>21,260</u>	<u>-</u>
Capital outlays	-	1,583,057	162,063	370,306	-	197,354	-	22,554	-
Total expenditures	<u>2,528,922</u>	<u>1,583,057</u>	<u>241,563</u>	<u>370,306</u>	<u>150,554</u>	<u>197,354</u>	<u>-</u>	<u>43,814</u>	<u>-</u>
Excess of revenues over (under) expenditures	<u>(357,001)</u>	<u>(667,414)</u>	<u>358,896</u>	<u>743,821</u>	<u>(31,245)</u>	<u>496,487</u>	<u>420,000</u>	<u>(13,449)</u>	<u>101,028</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	31,245	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(357,001)</u>	<u>(667,414)</u>	<u>358,896</u>	<u>743,821</u>	<u>-</u>	<u>496,487</u>	<u>420,000</u>	<u>(13,449)</u>	<u>101,028</u>
Fund balances, beginning of year	<u>953,243</u>	<u>3,835,083</u>	<u>3,799,853</u>	<u>1,542,631</u>	<u>-</u>	<u>4,470,395</u>	<u>349,324</u>	<u>496,510</u>	<u>227,804</u>
Fund balances, end of year	<u>\$ 596,242</u>	<u>\$ 3,167,669</u>	<u>\$ 4,158,748</u>	<u>\$ 2,286,452</u>	<u>\$ -</u>	<u>\$ 4,966,882</u>	<u>\$ 769,324</u>	<u>\$ 483,061</u>	<u>\$ 328,832</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Continued
Non-Major Governmental Funds
For the year ended September 30, 2018

	Special Revenue - Continued							Capital Projects	Total Nonmajor Governmental Funds
	Court and Corrections	Municipal Court Clerk	Court Training	Court Referral Officer Program	Traffic Safety	Municipal Court Judicial Admin	General Grants	Total	
Revenues									
Taxes	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	-	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	63,149	-	-	340,585	3,727,803	753,670
Fines and forfeits	716,059	-	18,807	-	302,400	208,501	-	1,707,793	-
Investment income	-	-	-	-	-	-	-	89,341	-
Rents and royalties	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	143,050	143,050	-
Charges for services	1,350	24,485	-	144,025	-	-	787	2,460,787	-
Other	17	-	-	-	-	-	-	1,132	-
Total revenues	<u>717,426</u>	<u>24,485</u>	<u>18,807</u>	<u>207,174</u>	<u>302,400</u>	<u>208,501</u>	<u>484,423</u>	<u>8,129,906</u>	<u>753,670</u>
Expenditures									
Current operations									
General government	-	-	-	-	-	-	1,000	1,000	-
Public safety	2,138,432	-	-	-	-	-	108,022	4,824,135	-
Library	-	-	-	-	-	-	13,818	13,818	-
Municipal court	1,149,600	-	892	170,295	189,495	345,832	-	1,856,115	-
Sanitation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	-	225	202,779	223,901
Recreation services	-	-	-	-	-	-	16,852	16,852	-
Health	-	-	-	-	-	-	-	-	-
Total	<u>3,288,032</u>	<u>-</u>	<u>892</u>	<u>170,295</u>	<u>189,495</u>	<u>345,832</u>	<u>139,917</u>	<u>6,914,700</u>	<u>223,901</u>
Capital outlays	-	-	-	-	23,413	-	124,775	2,483,521	529,769
Total expenditures	<u>3,288,032</u>	<u>-</u>	<u>892</u>	<u>170,295</u>	<u>212,908</u>	<u>345,832</u>	<u>264,692</u>	<u>9,398,221</u>	<u>753,670</u>
Excess of revenues over (under) expenditures	<u>(2,570,606)</u>	<u>24,485</u>	<u>17,914</u>	<u>36,879</u>	<u>89,492</u>	<u>(137,331)</u>	<u>219,730</u>	<u>(1,268,315)</u>	<u>-</u>
Other financing sources (uses)									
Transfers in	2,570,606	-	-	-	-	-	536,618	3,138,469	-
Transfers out	-	-	-	-	-	-	(500,000)	(500,000)	-
Total other financing sources (uses)	<u>2,570,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,618</u>	<u>2,638,469</u>	<u>-</u>
Net change in fund balances	-	24,485	17,914	36,879	89,492	(137,331)	256,348	1,370,155	-
Fund balances, beginning of year	-	137,556	65,461	60,056	1,157,461	441,902	687,650	18,224,929	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 162,041</u>	<u>\$ 83,375</u>	<u>\$ 96,935</u>	<u>\$ 1,246,953</u>	<u>\$ 304,571</u>	<u>\$ 943,998</u>	<u>\$ 19,595,083</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Net Position
Internal Service Funds
September 30, 2018

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 2,341,605	\$ 2,016,744	\$ 464,122	\$ 616,249	\$ 5,438,721
Prepaid items	-	-	32,635	170,386	203,021
Internal balances	-	-	-	-	-
Accounts/stop loss receivable	-	-	-	-	-
Statutory actuarial receivable	-	-	51,291	159,665	210,956
Total current assets	2,341,605	2,016,744	548,048	946,300	5,852,697
Noncurrent assets:					
Capital assets					
Land	-	-	-	-	-
Construction in progress	-	-	-	-	-
Buildings/improvements to buildings	-	-	-	-	-
Equipment and vehicles	-	-	-	-	-
Improvements o/t buildings	-	-	-	-	-
Infrastructure improvements	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Total capital assets (net of accumulated depreciation)	-	-	-	-	-
Other assets	-	-	-	-	-
Statutory actuarial receivable	-	-	109,788	285,278	395,066
Total noncurrent assets	-	-	109,788	285,278	395,066
Total assets	2,341,605	2,016,744	657,836	1,231,578	6,247,763
Deferred outflows of resources					
Deferred amount related to opeb	-	785,177	-	-	785,177
Liabilities					
Current liabilities:					
General obligation warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	40,084	-	1,968	64,575	106,626
Retainage payable	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Accrued expenses	523,567	48,161	-	-	571,729
Claims payable	-	69,786	290,056	476,626	836,468
Compensated absences	-	-	-	-	-
Internal balances	-	-	-	-	-
Total current liabilities	563,651	117,947	292,024	541,201	1,514,823
Noncurrent liabilities:					
Compensated absences	-	-	-	-	-
Claims payable	-	6,369,055	555,277	659,313	7,583,645
Total noncurrent liabilities	-	6,369,055	555,277	659,313	7,583,645
Total liabilities	563,651	6,487,002	847,301	1,200,514	9,098,468
Deferred inflows of resources					
Deferred amount related to opeb	-	169,523	-	-	169,523
Net Position					
Net investment in capital assets	-	-	-	-	-
Unrestricted (deficit)	1,777,954	(3,854,604)	(189,464)	31,064	(2,235,051)
Total net position	\$ 1,777,954	\$ (3,854,604)	\$ (189,464)	\$ 31,064	\$ (2,235,051)

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the year ended September 30, 2018

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property and Casualty	Total
Operating revenues					
Charges for services - internal	\$ 7,928,927	\$ 840,514	\$ 1,802,055	\$ 1,200,000	\$ 11,771,496
Participant premiums	1,511,314	272,041	-	-	1,783,355
Late fees	-	30	-	-	30
Stop loss reimbursements	594,819	-	13,499	-	608,318
Subrogation recoveries	-	-	4,459	161,091	165,550
Public assistance/school reimbursements	-	-	-	-	-
Rebates or refunds	454,873	87,164	22,572	-	564,608
Other	-	-	-	-	-
Total operating revenue	<u>10,489,933</u>	<u>1,199,749</u>	<u>1,842,585</u>	<u>1,361,091</u>	<u>14,893,357</u>
Operating expenses					
Costs of services	10,058,150	322,024	2,123,460	1,088,091	13,591,726
Administration	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	<u>10,058,150</u>	<u>322,024</u>	<u>2,123,460</u>	<u>1,088,091</u>	<u>13,591,726</u>
Operating income (loss)	431,783	877,724	(280,875)	272,999	1,301,631
Non-operating revenues (expenses)					
Actuarial adjustment	-	-	(304,412)	(21,168)	(325,580)
Investment earnings	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(304,412)</u>	<u>(21,168)</u>	<u>(325,580)</u>
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,534)</u>	<u>(202,534)</u>
Change in net position	431,783	877,724	(585,287)	49,297	773,517
Total net position, beginning of year	1,346,171	(1,484,301)	395,823	(18,233)	239,460
Prior period adjustment (note #17)	<u>-</u>	<u>(3,248,027)</u>	<u>-</u>	<u>-</u>	<u>(3,248,027)</u>
Net position at beginning of year, restated	1,346,171	(4,732,328)	395,823	(18,233)	(3,008,567)
Total net position, end of year	<u>\$ 1,777,954</u>	<u>\$ (3,854,604)</u>	<u>\$ (189,464)</u>	<u>\$ 31,064</u>	<u>\$ (2,235,051)</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended September 30, 2018

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Cash flows from operating activities					
Cash received from government	\$ 7,928,927	\$ 840,514	\$ 1,802,055	\$ 1,200,000	\$ 11,771,496
Cash received from participants	1,511,113	272,071	-	-	1,783,184
Cash received from stop loss reimbursements	594,819	-	13,499	1,584	609,902
Cash received from subrogation	-	-	4,459	161,091	165,550
Cash received from public assistance reimbursements	-	-	-	-	-
Cash received from rebates/overpayments	454,873	87,164	22,572	-	564,608
Payments to suppliers	(10,032,078)	(897,495)	(2,130,287)	(1,028,916)	(14,088,776)
Other cash receipts	-	-	-	-	-
Net cash provided (used) by operating activities	<u>457,654</u>	<u>302,253</u>	<u>(287,702)</u>	<u>333,759</u>	<u>805,964</u>
Cash flows from noncapital financing activities					
Transfer to other funds	-	-	-	(202,534)	(202,534)
Transfer from other funds	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(202,534)</u>	<u>(202,534)</u>
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	-	-	-	-	-
Payments of warrants	-	-	-	-	-
Cash paid for interest on debt	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities					
Interest and dividends received	-	-	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	457,654	302,253	(287,702)	131,225	603,429
Pooled cash and investments, beginning of year	1,883,951	1,714,491	751,825	485,024	4,835,291
Pooled cash and investments, end of year	<u>\$ 2,341,605</u>	<u>\$ 2,016,744</u>	<u>\$ 464,122</u>	<u>\$ 616,249</u>	<u>\$ 5,438,721</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 431,783	\$ 877,724	\$ (280,875)	\$ 272,999	\$ 1,301,631
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
OPEB (other post employment benefit) expense	-	(566,805)	-	-	(566,805)
(Increase) decrease in accounts receivable	(201)	-	-	1,584	1,383
Increase (decrease) in accounts payable and accrued expenses	26,072	(8,666)	(6,827)	59,176	69,755
(Increase) decrease in compensated absences payable & accrued salaries	-	-	-	-	-
Total adjustments	<u>25,871</u>	<u>(575,471)</u>	<u>(6,827)</u>	<u>60,760</u>	<u>(495,668)</u>
Net cash provided by operating activities	<u>\$ 457,654</u>	<u>\$ 302,253</u>	<u>\$ (287,702)</u>	<u>\$ 333,759</u>	<u>\$ 805,964</u>

OTHER SUPPLEMENTARY INFORMATION

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
E-911 Fund (Wired and Wireless)
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	2,305,000	2,305,000	2,171,921	(133,079)
Other	-	-	-	-
Total revenues	<u>2,305,000</u>	<u>2,305,000</u>	<u>2,171,921</u>	<u>(133,079)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,710,053	2,797,528	2,528,922	268,606
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>2,710,053</u>	<u>2,797,528</u>	<u>2,528,922</u>	<u>268,606</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,710,053</u>	<u>2,797,528</u>	<u>2,528,922</u>	<u>268,606</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(405,053)</u>	<u>(492,528)</u>	<u>(357,001)</u>	<u>135,527</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(405,053)	(492,528)	(357,001)	135,527
Fund balances, beginning of year	<u>953,243</u>	<u>953,243</u>	<u>953,243</u>	<u>-</u>
Fund balances, end of year	<u>\$ 548,190</u>	<u>\$ 460,715</u>	<u>\$ 596,242</u>	<u>\$ 135,527</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Seven Cent Gasoline Tax
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	891,000	891,000	915,643	24,643
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>891,000</u>	<u>891,000</u>	<u>915,643</u>	<u>24,643</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	2,440,423	3,940,423	1,583,057	2,357,366
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,440,423</u>	<u>3,940,423</u>	<u>1,583,057</u>	<u>2,357,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,549,423)</u>	<u>(3,049,423)</u>	<u>(667,414)</u>	<u>2,382,009</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,549,423)	(3,049,423)	(667,414)	2,382,009
Fund balances, beginning of year	<u>3,835,083</u>	<u>3,835,083</u>	<u>3,835,083</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,285,660</u>	<u>\$ 785,660</u>	<u>\$ 3,167,669</u>	<u>\$ 2,382,009</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Four and Five Cent Gasoline Tax
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	585,000	585,000	600,458	15,458
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>585,000</u>	<u>585,000</u>	<u>600,458</u>	<u>15,458</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	79,500	79,500	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>79,500</u>	<u>79,500</u>	<u>-</u>
Capital outlays	3,311,500	3,232,000	162,063	3,069,937
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,311,500</u>	<u>3,311,500</u>	<u>241,563</u>	<u>3,069,937</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,726,500)</u>	<u>(2,726,500)</u>	<u>358,896</u>	<u>3,085,396</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,726,500)	(2,726,500)	358,896	3,085,396
Fund balances, beginning of year	<u>3,799,853</u>	<u>3,799,853</u>	<u>3,799,853</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,073,353</u>	<u>\$ 1,073,353</u>	<u>\$ 4,158,748</u>	<u>\$ 3,085,396</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Jefferson County Road Tax
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	975,000	975,000	1,114,127	139,127
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>1,114,127</u>	<u>139,127</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	1,192,092	1,192,092	370,306	821,786
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,192,092</u>	<u>1,192,092</u>	<u>370,306</u>	<u>821,786</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(217,092)</u>	<u>(217,092)</u>	<u>743,821</u>	<u>960,913</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(217,092)	(217,092)	743,821	960,913
Fund balances, beginning of year	<u>1,542,631</u>	<u>1,542,631</u>	<u>1,542,631</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,325,539</u>	<u>\$ 1,325,539</u>	<u>\$ 2,286,452</u>	<u>\$ 960,913</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Stormwater
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	108,000	108,000	118,219	10,219
Other	-	-	1,090	1,090
Total revenues	<u>108,000</u>	<u>108,000</u>	<u>119,309</u>	<u>11,309</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	35,000	35,000	27,500	7,500
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	119,675	128,475	123,054	5,421
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>154,675</u>	<u>163,475</u>	<u>150,554</u>	<u>12,921</u>
Capital outlays				
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>154,675</u>	<u>163,475</u>	<u>150,554</u>	<u>12,921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(46,675)</u>	<u>(55,475)</u>	<u>(31,245)</u>	<u>24,230</u>
Other financing sources (uses)				
Transfers in	46,675	55,475	31,245	(24,230)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>46,675</u>	<u>55,475</u>	<u>31,245</u>	<u>(24,230)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Alabama Trust Fund Interest
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	700,000	700,000	693,840	(6,160)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>693,840</u>	<u>(6,160)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	4,015,844	3,765,844	197,354	3,568,490
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>4,015,844</u>	<u>3,765,844</u>	<u>197,354</u>	<u>3,568,490</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,315,844)</u>	<u>(3,065,844)</u>	<u>496,487</u>	<u>3,562,331</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,315,844)	(3,065,844)	496,487	3,562,331
Fund balances, beginning of year	<u>4,470,395</u>	<u>4,470,395</u>	<u>4,470,395</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,154,551</u>	<u>\$ 1,404,551</u>	<u>\$ 4,966,882</u>	<u>\$ 3,562,331</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Forfeiture
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	378,797	378,797
Investment income	-	-	41,202	41,202
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>420,000</u>	<u>420,000</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	28,616	28,616	-	28,616
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>28,616</u>	<u>28,616</u>	<u>-</u>	<u>28,616</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>28,616</u>	<u>28,616</u>	<u>-</u>	<u>28,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,616)</u>	<u>(28,616)</u>	<u>420,000</u>	<u>448,616</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(28,616)	(28,616)	420,000	448,616
Fund balances, beginning of year	<u>349,324</u>	<u>349,324</u>	<u>349,324</u>	<u>-</u>
Fund balances, end of year	<u>\$ 320,708</u>	<u>\$ 320,708</u>	<u>\$ 769,324</u>	<u>\$ 448,616</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Federal Forfeiture - Department of Justice
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	30,340	30,340
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	25	25
Total revenues	<u>-</u>	<u>-</u>	<u>30,365</u>	<u>30,365</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	87,237	87,237	21,260	65,977
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>87,237</u>	<u>87,237</u>	<u>21,260</u>	<u>65,977</u>
Capital outlays	25,000	25,000	22,554	2,446
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>112,237</u>	<u>112,237</u>	<u>43,814</u>	<u>68,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,237)</u>	<u>(112,237)</u>	<u>(13,449)</u>	<u>98,788</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(112,237)	(112,237)	(13,449)	98,788
Fund balances, beginning of year	<u>496,510</u>	<u>496,510</u>	<u>496,510</u>	<u>-</u>
Fund balances, end of year	<u>\$ 384,273</u>	<u>\$ 384,273</u>	<u>\$ 483,061</u>	<u>\$ 98,788</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Federal Forfeiture - Department of Treasury
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	83,229	83,229
Investment income	-	-	17,799	17,799
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>101,028</u>	<u>101,028</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	25,000	25,000	-	25,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>101,028</u>	<u>126,028</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(25,000)	(25,000)	101,028	126,028
Fund balances, beginning of year	<u>227,804</u>	<u>227,804</u>	<u>227,804</u>	<u>-</u>
Fund balances, end of year	<u>\$ 202,804</u>	<u>\$ 202,804</u>	<u>\$ 328,832</u>	<u>\$ 126,028</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court and Corrections
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	605,000	605,000	716,059	111,059
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	1,350	1,350
Other	-	-	17	17
Total revenues	<u>605,000</u>	<u>605,000</u>	<u>717,426</u>	<u>112,426</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,247,449	2,227,564	2,138,432	89,132
Library	-	-	-	-
Municipal court	1,176,213	1,176,268	1,149,600	26,668
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>3,423,662</u>	<u>3,403,832</u>	<u>3,288,032</u>	<u>115,800</u>
Capital outlays				
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,423,662</u>	<u>3,403,832</u>	<u>3,288,032</u>	<u>115,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,818,662)</u>	<u>(2,798,832)</u>	<u>(2,570,606)</u>	<u>228,226</u>
Other financing sources (uses)				
Transfers in	2,818,662	2,770,549	2,570,606	(199,943)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>2,818,662</u>	<u>2,770,549</u>	<u>2,570,606</u>	<u>(199,943)</u>
Net change in fund balances	-	(28,283)	-	28,283
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ (28,283)</u>	<u>\$ -</u>	<u>\$ 28,283</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Municipal Court Clerk
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	15,000	15,000	24,485	9,485
Other	-	-	-	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>24,485</u>	<u>9,485</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,000</u>	<u>15,000</u>	<u>24,485</u>	<u>9,485</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,000	15,000	24,485	9,485
Fund balances, beginning of year	<u>137,556</u>	<u>137,556</u>	<u>137,556</u>	<u>-</u>
Fund balances, end of year	<u>\$ 152,556</u>	<u>\$ 152,556</u>	<u>\$ 162,041</u>	<u>\$ 9,485</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court Training
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	15,000	15,000	18,807	3,807
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>18,807</u>	<u>3,807</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	12,820	12,820	892	11,928
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>12,820</u>	<u>12,820</u>	<u>892</u>	<u>11,928</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>12,820</u>	<u>12,820</u>	<u>892</u>	<u>11,928</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,180</u>	<u>2,180</u>	<u>17,914</u>	<u>15,734</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,180	2,180	17,914	15,734
Fund balances, beginning of year	<u>65,461</u>	<u>65,461</u>	<u>65,461</u>	<u>-</u>
Fund balances, end of year	<u>\$ 67,641</u>	<u>\$ 67,641</u>	<u>\$ 83,375</u>	<u>\$ 15,734</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court Referral Officer Program
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	62,866	62,866	63,149	283
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	95,000	95,000	144,025	49,025
Other	-	-	-	-
Total revenues	<u>157,866</u>	<u>157,866</u>	<u>207,174</u>	<u>49,308</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	183,722	181,696	170,295	11,401
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>183,722</u>	<u>181,696</u>	<u>170,295</u>	<u>11,401</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>183,722</u>	<u>181,696</u>	<u>170,295</u>	<u>11,401</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,856)</u>	<u>(23,830)</u>	<u>36,879</u>	<u>60,709</u>
Other financing sources (uses)				
Transfers in	25,525	23,438	-	(23,438)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>25,525</u>	<u>23,438</u>	<u>-</u>	<u>(23,438)</u>
Net change in fund balances	(331)	(392)	36,879	37,271
Fund balances, beginning of year	<u>60,056</u>	<u>60,056</u>	<u>60,056</u>	<u>-</u>
Fund balances, end of year	<u>\$ 59,725</u>	<u>\$ 59,664</u>	<u>\$ 96,935</u>	<u>\$ 37,271</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Traffic Safety
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	150,000	150,000	302,400	152,400
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>302,400</u>	<u>152,400</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	451,710	455,556	189,495	266,061
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>451,710</u>	<u>455,556</u>	<u>189,495</u>	<u>266,061</u>
Capital outlays	308,541	308,541	23,413	285,128
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>760,251</u>	<u>764,097</u>	<u>212,908</u>	<u>551,189</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(610,251)</u>	<u>(614,097)</u>	<u>89,492</u>	<u>703,589</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(610,251)	(614,097)	89,492	703,589
Fund balances, beginning of year	<u>1,157,461</u>	<u>1,157,461</u>	<u>1,157,461</u>	<u>-</u>
Fund balances, end of year	<u>\$ 547,210</u>	<u>\$ 543,364</u>	<u>\$ 1,246,953</u>	<u>\$ 703,589</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Municipal Court Judicial Administration
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	180,000	180,000	208,501	28,501
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>180,000</u>	<u>180,000</u>	<u>208,501</u>	<u>28,501</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	384,766	390,629	345,832	44,797
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>384,766</u>	<u>390,629</u>	<u>345,832</u>	<u>44,797</u>
Capital outlays	22,750	22,750	-	22,750
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>407,516</u>	<u>413,379</u>	<u>345,832</u>	<u>67,547</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(227,516)</u>	<u>(233,379)</u>	<u>(137,331)</u>	<u>96,048</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(227,516)	(233,379)	(137,331)	96,048
Fund balances, beginning of year	<u>441,902</u>	<u>441,902</u>	<u>441,902</u>	<u>-</u>
Fund balances, end of year	<u>\$ 214,386</u>	<u>\$ 208,523</u>	<u>\$ 304,571</u>	<u>\$ 96,048</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
General Grants
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	271,982	271,982	340,585	68,603
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	95,000	96,000	143,050	47,050
Charges for services	-	-	787	787
Other	-	-	-	-
Total revenues	<u>366,982</u>	<u>367,982</u>	<u>484,423</u>	<u>116,441</u>
Expenditures				
Current operations				
General government	72,500	73,500	1,000	72,500
Public safety	122,007	122,007	108,022	13,985
Library	18,750	18,750	13,818	4,932
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	3,133	3,133	225	2,908
Recreation services	23,258	23,258	16,852	6,406
Health	-	-	-	-
Total	<u>239,648</u>	<u>240,648</u>	<u>139,917</u>	<u>100,731</u>
Capital outlays	500,000	500,000	124,775	375,225
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>739,648</u>	<u>740,648</u>	<u>264,692</u>	<u>475,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(372,666)</u>	<u>(372,666)</u>	<u>219,730</u>	<u>592,396</u>
Other financing sources (uses)				
Transfers in	54,858	554,858	536,618	(18,240)
Transfers out	-	(500,000)	(500,000)	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>54,858</u>	<u>54,858</u>	<u>36,618</u>	<u>(18,240)</u>
Net change in fund balances	(317,808)	(317,808)	256,348	574,156
Fund balances, beginning of year	<u>687,650</u>	<u>687,650</u>	<u>687,650</u>	<u>-</u>
Fund balances, end of year	<u>\$ 369,842</u>	<u>\$ 369,842</u>	<u>\$ 943,998</u>	<u>\$ 574,156</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Other Capital Projects Fund
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	20,373,630	21,033,630	753,670	(20,279,960)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>20,373,630</u>	<u>21,033,630</u>	<u>753,670</u>	<u>(20,279,960)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	263,139	386,336	223,901	162,435
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>263,139</u>	<u>386,336</u>	<u>223,901</u>	<u>162,435</u>
Capital outlays	20,110,491	20,647,294	529,769	20,117,525
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>20,373,630</u>	<u>21,033,630</u>	<u>753,670</u>	<u>20,279,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	-	-	-	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,600,000	1,600,000	-	(1,600,000)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	1,607,553	2,607,553	186,310	(2,421,243)
Charges for services	-	-	-	-
Other	-	-	82,690	82,690
Total revenues	<u>3,207,553</u>	<u>4,207,553</u>	<u>269,000</u>	<u>(3,938,553)</u>
Expenditures				
Current operations				
General government	1,251,011	2,086,011	972,962	1,113,049
Public safety	38,857	145,711	107,656	38,055
Library	65,000	49,000	48,372	628
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	411,529	537,682	277,770	259,912
Recreation services	138,977	293,377	133,119	160,258
Health	-	-	-	-
Total	<u>1,905,374</u>	<u>3,111,781</u>	<u>1,539,879</u>	<u>1,571,902</u>
Capital outlays	18,857,147	24,652,957	6,222,304	18,430,653
Debt service				
Principal	951,454	3,805,454	951,200	2,854,254
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>21,713,975</u>	<u>31,570,192</u>	<u>8,713,383</u>	<u>22,856,809</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,506,422)</u>	<u>(27,362,639)</u>	<u>(8,444,383)</u>	<u>18,918,256</u>
Other financing sources (uses)				
Transfers in	-	4,213,534	4,309,498	95,964
Transfers out	(7,545,041)	(6,040,579)	(1,407,325)	4,633,254
Proceeds from debt	-	-	-	-
Total other financing sources (uses)	<u>(7,545,041)</u>	<u>(1,827,045)</u>	<u>2,902,173</u>	<u>4,729,218</u>
Special Items				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	(26,051,463)	(29,189,684)	(5,542,210)	23,647,474
Fund balances, beginning of year	<u>31,028,416</u>	<u>31,028,416</u>	<u>31,028,416</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,976,953</u>	<u>\$ 1,838,732</u>	<u>\$ 25,486,206</u>	<u>\$ 23,647,474</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
GOW 2016 Capital Projects Fund
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	-	-	-	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	192	191,030	190,838
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>192</u>	<u>191,030</u>	<u>190,838</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	32,858	1,373	1,372	1
Health	-	-	-	-
Total	<u>32,858</u>	<u>1,373</u>	<u>1,372</u>	<u>1</u>
Capital outlays	-	457,999	-	457,999
Debt service				
Principal	-	-	-	-
Issuance costs	-	-	-	-
Interest and fiscal charges	-	192	192	0
Total expenditures	<u>32,858</u>	<u>459,564</u>	<u>1,564</u>	<u>458,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,858)</u>	<u>(459,372)</u>	<u>189,466</u>	<u>648,838</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(31,911,562)	(31,943,048)	(25,990,836)	5,952,212
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	<u>(31,911,562)</u>	<u>(31,943,048)</u>	<u>(25,990,836)</u>	<u>5,952,212</u>
Special Items				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	<u>(31,944,420)</u>	<u>(32,402,420)</u>	<u>(25,801,370)</u>	<u>6,601,050</u>
Fund balances, beginning of year	<u>32,493,059</u>	<u>32,493,059</u>	<u>32,493,059</u>	<u>-</u>
Fund balances, end of year	<u>\$ 548,639</u>	<u>\$ 90,639</u>	<u>\$ 6,691,689</u>	<u>\$ 6,601,050</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Parks and Recreation Board
For the year ended September 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	-	-	-	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	35,899,298	33,597,567	27,398,161	6,199,406
Debt service				
Principal	-	-	-	-
Issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>35,899,298</u>	<u>33,597,567</u>	<u>27,398,161</u>	<u>6,199,406</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,899,298)</u>	<u>(33,597,567)</u>	<u>(27,398,161)</u>	<u>6,199,406</u>
Other financing sources (uses)				
Transfers in	35,899,298	33,597,567	27,398,161	(6,199,406)
Transfers out	-	-	-	-
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	<u>35,899,298</u>	<u>33,597,567</u>	<u>27,398,161</u>	<u>(6,199,406)</u>
Special Items				
Proceeds from the sale of land	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	132
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	137
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax. Schedules relating to property tax and sewer rates are also included.</i>	
Debt Capacity	147
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	151
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	153
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	
Other	156-158
<i>This schedule is a summary of information that is often requested by citizens and other interested individuals.</i>	

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

THE CITY OF HOOVER, ALABAMA
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 300,474,712	\$ 315,155,565	\$ 320,407,177	\$ 315,688,443	\$ 304,515,007	\$ 304,558,480	\$ 299,427,874	\$ 304,691,842	\$ 299,225,002	\$ 299,158,077
Restricted capital projects	14,921,949	21,707,247	-	-	-	-	-	-	-	-
Restricted for enabling legislation	4,104,890	6,121,528	9,999,398	11,032,748	15,513,389	17,259,510	18,412,862	17,604,524	18,224,928	19,595,084
Unrestricted (deficit)	25,030,075	22,944,883	45,276,047	50,794,003	49,629,314	55,806,575	15,803,631	8,524,236	(2,801,119)	(14,144,053)
Total governmental activities net position	344,531,626	365,929,222	375,682,621	377,515,193	369,657,710	377,624,564	333,644,368	330,820,602	314,648,811	304,609,108
Prior period adjustment	-	-	-	(487,808)	-	(46,176,687)	-	(688,983)	-	-
Total governmental activities net position, restated	\$ 344,531,626	\$ 365,929,222	\$ 375,682,621	\$ 377,027,385	\$ 369,657,710	\$ 331,447,877	\$ 333,644,368	\$ 330,131,619	\$ 314,648,811	\$ 304,609,108
Business-type activities										
Net investment in capital assets	\$ 20,744,083	\$ 19,258,810	\$ 17,577,471	\$ 16,041,550	\$ 14,548,454	\$ 13,354,039	\$ 12,632,753	\$ 11,458,243	\$ 10,496,432	\$ 9,643,298
Restricted capital projects	-	-	-	-	-	-	-	-	-	-
Restricted for enabling legislation	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	5,396,604	5,161,471	8,186,960	7,764,046	6,962,090	6,905,729	6,801,984	6,943,292	6,795,371	6,555,777
Total business-type activities net position	\$ 26,140,686	\$ 24,420,281	\$ 25,764,431	\$ 23,805,596	\$ 21,510,544	\$ 20,259,768	\$ 19,434,737	\$ 18,401,534	\$ 17,291,804	\$ 16,199,075
Primary government										
Net investment in capital assets	\$ 321,218,795	\$ 334,414,375	\$ 337,984,648	\$ 331,729,993	\$ 319,063,461	\$ 317,912,519	\$ 312,060,628	\$ 316,150,085	\$ 309,721,434	\$ 308,801,375
Restricted capital projects	14,921,949	21,707,247	-	-	-	-	-	-	-	-
Restricted for enabling legislation	4,104,890	6,121,528	9,999,398	11,032,748	15,513,389	17,259,510	18,412,862	17,604,524	18,224,928	19,595,084
Unrestricted (deficit)	30,426,678	28,106,354	53,463,006	58,558,049	56,591,404	62,712,304	22,605,615	15,467,528	3,994,252	(7,588,276)
Total primary government net position	\$ 370,672,312	\$ 390,349,503	\$ 401,447,052	\$ 401,320,790	\$ 391,168,255	\$ 397,884,333	\$ 353,079,105	\$ 349,222,137	\$ 331,940,615	\$ 320,808,183
Prior period adjustment	-	-	-	(487,808)	-	(46,176,687)	-	(688,983)	-	-
Total primary government net position, restated	\$ 370,672,312	\$ 390,349,503	\$ 401,447,052	\$ 400,832,982	\$ 391,168,255	\$ 351,707,646	\$ 353,079,105	\$ 348,533,154	\$ 331,940,615	\$ 320,808,183

¹ Prior period adjustments were as follows: FY 2012 - implementation of GASB 63 Deferred Outflows of Resources; FY 2014 - implementation of GASB 68 & 71 Pensions; FY 2016 - accounts receivable for consumers and sellers use tax;

THE CITY OF HOOVER, ALABAMA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 12,843,118	\$ 12,459,943	\$ 11,895,501	\$ 12,404,558	\$ 12,848,852	\$ 13,822,304	\$ 13,788,965	\$ 16,802,434	\$ 18,176,731	\$ 19,158,636
Public safety	43,857,205	42,186,343	43,231,843	42,984,050	45,105,811	46,571,430	46,824,862	49,579,647	50,172,991	52,367,500
Library	6,123,208	6,217,356	6,262,401	6,384,696	6,566,225	6,821,645	7,097,783	7,517,909	7,726,717	7,456,911
Municipal court	1,617,927	1,560,283	1,738,663	1,709,638	1,612,455	1,711,093	1,827,071	1,961,501	2,019,744	1,988,023
Sanitation	5,658,314	5,843,793	6,075,253	6,222,487	6,290,465	6,398,905	6,523,566	7,054,541	7,226,459	7,404,058
Education	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,345,881	2,546,000	5,000,000	5,000,000
Highway and roadway improvements	12,148,929	7,831,687	14,673,216	22,198,428	24,627,788	28,449,260	23,596,944	26,045,969	25,620,377	25,373,536
Recreation services	9,002,873	8,908,303	8,721,903	8,507,207	9,557,624	9,859,747	10,201,973	10,892,415	14,283,602	13,892,940
Health	268,116	268,098	282,764	292,368	234,855	69,022	71,658	72,440	74,729	75,867
Interest and fiscal charges	4,282,869	4,118,153	2,823,206	3,093,138	3,379,455	2,720,810	2,526,584	2,717,454	4,509,288	3,416,834
Total governmental activities expenses	<u>97,802,558</u>	<u>91,393,959</u>	<u>97,704,750</u>	<u>105,796,570</u>	<u>112,223,530</u>	<u>118,424,217</u>	<u>114,805,288</u>	<u>125,190,309</u>	<u>134,810,639</u>	<u>136,134,306</u>
Business-type activities:										
Redevelopment	-	-	-	75,557	9,124	-	-	-	-	-
Sewer services	5,259,834	5,779,443	5,870,227	5,668,850	5,728,105	5,426,087	5,011,715	5,071,445	5,330,066	5,205,666
Total business-type activities expenses	<u>5,259,834</u>	<u>5,779,443</u>	<u>5,870,227</u>	<u>5,744,407</u>	<u>5,737,229</u>	<u>5,426,087</u>	<u>5,011,715</u>	<u>5,071,445</u>	<u>5,330,066</u>	<u>5,205,666</u>
Total primary government expenses	<u>\$ 103,062,392</u>	<u>\$ 97,173,402</u>	<u>\$ 103,574,977</u>	<u>\$ 111,540,977</u>	<u>\$ 117,960,759</u>	<u>\$ 123,850,303</u>	<u>\$ 119,817,002</u>	<u>\$ 130,261,754</u>	<u>\$ 140,140,705</u>	<u>\$ 141,339,972</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,220,064	\$ 5,329,379	\$ 5,429,872	\$ 5,709,437	\$ 5,818,193	\$ 6,142,122	\$ 6,310,446	\$ 6,451,107	\$ 6,425,814	\$ 6,654,029
Public safety	2,608,890	4,907,942	4,785,120	5,635,298	4,847,602	5,635,528	5,739,816	6,434,191	5,274,732	7,049,020
Library	334,370	378,425	380,718	411,500	363,621	376,357	385,235	386,188	374,542	333,158
Municipal court	3,554,359	2,924,037	2,303,115	2,345,711	2,280,864	2,271,471	2,423,590	1,844,618	1,914,409	2,110,604
Sanitation	7,350	7,050	6,825	7,556	7,800	7,644	7,408	7,356	7,313	7,388
Highway and roadway improvements	118,153	150,419	195,188	144,167	120,796	-	203,927	113,225	110,863	120,392
Recreation services	1,512,610	1,546,139	1,587,456	1,419,588	1,571,631	152,715	1,512,562	1,374,357	1,201,239	1,073,542
Health	-	1,000	1,000	4,095	3,550	1,522,240	-	-	-	-
Operating grants and contributions	5,596,094	3,569,003	3,627,644	3,765,312	3,620,721	3,860,242	3,497,085	2,958,966	3,190,304	4,626,695
Capital grants and contributions	1,447,809	15,333,481	11,347,086	2,814,007	499,703	11,649,800	1,207,074	4,332,586	2,090,512	4,215,658
Total governmental activities program revenues	<u>20,399,700</u>	<u>34,146,875</u>	<u>29,664,024</u>	<u>22,256,671</u>	<u>19,134,481</u>	<u>31,618,121</u>	<u>21,287,145</u>	<u>23,902,594</u>	<u>20,589,728</u>	<u>26,190,485</u>
Business-type activities:										
Charges for services:										
Sewer services	3,924,511	4,050,686	4,195,985	3,760,435	3,729,376	4,130,508	4,139,558	3,993,577	4,147,413	3,879,312
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>3,924,511</u>	<u>4,050,686</u>	<u>4,195,985</u>	<u>3,760,435</u>	<u>3,729,376</u>	<u>4,130,508</u>	<u>4,139,558</u>	<u>3,993,577</u>	<u>4,147,413</u>	<u>3,879,312</u>
Total primary government program revenues	<u>\$ 24,324,211</u>	<u>\$ 38,197,561</u>	<u>\$ 33,860,009</u>	<u>\$ 26,017,106</u>	<u>\$ 22,863,857</u>	<u>\$ 35,748,629</u>	<u>\$ 25,426,702</u>	<u>\$ 27,896,171</u>	<u>\$ 24,737,141</u>	<u>\$ 30,069,797</u>

THE CITY OF HOOVER, ALABAMA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Continued										
Net (expense)/revenue										
Governmental activities	\$ (77,402,858)	\$ (57,247,085)	\$ (68,040,726)	\$ (83,539,899)	\$ (93,089,048)	\$ (86,806,095)	\$ (93,518,144)	\$ (101,287,714)	\$ (114,220,911)	\$ (109,943,821)
Business-type activities	(1,335,323)	(1,728,757)	(1,674,241)	(1,983,973)	(2,007,853)	(1,295,579)	(872,156)	(1,077,868)	(1,182,653)	(1,326,354)
Total primary government net expense	<u>\$ (78,738,181)</u>	<u>\$ (58,975,842)</u>	<u>\$ (69,714,968)</u>	<u>\$ (85,523,872)</u>	<u>\$ (95,096,901)</u>	<u>\$ (88,101,674)</u>	<u>\$ (94,390,300)</u>	<u>\$ (102,365,582)</u>	<u>\$ (115,403,564)</u>	<u>\$ (111,270,175)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Sales and use taxes	53,182,053	54,755,461	56,503,270	60,522,929	61,607,730	68,237,337	68,640,577	71,498,456	71,376,645	73,150,424
Property taxes	10,475,368	10,346,796	10,040,757	10,108,447	10,022,691	10,354,931	10,448,442	11,137,083	11,326,664	11,611,796
Franchise taxes	845,086	905,611	956,823	1,049,546	1,130,533	1,183,170	1,312,676	1,316,598	1,228,120	1,201,601
Gross receipts taxes	4,364,862	4,592,061	4,749,260	4,695,226	5,601,293	5,926,033	6,594,662	6,206,616	6,386,307	6,260,604
Other taxes	3,343,913	3,575,726	3,992,038	4,106,051	4,332,999	4,617,968	4,892,797	5,141,650	5,263,018	5,174,683
Intergovernmental shared revenues	2,998,692	2,517,021	2,375,635	2,744,975	3,923,181	2,895,221	2,918,648	3,148,841	3,107,514	3,048,565
Investment earnings	2,218,558	1,776,945	1,602,949	964,364	(1,254,273)	1,343,548	2,099,396	944,319	829,540	184,657
Other revenue	145,068	175,059	573,346	306,235	205,346	231,953	324,955	369,983	341,749	390,501
Gain (loss) on sale of assets	(85,987)	-	-	121,729	149,871	223,742	51,946	179,487	111,401	8,264
Special items	-	-	-	752,969	-	(240,953)	(1,569,466)	(1,479,085)	(1,232,857)	(1,019,586)
Total governmental activities	<u>77,487,614</u>	<u>78,644,681</u>	<u>80,794,077</u>	<u>85,372,472</u>	<u>85,719,373</u>	<u>94,772,950</u>	<u>95,714,635</u>	<u>98,463,949</u>	<u>98,738,103</u>	<u>100,011,509</u>
Business-type activities:										
Investment earnings	24,335	8,352	11,650	24,387	35,234	35,602	47,125	44,665	72,922	233,626
Gain (loss) on sale of assets	-	-	-	-	(123,095)	9,200	-	-	-	-
Other revenues	-	-	6,789	751	-	-	-	-	-	-
Total business-type activities	<u>24,335</u>	<u>8,352</u>	<u>18,439</u>	<u>25,138</u>	<u>(87,861)</u>	<u>44,802</u>	<u>47,125</u>	<u>44,665</u>	<u>72,922</u>	<u>233,626</u>
Transfers:										
Governmental activities	-	-	(2,999,952)	-	-	-	-	-	-	-
Business-type activities	-	-	2,999,952	-	-	-	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>							
Total primary government	<u>\$ 77,511,949</u>	<u>\$ 78,653,033</u>	<u>\$ 80,812,517</u>	<u>\$ 85,397,610</u>	<u>\$ 85,631,513</u>	<u>\$ 94,817,752</u>	<u>\$ 95,761,760</u>	<u>\$ 98,508,614</u>	<u>\$ 98,811,025</u>	<u>\$ 100,245,135</u>
Change in Net Position										
Governmental activities	84,756	21,397,596	9,753,399	1,832,572	(7,369,675)	7,966,854	2,196,491	(2,823,766)	(15,482,808)	(9,932,311)
Business-type activities	(1,310,988)	(1,720,405)	1,344,150	(1,958,835)	(2,095,714)	(1,250,776)	(825,031)	(1,033,203)	(1,109,731)	(1,092,729)
Total primary government	<u>(1,226,232)</u>	<u>19,677,191</u>	<u>11,097,549</u>	<u>(126,262)</u>	<u>(9,465,389)</u>	<u>6,716,078</u>	<u>1,371,460</u>	<u>(3,856,969)</u>	<u>(16,592,539)</u>	<u>(11,025,040)</u>

¹ Loss on sale of disposed assets is reflected in general government expenses beginning in FY 2010.

² Loss on sale of disposed assets is reflected in business expenses beginning in FY 2014.

THE CITY OF HOOVER, ALABAMA
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Pre GASB Statement No. 54:										
General fund										
Reserved for non-current receivable	\$ 260,306	\$ 234,581								
Reserved other	102,556	104,598								
Unreserved	¹ 30,937,137	31,060,821								
Total general fund	<u>31,300,000</u>	<u>31,400,000</u>								
All other governmental funds										
Reserved for capital projects	¹ \$ 13,439,823	\$ 12,483,560								
Unreserved, reported in:										
Special revenue funds	5,587,016	8,016,726								
Capital projects funds	<u>3,299,444</u>	<u>7,328,489</u>								
Total all other governmental funds	<u>22,326,283</u>	<u>27,828,774</u>								
Total all governmental funds	<u>\$ 53,626,283</u>	<u>\$ 59,228,774</u>								
Post GASB Statement No. 54:										
General fund										
Nonspendable	\$ 330,333	\$ 334,180	\$ 282,003	\$ 232,357	\$ 190,469	\$ 181,970	\$ 109,002	\$ 89,417		
Assigned	833,837	649,938	1,048,088	1,246,109	1,078,603	1,104,248	1,481,140	1,492,287		
Unassigned	<u>30,335,830</u>	<u>30,615,882</u>	<u>30,369,909</u>	<u>30,321,534</u>	<u>30,630,928</u>	<u>30,713,782</u>	<u>30,509,858</u>	<u>30,618,296</u>		
Total general fund	<u>31,500,000</u>	<u>31,600,000</u>	<u>31,700,000</u>	<u>31,800,000</u>	<u>31,900,000</u>	<u>32,000,000</u>	<u>32,100,000</u>	<u>32,200,000</u>		
All other governmental funds										
Restricted	\$ 9,999,397	\$ 11,032,748	\$ 15,513,389	\$ 17,259,510	\$ 18,412,862	\$ 17,604,524	\$ 18,224,929	\$ 19,595,083		
Committed	¹ 20,705,474	24,975,201	25,524,130	32,591,768	39,932,260	109,822,626	63,521,475	32,177,895		
Total all other governmental funds	<u>30,704,871</u>	<u>36,007,949</u>	<u>41,037,519</u>	<u>49,851,278</u>	<u>58,345,122</u>	<u>127,427,150</u>	<u>81,746,404</u>	<u>51,772,978</u>		
Total all governmental funds	<u>\$ 62,204,871</u>	<u>\$ 67,607,950</u>	<u>\$ 72,737,519</u>	<u>\$ 81,651,277</u>	<u>\$ 90,245,121</u>	<u>\$ 159,427,150</u>	<u>\$ 113,846,404</u>	<u>\$ 83,972,978</u>		

¹ Prior to FY 2011, a reservation in fund balance for ongoing capital projects was shown in the special revenue and capital projects funds. With the implementation of GASB Statement No. 54, capital projects were reclassified to committed.

² The implementation of GASB Statement No. 54 resulted in new classifications for governmental fund balance.

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 72,211,282	\$ 74,175,655	\$ 76,242,148	\$ 80,482,200	\$ 82,695,247	\$ 90,319,438	\$ 91,889,155	\$ 95,300,403	\$ 95,580,755	\$ 97,399,109
Licenses and permits	6,229,574	6,875,431	7,069,269	8,247,786	7,736,743	8,396,166	8,340,461	8,741,489	8,168,451	9,644,849
Intergovernmental	6,290,266	5,409,712	5,694,091	5,937,256	6,683,614	7,278,961	6,089,259	8,187,381	7,196,729	6,452,254
Fines and forfeits	3,716,045	4,054,336	2,752,503	2,569,717	2,520,752	2,811,396	2,988,406	2,707,985	2,163,345	2,541,435
Investment income	2,222,208	1,778,099	1,604,899	968,319	(1,250,044)	1,348,710	2,107,769	956,283	850,741	274,126
Rents and royalties	815,932	879,945	915,600	1,004,765	974,756	1,007,391	1,223,863	968,029	808,119	768,588
Contributions and reimbursements	3,702,758	1,061,255	1,078,960	1,283,304	1,331,676	1,479,866	1,239,078	574,808	519,146	598,085
Charges for services	2,590,304	3,433,024	3,949,779	3,848,768	3,776,945	3,887,706	4,021,148	4,181,415	4,147,633	4,302,701
Other	212,088	216,739	713,180	812,835	549,904	486,940	833,298	576,534	835,370	2,088,552
Total revenues	97,990,456	97,884,197	100,020,428	105,154,948	105,019,593	117,016,573	118,732,437	122,194,326	120,270,288	124,069,699
Expenditures										
General government	\$ 11,587,522	\$ 11,344,500	\$ 10,742,143	\$ 11,229,103	\$ 11,341,615	\$ 12,056,108	\$ 12,845,497	\$ 14,055,084	\$ 15,014,544	\$ 15,720,795
Public safety	40,873,486	41,051,186	42,623,081	42,230,120	42,276,810	43,929,875	43,981,307	45,913,826	47,409,835	49,250,774
Library	5,754,381	5,970,683	5,963,107	6,126,269	6,225,160	6,485,874	6,686,214	7,085,770	7,397,155	7,197,882
Municipal court	1,573,105	1,575,472	1,749,568	1,721,809	1,593,864	1,683,165	1,791,187	1,858,337	1,993,931	1,969,494
Sanitation	5,658,314	5,843,793	6,075,253	6,222,487	6,290,465	6,398,905	6,523,566	7,054,541	7,226,459	7,404,058
Education	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,345,881	2,546,000	5,000,000	5,000,000
Highway and roadway improvements	6,074,324	5,081,039	5,124,642	4,419,917	4,259,678	4,569,721	4,633,792	5,067,278	5,428,645	5,684,322
Recreation services	7,217,549	7,626,551	7,581,964	7,213,887	8,012,244	8,274,814	8,399,690	8,955,296	12,262,723	11,420,276
Health	256,706	262,444	279,050	288,451	272,476	69,022	71,658	72,440	74,729	75,867
Capital outlays	9,098,607	2,500,123	6,487,935	10,273,790	9,216,373	13,370,087	12,269,320	29,905,657	54,459,593	36,668,000
Debt service										
Principal	5,020,000	5,050,000	5,970,000	5,760,000	5,970,000	6,595,000	6,875,000	7,075,000	9,831,200	8,366,200
Interest	4,134,583	3,971,966	3,072,173	3,263,593	3,087,983	2,425,240	2,143,815	1,942,469	4,430,625	4,366,206
Issuance costs	-	-	538,697	-	134,710	-	-	543,529	-	-
Fiscal agent fees	4,900	3,950	2,200	2,447	2,200	4,050	2,200	3,300	3,116	2,200
Total expenditures	99,253,477	92,281,706	98,209,812	100,751,870	100,683,579	107,861,862	108,569,126	132,078,526	170,532,557	153,126,073
Excess of revenues over (under) expenditures	(1,263,021)	5,602,492	1,810,616	4,403,079	4,336,014	9,154,711	10,163,311	(9,884,200)	(50,262,269)	(29,056,374)
Other financing sources (uses)										
Transfers in	25,383,211	28,097,325	32,356,880	33,666,195	33,684,255	40,970,203	41,161,705	39,660,869	40,274,706	60,371,797
Transfers out	(25,383,211)	(28,097,325)	(35,356,832)	(33,666,195)	(33,684,255)	(40,970,203)	(41,161,705)	(39,660,869)	(40,203,925)	(60,169,263)
Bonds issued	-	-	58,510,000	-	11,280,000	-	-	68,615,000	4,756,000	-
Premium on bonds issued	-	-	6,276,046	-	70,801	-	-	11,930,312	-	-
Payment to bond refunding escrow agent	-	-	(60,620,613)	-	(10,557,245)	-	-	-	-	-
Discount on refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	1,165,481	-	793,556	-	-	80,545,312	4,826,781	202,534
Special items	-	-	-	1,000,000	-	(240,953)	(1,569,466)	(1,479,085)	(1,232,857)	(1,019,586)
Net changes in fund balances	\$ (1,263,021)	\$ 5,602,492	\$ 2,976,097	\$ 5,403,079	\$ 5,129,570	\$ 8,913,758	\$ 8,593,846	\$ 69,182,027	\$ (46,668,345)	\$ (29,873,425)
Debt service as a percentage of noncapital expenditures	9.64%	9.89%	9.82%	9.93%	9.58%	8.97%	9.27%	8.60%	12.10%	10.89%

THE CITY OF HOOVER, ALABAMA
General Governmental Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Sales & Use Taxes	Real Property Taxes	Motor Vehicle Property Taxes	In Lieu of Property Taxes	Residential Rental Taxes	Gross Receipts & Franchise Taxes	Lease/Rental Taxes	Lodging Taxes	Liquor Taxes	Wine Distributor Taxes	Total
2009	\$ 53,182,053	\$ 9,645,981	\$ 829,388	\$ 8,847	\$ 644,966	\$ 5,209,947	\$ 840,822	\$ 1,180,392	\$ 564,273	\$ 104,613	\$ 72,211,282
2010	54,755,461	9,537,895	808,901	-	766,826	5,497,673	891,985	1,245,767	560,657	110,491	74,175,655
2011	56,503,270	9,171,222	869,535	-	763,658	5,706,083	1,034,944	1,507,629	567,112	118,695	76,242,148
2012	60,522,929	9,149,342	959,105	-	800,752	5,744,772	965,358	1,603,469	613,970	122,502	80,482,200
2013	61,607,730	9,030,123	992,568	-	881,328	6,731,826	1,126,227	1,594,786	608,102	122,557	82,695,247
2014	68,237,337	9,355,136	999,795	-	895,209	7,109,203	1,252,482	1,752,327	591,047	126,902	90,319,438
2015	68,640,577	9,394,421	1,054,022	-	895,042	7,907,338	1,367,623	1,859,487	638,021	132,624	91,889,155
2016	71,498,456	9,990,589	1,146,495	-	997,089	7,523,214	1,412,069	1,872,176	730,689	129,627	95,300,403
2017	71,376,645	10,231,083	1,095,581	-	979,973	7,614,427	1,381,403	1,943,757	829,351	128,534	95,580,755
2018	73,150,424	10,587,613	1,024,183	-	919,825	7,462,205	1,377,968	1,897,861	846,524	132,504	97,399,109

THE CITY OF HOOVER, ALABAMA
Components of Sales and Use Tax Revenue - Estimated
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Merchandise Retail	¹ \$ 38,014,531	\$ 39,139,204	\$ 40,388,537	\$ 43,261,790	\$ 44,037,206	\$ 48,776,048	\$ 49,064,284	\$ 51,107,097	\$ 51,020,026	\$ 52,287,923
Auto Dealers and Supplies	¹ 4,344,974	4,473,521	4,616,317	4,944,723	5,033,352	5,574,990	5,607,935	5,841,424	5,831,472	5,976,390
Grocery Stores	¹ 2,893,104	2,978,697	3,073,778	3,292,447	3,351,461	3,712,111	3,734,047	3,889,516	3,882,889	3,979,383
Restaurants	¹ 4,547,066	4,681,592	4,831,030	5,174,710	5,267,461	5,834,292	5,868,769	6,113,118	6,102,703	6,254,361
Home Furnishings & Appliances	¹ 585,003	602,310	621,536	665,752	677,685	750,611	755,046	786,483	785,143	804,655
Pharmacy	¹ 372,274	383,288	395,523	423,661	431,254	477,661	480,484	500,489	499,637	512,053
Other Sales	¹ 2,425,102	2,496,849	2,576,549	2,759,846	2,809,312	3,111,623	3,130,010	3,260,330	3,254,775	3,335,659
Total	<u>\$ 53,182,053</u>	<u>\$ 54,755,461</u>	<u>\$ 56,503,270</u>	<u>\$ 60,522,929</u>	<u>\$ 61,607,730</u>	<u>\$ 68,237,337</u>	<u>\$ 68,640,577</u>	<u>\$ 71,498,456</u>	<u>\$ 71,376,645</u>	<u>\$ 73,150,424</u>

The City's portion or direct sales tax rate is 3% for all years shown above.

¹ These are estimates provided by the City Revenue Department. Sales tax data is not currently tracked by component.

THE CITY OF HOOVER, ALABAMA
Revenue Rates for General Sales Tax
Last Ten Fiscal Years

Jefferson County	¹	<u>Fiscal Year</u>	<u>City Sales Tax Rate</u>	<u>County Sales Tax Rate</u>	<u>State Sales Tax Rate</u>	<u>Total Sales Tax Rate</u>
		2009	3.0%	2.0%	4.0%	9.0%
		2010	3.0%	2.0%	4.0%	9.0%
		2011	3.0%	2.0%	4.0%	9.0%
		2012	3.0%	2.0%	4.0%	9.0%
		2013	3.0%	2.0%	4.0%	9.0%
		2014	3.0%	2.0%	4.0%	9.0%
		2015	3.0%	2.0%	4.0%	9.0%
		2016	3.0%	2.0%	4.0%	9.0%
	²	2017	3.0%	2.0%	4.0%	9.0%
	³	2018	3.0%	2.0%	4.0%	9.0%
Shelby County		<u>Fiscal Year</u>	<u>City Sales Tax Rate</u>	<u>County Sales Tax Rate</u>	<u>State Sales Tax Rate</u>	<u>Total Sales Tax Rate</u>
		2009	3.0%	1.0%	4.0%	8.0%
		2010	3.0%	1.0%	4.0%	8.0%
		2011	3.0%	1.0%	4.0%	8.0%
		2012	3.0%	1.0%	4.0%	8.0%
		2013	3.0%	1.0%	4.0%	8.0%
		2014	3.0%	1.0%	4.0%	8.0%
		2015	3.0%	1.0%	4.0%	8.0%
		2016	3.0%	1.0%	4.0%	8.0%
		2017	3.0%	1.0%	4.0%	8.0%
	³	2018	3.0%	1.0%	4.0%	8.0%

Source: State of Alabama Department of Revenue and The City of Hoover Revenue Department

- 1 Jefferson County passed a 1% sales tax increase effective January 1, 2005 that was dedicated to schools within the County.
- 2 As of August 1, 2017, the Jefferson County 1% education tax was replaced by a 1% special revenue tax.
- 3 On July 10, 2018, the City increased its sales tax rate to 3.5%. This rate went into effect on October 1, 2019 (FY 2019).

THE CITY OF HOOVER, ALABAMA
Revenue Rates for Automobile Sales Tax
Last Ten Fiscal Years

Jefferson County	<u>Fiscal Year</u>	<u>City Auto Tax Rate</u>	<u>County Auto Tax Rate</u>	<u>State Auto Tax Rate</u>	<u>Total Auto Tax Rate</u>
	2009	1.000%	0.750%	2.000%	3.750%
	2010	1.000%	0.750%	2.000%	3.750%
	2011	1.000%	0.750%	2.000%	3.750%
	2012	1.000%	0.750%	2.000%	3.750%
	2013	1.000%	0.750%	2.000%	3.750%
	2014	1.000%	0.750%	2.000%	3.750%
	2015	1.000%	0.750%	2.000%	3.750%
	2016	1.000%	0.750%	2.000%	3.750%
	2017	1.000%	0.750%	2.000%	3.750%
	2018	1.000%	0.750%	2.000%	3.750%

Shelby County	<u>Fiscal Year</u>	<u>City Auto Tax Rate</u>	<u>County Auto Tax Rate</u>	<u>State Auto Tax Rate</u>	<u>Total Auto Tax Rate</u>
	2009	1.000%	0.375%	2.000%	3.375%
	2010	1.000%	0.375%	2.000%	3.375%
	2011	1.000%	0.375%	2.000%	3.375%
	2012	1.000%	0.375%	2.000%	3.375%
	2013	1.000%	0.375%	2.000%	3.375%
	2014	1.000%	0.375%	2.000%	3.375%
	2015	1.000%	0.375%	2.000%	3.375%
	2016	1.000%	0.375%	2.000%	3.375%
	2017	1.000%	0.375%	2.000%	3.375%
	2018	1.000%	0.375%	2.000%	3.375%

Source: State of Alabama Department of Revenue and The City of Hoover Revenue Department

THE CITY OF HOOVER, ALABAMA
Principal Sales and Use Taxpayers
Current Year and Nine Years Ago

	Calendar Year ¹	
	2018	2009
	Rank	Rank
Costco	1	3
Wal-mart - 280 location	2	1
Wal-mart - 150 location (formerly US 31 location)	3	2
Sam's Club	4	4
AT&T Supply LLC		
Target	5	
Home Depot (Galleria)	6	10
CarMax	7	
Belk (formerly Parisian)	10	5
Publix - Highway 280 location	8	6
Best Buy	9	7
Macy's (Galleria/Rich's)		8
Publix (Highway 150 location)		9
Total Sales and Use Taxes - Principal Payers	23.95%	27.13%

Note: State law prohibits the disclosure of confidential taxpayer data, such as the amount of sales tax remitted for individual businesses

¹ The license year for businesses runs on a calendar year basis, which is what is reported here.

Source: The City of Hoover Revenue Department

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

Jefferson County:

Fiscal Year	Public Utility Property Class I		Real, Personal & Other Property Class II (A)		Real & Other Property Class III		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2009	\$ 69,671,380	\$ 232,237,933	\$ 578,485,790	\$ 2,892,428,950	\$ 373,587,877	\$ 3,735,878,770	\$ 1,021,745,047	\$ 6,860,545,653	14.89%
2010	61,894,500	206,315,000	562,440,502	2,812,202,510	382,592,034	3,825,920,340	1,006,927,036	6,844,437,850	14.71%
2011	45,858,760	152,862,533	560,438,060	2,802,190,300	379,793,300	3,797,933,000	986,090,120	6,752,985,833	14.60%
2012	40,169,020	133,896,733	559,092,291	2,795,461,455	381,789,068	3,817,890,680	981,050,379	6,747,248,868	14.54%
2013	38,091,900	126,973,000	547,099,437	2,735,497,185	378,255,739	3,782,557,390	963,447,076	6,645,027,575	14.50%
2014	38,483,800	128,279,333	561,203,300	2,806,016,500	380,555,320	3,805,553,200	980,242,420	6,739,849,033	14.54%
2015	36,915,020	123,050,067	576,185,360	2,880,926,800	395,294,500	3,952,945,000	1,008,394,880	6,956,921,867	14.49%
2016	37,373,340	124,577,800	645,104,220	3,225,521,100	407,623,600	4,076,236,000	1,090,101,160	7,426,334,900	14.68%
2017	33,942,200	113,140,667	653,291,200	3,266,456,000	423,502,020	4,235,020,200	1,110,735,420	7,614,616,867	14.59%
2018	30,452,700	101,509,000	663,073,600	3,315,368,000	442,524,720	4,425,247,200	1,136,051,020	7,842,124,200	14.49%

Shelby County:

Fiscal Year	Public Utility Property Class I		Real, Personal & Other Property Class II		Real & Other Property Class III		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2009	\$ 6,194,540	\$ 20,648,467	\$ 294,800,740	\$ 1,474,003,700	\$ 280,945,540	\$ 2,809,455,400	\$ 581,940,820	\$ 4,304,107,567	13.52%
2010	6,545,880	21,819,600	289,384,600	1,446,923,000	280,170,560	2,801,705,600	576,101,040	4,270,448,200	13.49%
2011	6,270,580	20,901,933	288,877,300	1,444,386,500	275,155,360	2,751,553,600	570,303,240	4,216,842,033	13.52%
2012	6,120,860	20,402,867	288,226,180	1,441,130,900	273,299,180	2,732,991,800	567,646,220	4,194,525,567	13.53%
2013	6,346,240	21,154,133	281,830,740	1,409,153,700	272,946,360	2,729,463,600	561,123,340	4,159,771,433	13.49%
2014	8,352,780	27,842,600	304,605,740	1,523,028,700	277,100,060	2,771,000,600	590,058,580	4,321,871,900	13.65%
2015	8,572,500	28,575,000	297,471,980	1,487,359,900	279,675,380	2,796,753,800	585,719,860	4,312,688,700	13.58%
2016	8,671,960	28,906,533	322,475,900	1,612,379,500	292,320,580	2,923,205,800	623,468,440	4,564,491,833	13.66%
2017	8,444,920	28,149,733	331,686,620	1,658,433,100	301,709,720	3,017,097,200	641,841,260	4,703,680,033	13.65%
2018	8,851,160	29,503,867	345,271,580	1,726,357,900	315,487,920	3,154,879,200	669,610,660	4,910,740,967	13.64%

Source: Jefferson County and Shelby County Tax Assessors - Reflects the fiscal year that the taxes become due and payable;

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

Jefferson County

Fiscal Year Ended September 30,	City of Hoover			Jefferson County				State of Alabama	Total Tax
	General Fund	City Schools	City Total	County County	School Schools	School District	County Total		
2009	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2010	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2011	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2012	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2013	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2014	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2015	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2016	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2017	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2018	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26

Shelby County

Fiscal Year Ended September 30,	City of Hoover			Shelby County				State of Alabama	Total Tax
	General Fund	City Schools	City Total	County County	School Schools	School District	Hospital		
2009	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2010	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2011	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2012	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2013	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2014	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2015	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2016	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2017	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2018	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65

Source: Jefferson and Shelby County Tax Collectors

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

Jefferson County:

<u>Fiscal Year</u>	<u>Estimated Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections*</u>	<u>Total Fiscal Year Property Tax Collections</u>
2009	\$ 5,995,736	\$ 6,031,066	100.59	\$ 8,083	\$ 6,039,149
2010	5,924,657	5,928,585	100.07	38,689	5,967,274
2011	5,765,254	5,652,653	98.05	25,094	5,677,747
2012	5,602,312	5,664,417	101.11	75,328	5,739,745
2013	5,626,477	5,657,085	100.54	6,584	5,663,669
2014	5,714,083	5,741,924	100.49	139,071	5,880,994
2015	5,986,636	5,929,185	99.04	31,141	5,960,326
2016	6,500,907	6,325,568	97.30	18,655	6,344,223
2017	6,640,701	6,504,347	97.95	7,916	6,512,263
2018	6,802,010	6,637,122	97.58	11,059	6,648,181

Shelby County:

<u>Fiscal Year</u>	<u>Estimated Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections*</u>	<u>Total Property Tax Collections</u>
2009	\$ 3,600,312	\$ 3,605,250	100.14	\$ 1,582	\$ 3,606,832
2010	3,556,845	3,567,194	100.29	3,427	3,570,621
2011	3,501,064	3,488,426	99.64	5,049	3,493,476
2012	3,391,231	3,408,296	100.50	1,302	3,409,597
2013	3,353,344	3,362,990	100.29	3,464	3,366,454
2014	3,476,804	3,473,446	99.90	696	3,474,142
2015	3,441,802	3,429,776	99.65	4,319	3,434,094
2016	3,676,601	3,618,096	98.41	28,270	3,646,366
2017	3,791,776	3,716,392	98.01	2,428	3,718,820
2018	3,960,686	3,938,658	99.44	774	3,939,432

* Property tax collections are remitted to the City by both counties and they do not include the corresponding tax levy year for delinquent collections. As a result, delinquent tax collections represent the fiscal year the City received the funds.

The current collections in certain years exceed the levy. In Shelby County, this is because its computer system cannot separate out school exemptions, and since all dollars are sent to us and then we remit to the schools some collections could exceed the levy. For both counties, they include penalties in their tax submittals, so we cannot pull those out of the current collections number (class ii property)

THE CITY OF HOOVER, ALABAMA
Principal Property Taxpayers
Current Year and Nine Years Ago

	Fiscal Year			
	2018		2009	
	City Only Ad Valorem Taxes	Rank	City Only Ad Valorem Taxes	Rank
Hoover Mall Limited LP (Jeffco)	\$ 247,924	1	\$ 183,836	2
AT&T Services (Jeffco)	232,754	2	98,811	7
Alabama Power Co (Jeffco)	125,588	3	63,691	10
Blue Cross & Blue Shield (Jeffco)	103,361	4	170,268	3
Star Ridge Crossings LLC (Jeffco)	86,652	5		
Amsouth Bank (Jeffco)	85,427	6	103,617	6
Regions Bank (Jeffco) formerly Amsouth	80,900	7		
Regions Bank Successor to Merger to Amsouth (Shelco)	80,024	8	104,029	5
Arc Pcbiral001 LLC (Jeffco)	72,996	9		
HPT Sunbelt Portfolio LLC (Shelco)	70,709	10		
Bellsouth Telecommunications LLC (Jeffco)			321,609	1
Teachers Insurance & Annuity Assoc of America (Shelco)			107,765	4
AIG Baker Hoover LLC (Jeffco)			86,192	8
Meadowbrook Properties (Shelco)			59,983	11
I&G Inverness Retail LLC (Shelco)			68,968	9
Total - Principal Property Taxpayers	\$ 1,186,334		\$ 1,368,770	
Total - All Real Property Taxpayers	\$ 10,587,613		\$ 9,645,981	

Source: Jefferson and Shelby County Tax Collectors

Top 10 Lists are combined from both counties within the City to reach the top 10 for the City overall

Similar property owners are listed separately

THE CITY OF HOOVER, ALABAMA
Rates for the Sewer Enterprise Fund
Last Ten Fiscal Years

Rate Per 100 Cubic Feet of Water Consumption

<u>Fiscal Year ¹</u>	<u>Commercial</u>	<u>Residential (15% Discount)</u>
2009	\$ 5.39	\$ 4.58
2010	5.39	4.58
2011	5.39	4.58
2012	5.39	4.58
2013	5.39	4.58
2014	5.39	4.58
2015	5.39	4.58
2016	5.39	4.58
2017	5.39	4.58
2018	5.39	4.58

¹ Represents rate in place at the end of the fiscal year

THE CITY OF HOOVER, ALABAMA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Population</u>		<u>Per Capita</u>
	<u>General Obligation Warrants & Loans</u>	<u>General Obligation Warrants</u>						
2009	\$ 89,420,000	\$ 29,995,000	\$ 119,415,000	\$ 3,082,881,168	3.87%	81,616	²	1,463
2010	84,370,000	29,145,000	113,515,000	3,159,063,395	3.59%	81,619	¹	1,391
2011	80,265,000	28,260,000	108,525,000	3,370,134,561	3.22%	83,649	²	1,297
2012	74,505,000	27,345,000	101,850,000	3,537,580,500	2.88%	84,530	²	1,205
2013	69,705,000	26,915,000	96,620,000	3,567,670,650	2.71%	85,249	²	1,133
2014	63,110,000	25,830,000	88,940,000	3,671,449,650	2.42%	86,245	²	1,031
2015	59,222,221	26,622,125	85,844,346	3,855,936,768	2.23%	87,128	²	985
2016	131,897,784	25,290,055	157,187,839	3,939,499,224	3.99%	88,393	²	1,778
2017	124,974,926	23,938,351	148,913,277	4,047,957,435	3.68%	88,393	²	1,685
2018	115,217,055	22,567,016	137,784,071	4,338,253,215	3.18%	90,183	³	1,528

¹ Federal Census
² House Consultants
³ City Planning Department

THE CITY OF HOOVER, ALABAMA
Ratios of Net General Obligation Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Debt (Governmental and Business-Type Activities)</u>	<u>Estimated Actual Value of Taxable Property</u> ³	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2009	\$ 119,415,000	\$ 11,164,653,220	1.07%	81,616 ¹	1,463
2010	113,515,000	11,114,886,050	1.02%	81,619 ²	1,391
2011	108,525,000	10,969,827,867	0.99%	83,649 ¹	1,297
2012	101,850,000	10,941,774,435	0.93%	84,530 ¹	1,205
2013	96,620,000	10,804,799,008	0.89%	85,249 ¹	1,133
2014	88,940,000	11,061,720,933	0.80%	86,245 ¹	1,031
2015	85,844,346	11,269,610,567	0.76%	87,128 ¹	985
2016	157,187,839	11,990,826,733	1.31%	88,393 ¹	1,778
2017	148,913,277	12,318,296,900	1.21%	88,393 ¹	1,685
2018	137,784,071	12,752,865,167	1.08%	90,183 ⁴	1,528

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

- ¹ House Consultants
- ² Federal Census
- ³ Jefferson and Shelby County
- ⁴ City Planning Department

THE CITY OF HOOVER, ALABAMA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2018

	<u>Total Debt Outstanding</u>	Estimated Percentage Applicable to City of Hoover ¹	<u>Amount Applicable to City of Hoover</u>
Direct Debt:			
City of Hoover	<u>\$ 115,217,055</u>	100.00%	<u>\$ 115,217,055</u>
Total direct debt	<u>115,217,055</u>		<u>115,217,055</u>
Overlapping Debt:			
Hoover City Board of Education	168,065,000	100.00%	168,065,000
Jefferson County	481,360,000	9.78%	47,095,309
Jefferson County Board of Education	225,351,353	9.78%	22,047,930
Shelby County	37,281,030	12.25%	4,568,115
Shelby County Board of Education	<u>175,079,774</u>	12.25%	<u>21,452,857</u>
Total overlapping debt	<u>1,087,137,157</u>		<u>263,229,212</u>
Total direct and overlapping debt	<u><u>\$ 1,202,354,212</u></u>		<u><u>\$ 378,446,267</u></u>

Note: No specific revenue base is associated with debt repayment.

¹ The percentage applicable to the City of Hoover is calculated by taking the population for the City in the applicable county and dividing it by the estimated population in the same county.

THE CITY OF HOOVER, ALABAMA
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 347,029,661	\$ 342,547,931	\$ 339,234,792	\$ 340,676,828	\$ 337,394,643	\$ 346,478,748	\$ 352,810,727	\$ 380,314,802	\$ 386,863,346	\$ 394,472,149
Total net debt applicable to limit	119,415,000	113,515,000	108,525,000	101,850,000	96,620,000	88,940,000	81,180,000	141,550,000	135,269,800	125,663,600
Legal debt margin	<u>\$ 227,614,661</u>	<u>\$ 229,032,931</u>	<u>\$ 230,709,792</u>	<u>\$ 238,826,828</u>	<u>\$ 240,774,643</u>	<u>\$ 257,538,748</u>	<u>\$ 271,630,727</u>	<u>\$ 238,764,802</u>	<u>\$ 251,593,546</u>	<u>\$ 268,808,549</u>
Total net debt applicable to the limit as a percentage of debt limit	34.41%	33.14%	31.99%	29.90%	28.64%	25.67%	23.01%	37.22%	34.97%	31.86%

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed value of property: ¹				
Jefferson County	\$ 1,113,862,616	\$ 1,206,470,170	\$ 1,224,770,689	\$ 1,242,467,824
Shelby County	650,191,020	695,103,840	709,546,040	729,892,920
Total assessed value of property	<u>1,764,053,636</u>	<u>1,901,574,010</u>	<u>1,934,316,729</u>	<u>1,972,360,744</u>
Debt limit - 20 percent of total assessed value	352,810,727	380,314,802	386,863,346	394,472,149
Debt applicable to limit:				
General obligation warrants	<u>81,180,000</u>	<u>141,550,000</u>	<u>135,269,800</u>	<u>125,663,600</u>
Legal debt margin	<u>\$ 271,630,727</u>	<u>\$ 238,764,802</u>	<u>\$ 251,593,546</u>	<u>\$ 268,808,549</u>

Note: *Amendment 268* of the Alabama Constitution of 1901 states that no municipality shall become indebted in an amount, including present indebtedness, exceeding 20 percent of the assessed value of property therein. There are certain exemptions in the aforementioned amendment as well as other amendments.

¹ Includes assessed value of motor vehicles totaling \$181,740,049 (Jefferson County - \$114,035,269 and Shelby County - \$67,704,780).

Source: Jefferson County and Shelby County Tax Assessors

THE CITY OF HOOVER, ALABAMA
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (Birmingham-Hoover MSA)</u> ⁵	<u>School Enrollment</u> ³	<u>Unemployment Rate</u> ⁴
2009	81,616 ²	\$ 3,082,881,168	37,773	12,875	5.8%
2010	81,619 ¹	3,159,063,395	38,705	13,099	5.6%
2011	83,649 ²	3,370,134,561	40,289	13,384	5.1%
2012	84,530 ²	3,537,580,500	41,850	13,718	4.2%
2013	85,249 ²	3,567,670,650	41,850	13,884	3.8%
2014	86,245 ²	3,671,449,650	42,570	13,907	4.0%
2015	87,128 ²	3,855,936,768	44,256	13,856	4.1%
2016	88,393 ²	3,939,499,224	44,568	13,938	4.2%
2017	88,393 ²	4,047,957,435	45,795	13,983	3.2%
2018	90,183 ⁶	4,338,253,215	48,105	13,898	2.8%

¹ Federal Census

² House Consultants

³ Hoover City Schools

⁴ Alabama Department of Industrial Relations

⁵ U.S. Department of Commerce, Bureau of Economic Analysis (no update for 2013)

⁶ City Planning Department

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

Employer	2018			2009		
	Employees ¹	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Regions Bank (formerly Amsouth)	3,307	1	na	1,765	3	na
Blue Cross Blue Shield of Alabama	2,612	2		3,500	1	
Hoover Board of Education	1,880	3		1,970	2	
Bellsouth Telecommunications	955	4		1,099	5	
Wal-mart - 2 locations/Sam's Club - 1 location/ Neighborhood Market - 1 location	944	5		840	7	
City of Hoover	811	6		744	8	
DST Health Solutions	629	7		na		
SunGard/FIS	556	8		na		
Publix - 4 locations	517	9		515	10	
Southern Company Services/Southern Nuclear	461	10		1,450	6 & 9	²
B E & K Construction/Engineering	na			1,178	4	
Total top 10	12,672			13,061		
Total all employees in the City	na			na		

Source: The City of Hoover Revenue Department estimates

¹ The City does not have an occupational tax or other mechanism to accurately know these numbers (na)

² Southern Company Services and Southern Nuclear were separate employers in 2009

THE CITY OF HOOVER, ALABAMA
City Government Positions by Function and Department
Last Ten Fiscal Years

	Fiscal Year																			
	2009		2010		2011		2012		2013		2014		2015		2016		2017		2018	
	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO
General government																				
Administration	15	8	14	8	14	8	14	8	15	8	15	8	15	8	15	9	17	8	18	9
Building services	16	0	15	0	15	0	15	0	14	0	14	0	14	0	14	0	14	0	14	0
Finance	8	0	8	0	8	0	9	0	6	0	6	0	6	0	6	0	5	0	5	0
Information & Reporting	0	0	0	0	0	0	0	0	5	0	6	0	6	0	6	0	7	0	7	0
Fleet	6	0	6	0	6	0	6	0	6	0	6	0	7	0	7	0	8	0	8	0
Human resources	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0
Purchasing	0	0	0	0	0	0	1	0	2	0	2	0	2	0	2	0	2	0	2	0
Revenue	10	0	9	0	9	0	8	0	8	0	8	0	8	0	9	0	9	0	8	1
Technology	8	0	8	0	8	0	8	0	6	0	6	0	7	0	7	0	7	0	7	0
Total general government	68	8	65	8	65	8	66	8	67	8	68	8	70	8	71	9	74	8	74	10
Public safety																				
Police																				
Officers	157	0	157	0	157	0	157	0	157	8	157	10	157	10	167	12	167	14	168	21
Civilians	33	2	33	2	35	2	35	2	37	2	37	2	37	2	37	4	37	4	36	4
Fire																				
Firefighters and officers	159	12	160	9	160	9	160	9	160	9	160	12	160	12	160	17	160	17	159	17
Civilians	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Communications/dispatch																				
Officers	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	0	0
Civilians	27	0	27	0	27	0	27	0	27	0	28	2	29	1	32	1	32	1	33	1
Inspection services	21	0	18	0	18	0	18	0	18	0	18	0	18	0	20	0	17	0	17	0
Total public safety	399	14	397	11	399	11	399	11	401	19	402	26	403	25	418	34	415	36	414	43
Library	44	59	44	59	44	59	44	59	43	64	43	65	44	64	47	65	47	65	47	65
Municipal court	14	0	14	0	14	0	14	0	15	1	16	0	16	0	15	0	15	0	15	0
Highway and roadway																				
Engineering and horticulture	6	0	5	0	5	0	6	0	6	0	6	0	6	0	7	0	9	0	9	0
Public works	31	0	30	0	30	0	30	0	30	0	30	0	29	3	29	5	32	4	32	4
Total highway and roadway	37	0	35	0	35	0	36	0	36	0	36	0	35	3	36	5	41	4	41	4
Recreation services																				
Recreation & Senior center	24	32	24	32	20	32	20	32	20	33	20	33	21	32	22	32	22	31	20	31
Park maintenance & Met	36	6	37	6	37	6	37	6	39	6	39	6	39	8	39	8	38	8	38	8
Total recreation services	60	38	61	38	57	38	57	38	59	39	59	39	60	40	61	40	60	39	58	39
Health																				
Animal control	2	0	2	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Total health	2	0	2	0	2	0	2	0	0	0										
Sewer	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Total approved positions	625	119	619	116	617	116	619	116	622	131	625	138	629	140	649	153	653	152	650	161

Note: FT = full-time, PT = part-time, TP = temporary/seasonal, and EO = elected official

¹ Changes from FY 2017 to FY 2018 are as follows:

General gov: Transferred FT Parks & Rec Mgr (5020) to Comm Svcs Off (0110); Added 1 TP PT Admin Svcs Spec (0310); Deleted FT Rev Aud and Added TP Rev Off (1220);

Public safety : Transferred 1 FT Pol Lieutenant from 1910 to 2075; Added 7 PT Police Officer Reserve SRO (4) and Lib Sec (3); Deleted 1 FT Admin Asst Sr (2010); Deleted 1 FT Fire Batt Chief (2110); Added Public Safety Comm Mgr (1910);

Recreation: Transferred FT Parks & Rec Mgr (5020) to Comm Svcs Off (0110); Reduced hrs for Rec Asst Sr from FT to PT 25 hrs (5020); Deleted Rec Asst Sr TP 29 hrs (5050);

THE CITY OF HOOVER, ALABAMA
Operating Indicators by Function
Last Ten Fiscal Years

	Fiscal Year										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Function											
General Government											
Employees hired	⁷	79	86	74	77	108	88	113	126	116	72
Business licenses issued	⁸	9,247	9,265	9,355	9,463	9,642	9,818	10,023	10,042	9,885	9,837
Public safety:											
Police											
Arrests (adults only)	³	4,241	3,976	3,625	3,329	3,621	3,386	3,330	3,119	3,430	3,513
Fire											
Number of calls:	⁶										
Emergency medical services		5,955	6,146	6,171	6,296	6,309	6,673	6,888	6,756	7,171	7,309
Fire		1,296	1,480	1,355	1,407	1,262	1,337	1,357	1,443	1,419	1,430
Service/other		1,715	2,034	2,047	1,690	1,530	1,901	1,912	2,013	2,106	2,299
Total fire calls		8,966	9,660	9,573	9,393	9,101	9,911	10,157	10,212	10,696	11,038
Inspections											
Building permits issued		1,368	1,748	1,832	1,976	1,698	1,711	1,920	1,977	2,395	2,391
Library											
Materials checked out	⁹	1,630,981	1,663,743	1,631,044	1,575,465	1,537,483	1,486,501	1,417,070	1,437,316	1,379,230	1,416,285
Municipal court											
Non-traffic court cases	⁵	3,911	3,544	3,072	2,788	3,213	2,451	3,088	2,792	2,967	3,068
Traffic cases	⁵	25,063	17,583	13,800	16,995	13,142	12,943	10,847	10,644	14,759	14,378
Adjudicated cases	⁵	28,143	21,508	15,827	16,341	15,679	15,675	14,256	12,214	15,690	18,188
Failure to appear warrants	⁵	5,856	4,609	3,507	3,456	3,494	3,859	3,956	2,557	3,007	4,086
Other warrants	⁵	2,036	1,413	939	679	1,156	831	707	582	734	445
Sanitation											
Single homes:											
Regular garbage service	⁴	22,680	23,074	23,434	23,757	23,992	24,253	24,578	25,086	25,365	25,634
Backdoor garbage service		50	50	58	65	84	101	114	239	278	302
Recreation services											
Average daily recreation center visits	²	634	666	682	600	613	559	526	601	585	582
Sewer											
Average daily flow (gallons per day):											
Inverness	¹⁰	926,000	802,000	946,000	995,000	990,000	925,250	922,000	898,000	890,000	916,000
Riverchase	¹⁰	1,649,000	1,321,000	1,207,000	1,207,000	1,278,000	1,180,500	1,232,000	1,048,000	1,213,000	1,226,000

¹ Assume fiscal year unless otherwise noted

² Source: Recreation Center (based on a calendar year)

³ Source: Police Department (based on a calendar year)

⁴ Source: Finance Department (data indicates # of homes serviced in September of the associated fiscal year)

⁵ Source: Municipal Court (based on a calendar year)

⁶ Source: Hoover Fire Department (based on a calendar year)

⁷ Source: Human Resources Department

⁸ Source: Revenue Department (based on a calendar year)

⁹ Source: Library

¹⁰ Source: Engineering Department (based on a calendar year)

THE CITY OF HOOVER, ALABAMA
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Vehicles	38	38	38	39	38	35	39	41	43	47
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	4	4	4	4	4	4	4	5	5	5
Vehicles	211	211	215	256	260	246	267	257	259	259
Fire:										
Fire stations	9	9	9	9	9	10	10	10	10	10
Vehicles	51	52	53	65	61	63	65	61	63	60
Other public safety:										
Vehicles	19	15	15	13	13	17	20	14	13	13
Library										
Vehicles	2	2	2	2	2	1	0	2	2	2
Municipal Court										
Vehicles	4	4	4	4	4	4	5	4	4	3
Highway and roadways										
Streets (miles) ¹	293	306	306	306	306	306	306	306	306	306
Streetlights ³	490	492	492	504	504	507	507	507	507	531
Traffic signals & flashers:										
Jefferson County	74	75	75	78	78	77	80	81	85	88
Shelby County	30	30	30	30	30	30	30	31	29	29
Vehicles	56	56	57	61	56	58	62	58	60	58
Recreation services										
Lakes ²	6	6	6	6	8	8	8	8	8	8
Acres ²	24	24	24	24.25	34.65	34.65	34.65	34.65	34.65	34.65
Parks ²	23	23	23	25	28	28	28	28	27	28
Acres ²	837	837	837	1,012.50	1,054.50	1,054.50	1,054.50	1,054.50	1,150.50	1,151.00
Vehicles	39	40	40	46	43	48	45	40	44	43
Health										
Vehicles	3	3	3	3	0	0	0	0	0	0
Sewer										
Sanitary sewer miles	89	89	95	95	95	95	95	98	98	98
Vehicles	1	1	3	1	1	1	0	0	1	1

na - not available

¹ FY 2007 decreased because previously some gated communities were included and should not have been and FY 2008 decreased because county maintained were removed (Source: road inventory - modified approach)

² Source: Risk management

³ FY 2014 had 43 lights along hwy 31 temporarily taken down for a road project. These will be replaced and put back in service so included in the numbers above.

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
Last Ten Fiscal Years
by Expenditure Category

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Revenues										
Taxes	\$ 72,211,282	\$ 74,175,655	\$ 76,242,148	\$ 80,482,200	\$ 82,695,247	\$ 90,319,438	\$ 91,889,155	\$ 95,300,403	\$ 95,580,755	\$ 97,399,109
Licenses and permits	6,229,574	6,875,431	7,069,269	8,247,786	7,736,743	8,396,166	8,340,461	8,741,489	8,168,451	9,644,849
Intergovernmental	1,351,460	1,185,123	1,370,354	1,374,773	1,564,665	1,644,068	1,719,614	2,093,474	1,975,649	1,970,782
Fines and forfeits	2,041,619	1,828,929	1,554,483	1,445,970	1,309,657	1,257,371	1,125,878	822,488	856,693	833,643
Investment income	2,219,454	1,777,052	1,602,359	962,731	(1,254,153)	1,343,663	2,091,745	884,921	340,440	(6,245)
Rents and royalties	815,932	879,945	915,600	1,004,765	974,756	1,007,391	1,223,863	968,029	808,119	768,588
Contributions and reimbursements	1,141,824	1,041,763	1,070,154	1,012,160	1,207,298	1,157,617	1,113,450	282,192	293,795	268,724
Charges for services	1,507,850	1,698,856	1,938,012	1,691,326	1,669,595	1,568,726	1,593,581	1,724,447	1,596,183	1,841,914
Other	212,088	216,739	322,309	747,091	549,779	486,376	829,371	572,493	835,016	2,004,730
Total revenues	87,731,082	89,679,493	92,084,686	96,968,802	96,453,588	107,180,816	109,927,119	111,389,935	110,455,100	114,726,093
Expenditures										
Personnel expenditures	48,989,721	49,731,893	50,274,586	49,717,446	49,483,887	52,363,451	52,668,806	55,711,848	59,194,186	60,381,178
Operating expenditures	20,859,644	21,072,024	22,685,814	22,538,316	23,543,736	24,547,175	24,819,509	26,069,829	27,893,498	29,662,437
Total operating	69,849,364	70,803,917	72,960,400	72,255,761	73,027,622	76,910,626	77,488,315	81,781,677	87,087,684	90,043,615
Education	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,345,881	2,546,000	5,000,000	5,000,000
Total operating with education	71,849,364	72,803,917	74,960,400	74,255,761	75,027,622	78,910,626	79,834,195	84,327,677	92,087,684	95,043,615
Capital expenditures	463,420	51,064	282,350	644,096	409,657	352,875	576,429	348,541	213,665	34,245
Debt service:										
Principal	5,020,000	5,050,000	5,970,000	5,760,000	5,970,000	6,595,000	6,875,000	7,075,000	8,880,000	7,415,000
Interest	4,134,583	3,971,966	3,072,173	3,263,593	3,087,983	2,417,535	2,143,815	1,942,469	4,429,929	4,366,015
Issuance costs	-	-	538,697	-	134,710	-	-	-	-	-
Fiscal agent fees	4,900	3,950	2,200	2,447	2,200	4,050	2,200	2,200	3,116	2,200
Total expenditures	81,472,267	81,880,897	84,825,820	83,925,897	84,632,173	88,280,086	89,431,639	93,695,886	105,614,394	106,861,075
Excess (deficiency) of revenues over (under) expenditures	6,258,816	7,798,596	7,258,866	13,042,905	11,821,414	18,900,730	20,495,480	17,694,049	4,840,706	7,865,019
Other financing sources (uses)										
Transfers in	19,212,170	19,537,761	20,859,333	20,723,291	21,169,285	22,415,673	22,332,288	23,545,905	25,368,458	25,525,669
Transfers out	(25,370,986)	(27,236,357)	(32,183,633)	(33,666,195)	(33,684,255)	(40,967,744)	(41,158,302)	(39,660,869)	(29,963,906)	(32,271,102)
Capital portion of refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	58,510,000	-	11,280,000	-	-	-	-	-
Premium on bonds issued	-	-	6,276,046	-	70,801	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	(60,620,613)	-	(10,557,245)	(7,705)	-	-	-	-
Total other financing sources (uses)	(6,158,816)	(7,698,596)	(7,158,866)	(12,942,905)	(11,721,414)	(18,559,776)	(18,826,014)	(16,114,964)	(4,595,447)	(6,745,433)
Special Items										
Revenue rebate to developer	-	-	-	-	-	(240,953)	(1,569,466)	(1,479,085)	(1,232,857)	(1,019,586)
Total special items	-	-	-	-	-	(240,953)	(1,569,466)	(1,479,085)	(1,232,857)	(1,019,586)
Net change in fund balances	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	(987,599)	100,000
Fund balances, beginning of year	31,200,000	31,300,000	31,400,000	31,500,000	31,600,000	31,700,000	31,800,000	31,900,000	32,000,000	32,100,000
Prior period adjustment	-	-	-	-	-	-	-	-	1,087,599	-
Fund balances, end of year	\$ 31,300,000	\$ 31,400,000	\$ 31,500,000	\$ 31,600,000	\$ 31,700,000	\$ 31,800,000	\$ 31,900,000	\$ 32,000,000	\$ 32,100,000	\$ 32,200,000

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
Last Ten Fiscal Years
by Expenditure Category

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
% Increase in revenue over prior year	-8.32%	2.22%	2.68%	5.30%	-0.53%	11.12%	2.56%	1.33%	-0.84%	3.87%
% Increase in personnel \$ over prior year	1.60%	1.51%	1.09%	-1.11%	-0.47%	5.82%	0.58%	5.78%	6.25%	2.01%
% Personnel to revenue	55.84%	55.46%	54.60%	51.27%	51.30%	48.86%	47.91%	50.02%	53.59%	52.63%
% Payroll to all expenditures & transfers out (excludes transfers to fund 303)	57.68%	59.57%	55.43%	57.18%	56.01%	57.46%	56.50%	57.05%	54.17%	54.65%
% Increase in gf departmental expenditures and net transfers out except fund 303	-2.35%	0.77%	3.37%	-0.47%	0.74%	5.21%	1.04%	5.21%	6.30%	3.18%
Transfer to fund 101 (general fund)	\$ (12,225)	\$ (453)	\$ (374)	\$ -	\$ -	\$ (2,459)	\$ (3,403)	\$ -	\$ (178)	\$ (50,000)
Transfer to fund 201 (e911)	1,337,360	96,776	-	-	508,333	-	-	-	-	-
Transfer to fund 214 (stormwater)	-	-	-	-	-	-	-	-	40,313	31,245
Transfer to fund 215 (court corrections)	1,863,362	1,227,736	2,362,566	2,531,983	2,607,003	2,571,781	2,179,118	2,369,515	2,388,637	2,570,606
Transfer to fund 218 (court referral)	-	-	-	-	-	-	-	-	-	-
Transfer to fund 230 (cdbg)	-	-	38,482	-	-	-	-	-	-	-
Transfer to fund 235 (general grants)	263,806	286,076	386,098	463,602	334,481	35,891	38,164	102,350	29,922	36,618
Transfer to fund 262 (fed forfeiture)	-	-	-	30,400	-	-	-	-	-	-
Transfer to fund 303 (capital projects)	2,706,509	6,088,461	4,917,959	9,913,517	8,659,018	15,946,858	16,612,135	13,643,098	2,136,754	4,156,964
Transfer to fund 304 (gow 2010 projects)	-	-	3,619,568	-	-	-	-	-	-	-
Transfer to fund 306 (gow 2013 projects)	-	-	-	-	406,135	-	-	-	-	-
Transfer to fund 390 (aldot projects)	3	-	-	3,403	-	-	-	-	-	-
Net (transfers in) out	\$ 6,158,816	\$ 7,698,596	\$ 11,324,299	\$ 12,942,905	\$ 12,514,970	\$ 18,552,071	\$ 18,826,014	\$ 16,114,964	\$ 4,595,447	\$ 6,745,433

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 2018

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (7 members)

Population:

1968	410	(A)
1970	1,393	(A)
1980	19,792	(A)
1990	39,788	(A)
2000	62,742	(A)
2010	81,619	(A)
2018	90,183	(E)

Estimated number of housing units:

Owner occupied (townhomes or single family detached)	26,352	(B)
Renter occupied (multi-family or group quarters)	<u>11,709</u>	(B)
Total	<u><u>38,061</u></u>	(B)

Public Schools (Established August 29, 1988):

Buildings:		
High Schools	2	(C)
Intermediate School	1	(C)
Middle Schools	3	(C)
Elementary Schools	10	(C)
Crossroads School	<u>1</u>	(C)
Total	<u><u>17</u></u>	(C)

Area (Square Miles): 49.12 (D)

Source:
(A) Federal Census
(B) House Consultants
(C) City Board of Education
(D) GIS Department/City Clerk
(E) City Planning Department