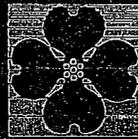


THE CITY OF HOOVER, ALABAMA



Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 1993

THE CITY OF HOOVER, ALABAMA

**Comprehensive Annual Financial Report
For The Fiscal Year Ended
September 30, 1993**

Office of the Finance Director

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



Brenda Bailey Acton
1943 - 1993

THE CITY OF HOOVER, ALABAMA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 1993

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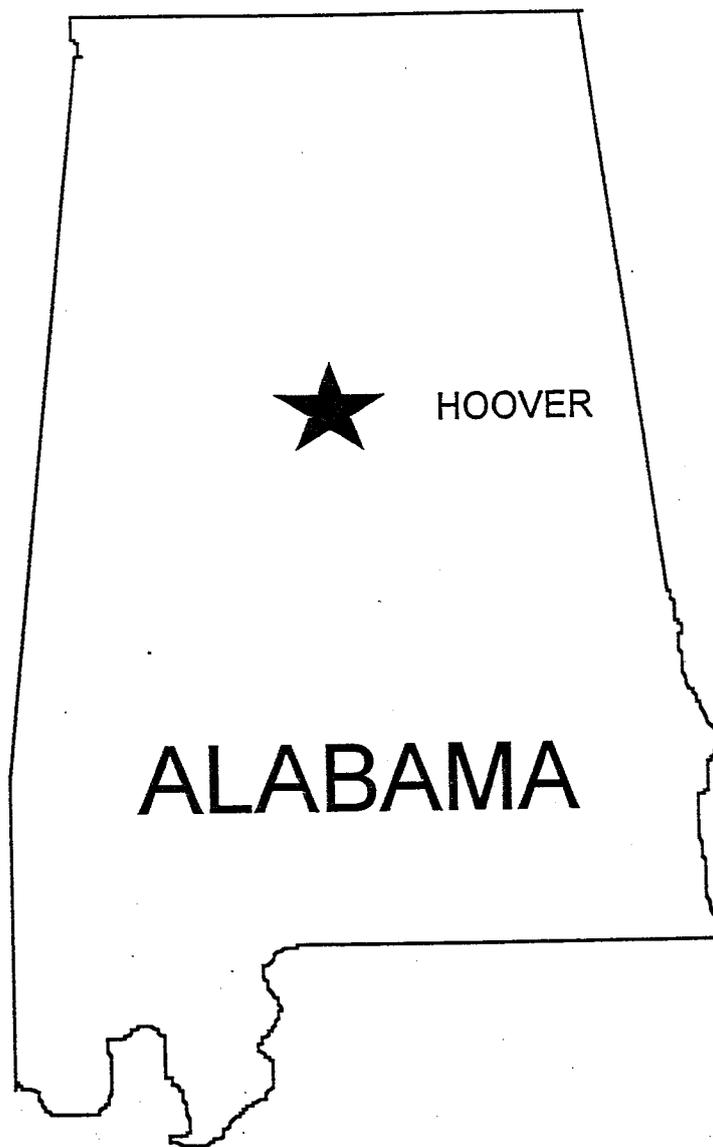
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INTRODUCTORY SECTION

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**THE CITY OF HOOVER, ALABAMA
INTRODUCTION**

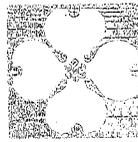


The City of Hoover, Alabama is located in Jefferson and Shelby Counties in north central Alabama and is included in the Birmingham Metropolitan area. The City occupies approximately 37 square miles and has a population of approximately 48,000.

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City of Hoover

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HOOVER, AL. 35216
POST OFFICE BOX 360628
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HOOVER

February 16, 1994

To the Citizens of The City of Hoover, Alabama

The comprehensive annual financial report of The City of Hoover, Alabama (the City) for the fiscal year ended September 30, 1993, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

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

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate single audit report. The single audit report will be made available upon request.

This report includes all funds and account groups of the City. The City provides a full range of services. These services include public safety (police, fire and inspection), infrastructure maintenance, sanitation, recreation, public library, public improvements, planning and zoning, and general administration. In addition to general government activities, the governing body exercises, or has the ability to exercise, oversight of the Parks and Recreation Board and the Library Board; therefore, these activities are included in the reporting entity. The Hoover City Board of Education is included in the financial reporting entity by discrete presentation, that is, it is shown in a separate column thereby segregating it from the primary government. This is the first time the Board of Education has been included. Based on criteria set forth in Statement Number 14 of the Governmental Accounting Standards Board entitled "The Financial Reporting Entity" effective for periods beginning after December 15, 1992, the City is required to make this change. The City's substantial financial support of the Board of Education made this change necessary. The City of Hoover Industrial Development Board and The City of Hoover Medical Clinic Board have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

Because of continued revenue growth in the first quarter of fiscal year 1994 and the passage of an additional one cent sales tax early in calendar year 1994, the City seems assured of continued economic well being. The tax increase, which should initially generate approximately ten million dollars annually, will make it possible to make infrastructure maintenance expenditures and major capital expenditures that were delayed in earlier years because of limited resources. By City Council resolution, one half of the sales tax increase must be spent on major capital expenditures and/or early debt retirement or go unspent to build up the General Fund balance.

City officials continue to be committed to balanced budgets and sound financial management.

MAJOR INITIATIVES FOR 1993

Elected officials were sworn in on October 5, 1992. All incumbents had been elected to serve another four year term except Mrs. Sheila Trimm Mickler, who chose not to seek reelection. She was replaced by Mrs. Johanna J. Hutto.

The Board of Education (The Board) moved its central office into the second floor of the City Hall on January 11, 1993, to effect a substantial savings in occupancy expenditures. This is a temporary arrangement until The Board acquires its own facility.

The first annual "Southern Voices Writers Conference" was held by the Library on February 5-6, 1993. Mrs. Rosalynn Carter was the featured speaker. The Conference brought several outstanding writers to the City and was well publicized and attended. It is intended that this be an annual event in the future.

On March 12-13, 1993, the City experienced a winter snowstorm unprecedented in this century. One and one half to two feet of snow fell on the City in a few hours. The snow was accompanied by high winds. Trees were uprooted or broken. Utility poles and lines were downed. Trees and utility lines blocked streets. Streets and highways, including Interstate 65 and 459 were impassable. Motorists were stranded and most residents were without electric power during several days of sub-freezing temperatures. Led by the Mayor and other officials, the City mobilized its resources to cope with this unusual occurrence. Shelters were opened for stranded motorists and residents without heat. Food was obtained by purchase or donation from local businesses. Private four-wheel drive vehicles were employed for fire and rescue activities. Road clearing equipment was borrowed or rented and utilized. Employees and volunteers worked overtime to deal with this crisis. The City can be proud of the way it handled this natural disaster.

FOR THE FUTURE

Subsequent to fiscal year end, on October 14, 1993, the City advance refunded those General obligation warrants then outstanding upon which substantial debt service savings could be realized. The City issued General obligation taxable warrants of \$7,490,000 and General obligation refunding warrants of \$43,155,000 to provide resources to purchase U.S. Government securities. The securities were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the refunded debt. As a result, the refunded General obligation warrants are considered to be defeased. The advance refunding will reduce total debt service payments over the next 27 years by approximately \$4.3 million.

After serving more than five years on the City Council, having been reelected in 1992 for a second four year term, Richard Linn resigned from the Council on December 15, 1993, to take a position in the City of Hoover Fire Department. On January 3, 1994, the City Council unanimously selected Brian Skelton, a local businessman, to replace Mr. Linn.

Subsequent to fiscal year end, on December 6, 1993, by agreement with a major developer, the City began annexing unimproved property to the southwest boundary of the City. When completed, a total of 2,400 acres will be annexed. This will provide a corridor for future commercial and residential growth well into the next century.

The City's Inverness sewage treatment plant, which was acquired in fiscal 1990 under terms of the Inverness annexation agreement, is badly in need of extensive and costly repairs. Concurrently, Shelby County has a large sewage treatment plant near-by that has not been used because the County does not have enough customers to operate it. The City is presently negotiating with Shelby County officials to reach an agreement for the County to take the sewage from the Inverness plant so that it can be shut down. The City estimates that the cost to accomplish this will approximate \$2 million, probably payable over two years.

Fire Station Number 7 in Inverness will be completed in the spring of 1994 at a cost of approximately \$900,000. Due to the distance to the facility from the Municipal Complex, the fire station will serve as a combination fire hall and police precinct. Located in an upscale residential neighborhood, the station will closely resemble a family residence to blend with the surrounding area.

DEPARTMENT FOCUS - PARKS AND RECREATION

The Hoover Parks and Recreation Department's main objective is to provide a comprehensive parks and recreation system consisting of modern well-equipped facilities and organized programs for all ages. It is also our goal to provide positive recreational experiences which contribute to the individual's physical, social, emotional, cultural and educational growth and development to enrich his/her quality of life.

The Hoover Parks System has expanded to now include twelve locations for the public's enjoyment. Those parks include Sertoma Park, Star Lake Park, Riverchase Park, Georgetown Lake Park, Hoover Athletic Park, Shades Mountain Park, Howard Lake and the Lake House, Simmons tennis center and softball field, Bluff Park Community Center, Hoover Metropolitan Stadium, Russet Woods Park and the Hoover Recreation Center.

The participation at each of these locations has increased significantly through 1992-1993. The Birmingham Barons, who play at the Met, have led the Southern League in attendance for the last six years.

The membership at the Hoover Recreation Center has increased from 3,200 in July 1992 to 11,009 in July 1993. The Department had reached the point in July 1993 where one in every four residents was a member of the Recreation Center. The Athletic participation total for 1992-1993 was 4,100 persons. Participation for classes such as Arts and Crafts, Karate and Aerobics was 3,820. Total participation for all programs increased by 36% over the previous year.

The Parks and Recreation Department will continue to provide new programs and additional facilities to keep pace with the tremendous growth of Hoover.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The internal control structure is subject to periodic tests and evaluation by independent auditors.

BUDGETING CONTROLS

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

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

GENERAL GOVERNMENT FUNCTIONS

The following schedules present a summary of General Fund and Special Revenue Funds revenues for the fiscal year ended September 30, 1993, and the amount and percentages of increases and decreases in relation to prior year revenues.

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1992</u>	<u>Percent of Increase (Decrease)</u>
Taxes	\$21,984,391	66.13 %	\$1,749,342	8.65 %
Licenses and Permits	6,083,992	18.30	862,319	16.51
Intergovernmental	2,091,689	6.30	671,218	47.25
Fines and forfeits	461,024	1.39	6,497	1.43
Interest earned	782,258	2.35	(29,429)	(3.63)
Stadium lease	229,527	0.69	23,444	11.38
Other	<u>1,609,216</u>	<u>4.84</u>	<u>661,753</u>	69.85
Total	<u>\$33,242,097</u>	<u>100.00 %</u>	<u>\$3,945,144</u>	13.47 %

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

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1992</u>	<u>Percent of Increase (Decrease)</u>
Sales and use taxes	\$18,970,697 (A)	57.07 %	\$1,692,369	9.80 %
Business licenses	4,002,574 (B)	12.04	284,284	7.65
Property taxes	2,898,359 (A)	8.14	(124,149)	(4.39)
Intergovernmental	2,091,689	6.30	671,218	47.25
Building permits	1,438,142 (B)	4.33	518,460	56.37
Interest earned	782,258	2.35	(29,429)	(3.63)
Fines and forfeits	461,024	1.39	6,497	1.43
Enhanced 911	409,105 (C)	1.23	92,998	29.42
Stadium lease	229,527	.69	23,444	11.38
All other revenues	<u>1,958,722 (D)</u>	<u>6.46</u>	<u>09,452</u>	60.27
Total revenues	<u>\$33,242,097</u>	<u>100.00 %</u>	<u>\$3,945,144</u>	13.47 %

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

Taxes	\$ 115,335
Licenses and permits	643,276
Other	<u>1,200,111</u>
	<u>\$1,958,722</u>

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

<u>Fiscal Year</u>	<u>Sales and Use Tax Revenues</u>	<u>Percent of Total Revenues</u>	<u>Percent of Increase from previous Year</u>
1984	\$ 4,002,656(A)	51.9 %	121.5 %
1985	5,028,805	53.9	25.6
1986	7,576,464(B)	61.6	50.7
1987	10,415,505	65.6	37.5
1988	11,607,404	64.1	11.4
1989	12,716,945	61.4	9.6
1990	15,003,431	61.1	18.0
1991	15,911,832	57.7	6.1
1992	17,278,328	59.0	8.6
1993	18,970,697	57.1	9.8

(A) The City raised its sales and use tax rate from 1% to 2% (except on automobiles) effective October 1, 1983.

(B) The Riverchase Galleria shopping mall opened in February, 1986.

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

<u>Fiscal Year</u>	<u>Business Licenses Revenue</u>	<u>Percent of Total Revenue</u>	<u>Percent of Increase from previous Year</u>
1984	\$1,128,678	14.6 %	11.2 %
1985	1,191,356	12.8	5.6
1986	1,461,599	11.9	22.7
1987	2,011,474	12.7	37.6
1988	2,260,556	12.5	12.4
1989	2,737,541	13.2	21.1
1990	3,232,457	13.2	18.1
1991	3,581,808	13.0	10.8
1992	3,718,290	12.7	3.8
1993	4,002,574	12.0	7.7

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

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

<u>Fiscal Year</u>	<u>Property Tax Revenue</u>	<u>Percent of Total Revenue</u>	<u>Percent of Increase (Decrease) from previous Year</u>
1984	\$ 945,470	12.3 %	18.1 %
1985	1,111,157	11.9	17.5
1986	987,239	8.0	(11.2)
1987	1,269,528	8.0	28.6
1988	1,518,902	8.4	19.6
1989	2,135,976	10.3	40.6
1990	2,322,404	9.5	8.7
1991	2,612,328	9.5	12.5
1992	2,828,634	9.7	8.3
1993	2,898,359	8.7	2.5

Assessed real and personal property values have grown from \$138 million in fiscal 1983 to \$455 million in fiscal 1993. The City's property tax is 6 1/2 mills for general government use.

Intergovernmental revenues consist primarily of various state and county taxes shared with the City on a pro-rata basis. As the City has grown these revenues have increased. In fiscal 1993, intergovernmental revenues increased about 47% and comprised 6.30% of total revenues.

The following schedule presents a summary of General Fund and Special Revenue Funds expenditures for the fiscal year ended September 30, 1993, and the percentage of increases and decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1992</u>	<u>Percent of Increase (Decrease)</u>
Current				
General government	\$ 3,110,641	9.71 %	\$ 343,696	12.42 %
Public safety	11,558,397	36.08	897,162	8.42
Municipal court	231,597	.72	(27,743)	(10.70)
Streets and sanitation	3,764,589	11.75	231,559	6.55
Recreation	1,499,082	4.68	328,965	28.11
Library	1,404,550	4.38	110,440	8.53
Health	131,824	.41	25,871	24.42
Capital outlays	594,672	1.86	(2,160,872)	(78.42)
Debt service				
Principal	1,641,079	5.12	321,718	24.38
Interest	3,540,589	11.05	(109,819)	(3.01)
Intergovernmental				
City Board of				
Education	<u>4,554,809</u>	<u>14.24</u>	<u>54,809</u>	<u>1.22</u>
Total expenditures	<u>\$32,031,829</u>	<u>100.00 %</u>	<u>\$ 15,786</u>	<u>.05</u>

In addition to the above expenditures, operating transfers totaling \$304,368 were made from the General Fund to subsidize operations of the Sewer Enterprise Fund.

Expenditures for personal services including salaries, retirement contributions and other employee benefits totalled \$14,397,271 in fiscal 1993, compared to \$13,255,792 in fiscal 1992. This was an increase of \$1,141,479. The increase resulted primarily from a 4% across the board pay increase and merit raises.

Personal services expenditures comprised 66.3% of operating expenditures and 44.9% of total expenditures in fiscal 1993 as compared to 67% of operating expenditures and 41.4% of total expenditures in fiscal 1992.

General government expenditures in fiscal 1993 increased \$343,696 (12.42%) over fiscal 1992. Clean up and repair expenditures of \$162,535 related to the winter storm mentioned above account for about half of this increase.

Recreation expenditures in fiscal 1993 increased \$328,965 (28.11%) over fiscal 1992. Personnel and operating expenditure for the new recreation center which did not open until late in fiscal 1992 account for most of this increase.

Capital outlays from general and special revenue funds totalled \$594,672 in fiscal 1993, a decrease of \$2,160,872 from 1992. Capital outlays were as follows:

	<u>Land</u>	<u>Construction</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
General Government					
Administration	-	\$ 3,887	-	\$104,319	\$108,206
Municipal garage	-	-	-	-	-
Total general government	-	<u>3,887</u>	-	<u>104,319</u>	<u>108,206</u>
Public safety					
Police	-	48,425	\$166,903	83,975	299,303
Fire	-	-	-	40,304	40,304
Inspection	-	-	<u>26,679</u>	<u>26,671</u>	<u>53,350</u>
Total public safety	-	<u>48,425</u>	<u>193,582</u>	<u>150,950</u>	<u>392,957</u>
Municipal court	-	-	-	<u>22,238</u>	<u>22,238</u>
Streets and sanitation	-	-	<u>45,252</u>	<u>17,000</u>	<u>62,252</u>
Recreation	-	<u>3,548</u>	-	<u>5,471</u>	<u>9,019</u>
Library	-	-	-	-	-
Health	-	-	-	-	-
Totals	-	<u>\$55,860</u>	<u>\$238,834</u>	<u>\$299,978</u>	<u>\$594,672</u>

Continued on Page 9.

GENERAL AND SPECIAL REVENUE FUND BALANCES

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Reserved for noncurrent loans receivable	\$ 8,465,000	\$ -
Reserved for prepaid items	93,721	-
Unreserved and undesignated	<u>1,854,533</u>	<u>543,655</u>
Total	<u>\$10,413,254</u>	<u>\$543,655</u>

None of the Special Revenue funds had a deficit at September 30, 1993.

CAPITAL PROJECTS FUNDS

During fiscal year 1993, the City had two capital projects funds as set forth below:

1983 Capital Projects Fund - This was the original capital projects fund of the City used to account for the funds received and expended for capital projects since 1983, except for those funds accounted for in the 1990 Capital Projects Fund established in fiscal 1990. City management expended all remaining assets of the 1983 Capital Projects Fund during fiscal year 1993.

1990 Capital Projects Fund - This capital projects fund was established in September of 1990 to separately account for the proceeds of general obligation warrants issued to finance the construction and equipping of a library, recreation center, fire station and other capital improvements.

A summary of the capital expenditures from the 1990 Capital Projects Fund is as follows:

<u>Project</u>	<u>1993</u>	<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>Total</u>
Recreation center	\$ 802,500	\$3,591,406	\$1,597,011	\$ -	\$ 5,990,917
Library	1,635	1,942,339	3,473,768	28,263	5,446,005
Fire station	464,463	-	42,134	-	506,597
Street improvements	-	87,863	689,692	6,325	783,880
Recreation facility improvements	<u>318,114</u>	<u>47,674</u>	<u>415,634</u>	<u>-</u>	<u>781,422</u>
Totals	<u>\$1,586,712</u>	<u>\$5,669,282</u>	<u>\$6,218,239</u>	<u>\$34,588</u>	<u>\$13,508,821</u>

ENTERPRISE OPERATIONS

The City's only enterprise fund is a Sewer Enterprise Fund which accounts for the operations of the Riverchase and Inverness sewage treatment plants.

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

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

The Sewer Enterprise Fund incurred losses for the fiscal years ended September 30, 1993 and 1992 of \$226,293 and \$591,840, respectively. The Sewer Enterprise Fund has an accumulated deficit of \$3,939,929 at September 30, 1993. The City acquired the sewage treatment plants as a part of the Riverchase and Inverness annexations. It was anticipated that the plants would operate at a deficit, but that the deficit incurred would be greatly offset by taxes and licenses revenue derived from the annexed areas as well as by contributed capital from new customers in the form of tap fees. The City has received revenue from the annexed areas substantially in excess of the Sewer Enterprise Fund operating deficit. Additionally, tap fees collected through September 30, 1993 totalled \$1,423,758.

CASH MANAGEMENT

Cash temporarily idle during the year was invested in a bank public funds investment account and in bank certificates of deposit. The average yield on investments was 3.33%.

The city's investment policy at present is to keep all idle funds invested at the best short-term rates available in financially sound local banks; also, to keep all invested funds insured by the FDIC or collateralized. All collateral is held in the City's name by a third party, The Federal Reserve Bank of Atlanta, Georgia. All of the funds invested by the City are classified in the category of lowest credit risk as defined by Statement No. 3 of the Governmental Accounting Standards Board.

RISK MANAGEMENT

The City has established a self-insurance retention plan, using a professional claims handler, to account for its uninsured risks of loss. All insurance coverage, except workers compensation, is carried with a retention of \$50,000 per occurrence. The aggregate annual retention on all claims is \$250,000. Excess insurance is provided for catastrophic occurrences.

The City also contracts with a professional claims handling firm to supervise and pay workers compensation claims from a fund provided by the City. Since benefits may be statutory, one excess policy provides statutory limits over \$250,000. A second policy provides a \$100,000 "bridge" to reduce loss exposure to \$150,000.

Risk management expenditures totalled \$598,805 and \$585,324 in fiscal 1993 and fiscal 1992 respectively.

DEBT ADMINISTRATION

At September 30, 1993, the City had general long-term warrants outstanding as follows:

- | | |
|---|--------------|
| (A) \$17,500,000 general obligation warrants, dated September 1, 1988; issued September 29, 1988; due \$480,000 to \$1,705,000 annually beginning September 1, 1991; interest at 5.90% to 7.375% due semi-annually commencing March 1, 1989 | \$15,950,000 |
|---|--------------|

(B) \$7,550,000 general obligation warrants, dated May 1, 1987; issued September 29, 1988; due \$190,000 to \$845,000 annually beginning May 1, 1991; interest at 8.90% to 9.50% due semi-annually commencing November 1, 1988	\$6,920,000
(C) \$450,000 general obligation warrant, dated May 1, 1989; due \$50,000 annually plus interest at 7.25%	250,000
(D) \$9,000,000 general obligation school warrants, dated September 1, 1989; due \$260,000 to \$850,000 annually beginning September 1, 1992; interest at 6.50% to 8.00% due semi-annually commencing March 1, 1990	8,465,000
(E) \$14,590,000 general obligation warrants dated September 1, 1990; due \$305,000 to \$1,250,000 annually beginning March 1, 1994; interest at 6.30% to 7.40% due semi-annually commencing March 1, 1991	14,590,000
(F) \$9,455,000 (principal and accreted interest at September 1, 1993) refunding general obligation warrants, dated September 1, 1990; due \$5,000 to \$1,930,000 annually beginning March 1, 2006; interest at 8% due semi-annually commencing March 1, 1994	9,455,000
(G) \$2,200,000 general obligation warrant, dated May 15, 1992; due \$200,000 to \$400,000 annually beginning October 1, 1993; interest imputed at rate of 6.8%	<u>1,651,488</u>
Total	<u>\$57,281,488</u>

Annual debt service requirements to maturity for long-term debt (including interest) at September 30, 1993 range from a high of \$6,066,048 in fiscal 1997 to a low of \$2,084,400 in fiscal 2020.

The City's credit rating was upgraded by Moody's Investors Service from Baal to A on September 3, 1993. Moody's cited "Improved financial performance supported by strong growth of sales tax revenues" as the primary reason for the credit rating upgrade. The City's credit rating from Standard & Poor's remained at A+.

Under current state statutes, the City's debt is subject to a legal limitation based on 20 percent of total assessed value of real and personal property. As of September 30, 1993, the City's debt applicable to the debt limit was \$47,307,801. The legal debt limit was \$96,625,100 at September 30, 1993. Debt per capita at September 30, 1993 equalled \$1,194.73.

OTHER INFORMATION

INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The accounting firm of Livings & Company performed the audit. The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments. The independent auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The single audit report is issued separately and is not included in this report.

AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 1992. This was the twelfth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

DEDICATION

This comprehensive annual financial report is dedicated to the memory of Finance Department employee Brenda Bailey Acton, "pure, lovely and of good report". She passed from this life on September 14, 1993.

Sincerely,



Frank Skinner, Jr.
Mayor



Richard K. Smith
Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hoover,
Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1992

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



Arnold H. Hahn

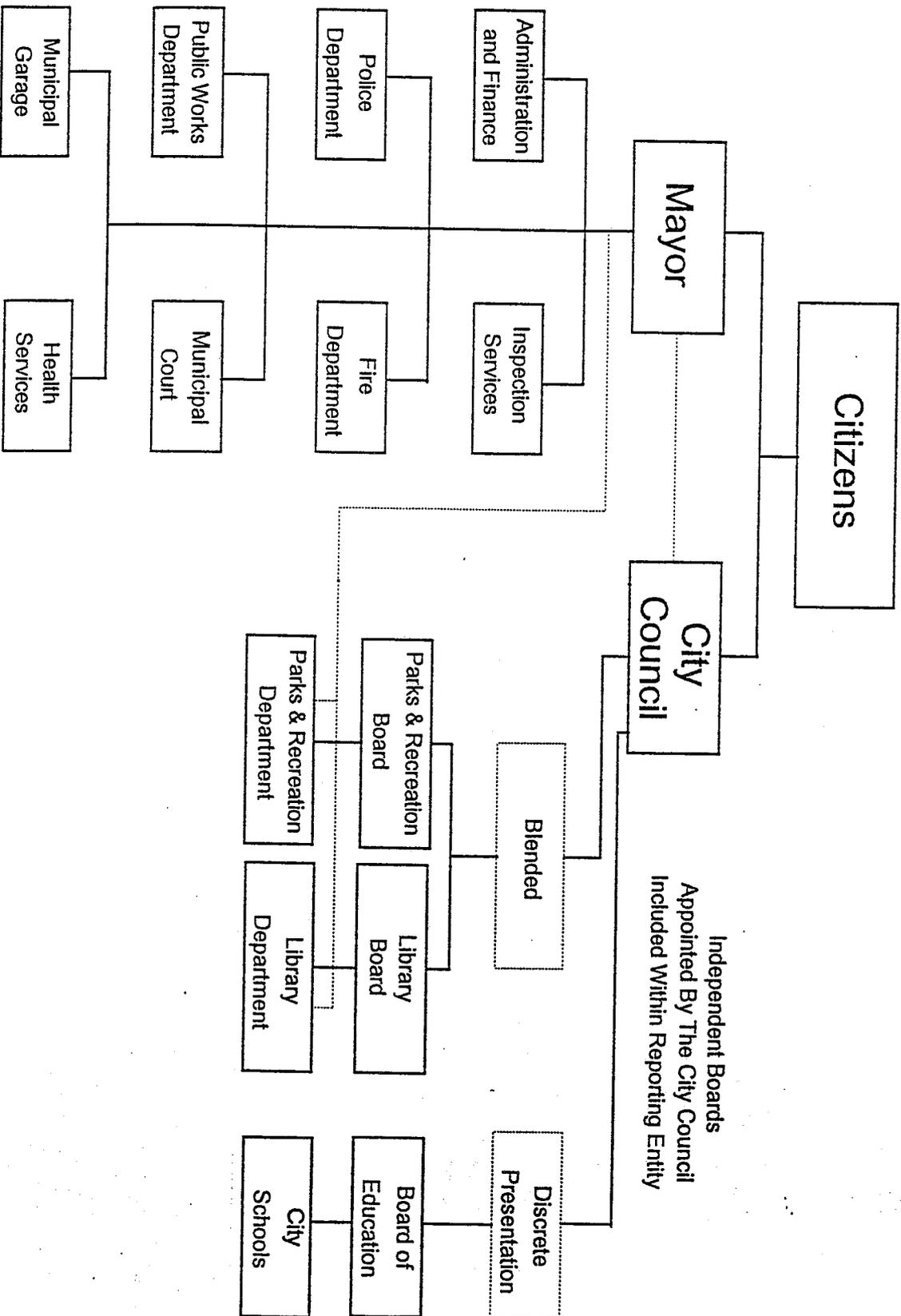
President

Jeffrey L. Esser

Executive Director

CITY OF HOOVER, ALABAMA

Organization Chart



**Officials of The City of Hoover, Alabama
September 30, 1993**

Mayor

Frank S. Skinner, Jr

City Council

William J. Billingsley, President

David L. Bradley

Johanna J. Hutto

Richard D. Linn

Barbara B. McCollum

Assistant to the Mayor

Allen Harper

Director of Operations

Allen Pate

Heads of Departments

Finance	Richard K. Smith, Director
City Clerk	Linda H. Crump, City Clerk
Police	David A. Cummings, Chief
Fire	Thomas E. Bradley, Chief
Inspection Services	Gerald R. Smith, Building Official
Public Works	Steven W. Brown, Director
Parks and Recreation	James E. Fisher, Director
Library	Linda R. Andrews, Director
Engineering	Thomas Martin, Director

City Attorney
Jack H. Harrison

Municipal Judge
T. Brad Bishop

Supervising Court Clerk
Susan Vincent

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FINANCIAL SECTION

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Livings & Company
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the City of Hoover, Alabama, and the combining, individual fund and account group financial statements and schedules of the City of Hoover, Alabama, as of and for the years ended September 30, 1993 and 1992, as listed in the table of contents. These financial statements and schedules are the responsibility of the City of Hoover, Alabama's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits. We did not audit the financial statements of the City of Hoover, Alabama Board of Education, which represent the amounts shown as the component unit, Board of Education. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Hoover, Alabama Board of Education is based solely on the report of the other auditors.

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

In our opinion, based on our audits and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Hoover, Alabama, at September 30, 1993 and 1992, and the results of its operations and the cash flows of its proprietary fund for the years then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund and account group financial statements and schedules referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Hoover, Alabama, at September 30, 1993 and 1992, and the results of operations of such funds and the cash flows of the proprietary fund for the years then ended, in conformity with generally accepted accounting principles.

Continued on Page 17.

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

Livinge & Company

January 8, 1993

**GENERAL PURPOSE FINANCIAL
STATEMENTS**

THE CITY OF HOOVER, ALABAMA
Combined Balance Sheet
All Fund Types, Account Groups and Component Unit
September 30, 1993
(with comparative totals for September 30, 1992)

	Governmental Fund Types			Proprietary Fund Type	Fiduciary Fund Type
	General	Special Revenue	Capital Projects	Sewer Enterprise	Agency
Assets and other debits					
Assets					
Pooled cash and investments	\$2,279,997	\$434,781	\$738,542	\$50,292	\$193,480
Receivables					
Taxes	110,544	-	-	-	-
Accounts	197,797	-	-	81,190	-
Interest	-	-	-	-	-
Loan receivable - Board of Education	8,465,000	-	-	-	-
Due from other governments					
County	319,129	-	-	-	-
State	-	60,930	-	-	-
Federal	-	-	-	-	-
Due from other funds	-	62,986	-	-	-
Inventory	-	-	-	3,100	-
Prepaid items	93,721	-	-	-	-
Advance to Sewer Enterprise Fund	-	-	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	3,482,090	-
Deposits	10,000	-	-	-	-
Deferred compensation plan assets	-	-	-	-	-
Other debits	-	-	-	-	-
Other assets	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-
Total assets	<u>\$11,476,188</u>	<u>\$558,697</u>	<u>\$738,542</u>	<u>\$3,616,672</u>	<u>\$193,480</u>
Liabilities, equity and other credits					
Liabilities					
Accounts payable	\$858,857	\$15,042	\$164,537	\$57,958	-
Due to other funds	62,986	-	-	-	-
Loan payable - City of Hoover	-	-	-	-	-
Notes and capital leases payable	-	-	-	-	-
General obligation warrants payable	-	-	-	-	-
Refundable deposits	12,018	-	-	5,000	-
Accrued compensated leave	129,073	-	-	-	-
Advance from General Fund	-	-	-	-	-
Deferred compensation benefits payable	-	-	-	-	-
Total liabilities	<u>1,062,934</u>	<u>15,042</u>	<u>164,537</u>	<u>62,958</u>	<u>\$193,480</u>
Equity and other credits					
Investment in general fixed assets	-	-	-	-	-
Contributed capital	-	-	-	7,493,643	-
Retained earnings (deficit)	-	-	-	(3,939,929)	-
Fund balances					
Reserved for noncurrent loans receivable	8,465,000	-	-	-	-
Reserved for prepaid items	93,721	-	-	-	-
Reserved for advances	-	-	-	-	-
Reserved for inventories	-	-	-	-	-
Reserved for encumbrances	-	-	-	-	-
Other reserved funds	-	-	-	-	-
Unreserved, designated for acquisition, construction and improvements	-	-	574,005	-	-
Unreserved, undesignated	1,854,533	543,655	-	-	-
Total equity and other credits	<u>10,413,254</u>	<u>543,655</u>	<u>574,005</u>	<u>3,553,714</u>	<u>-</u>
Total liabilities, equity and other credits	<u>\$11,476,188</u>	<u>\$558,697</u>	<u>\$738,542</u>	<u>\$3,616,672</u>	<u>\$193,480</u>

Account Groups		Total (Memorandum Only)	Component Unit	Totals (Memorandum Only)	
General Fixed Assets	General Long-term Debt	Primary Government	Board of Education	Reporting Entity	
				1993	1992
-	-	\$3,697,092	\$35,488,876	\$39,185,968	\$38,368,461
-	-	110,544	-	110,544	104,963
-	-	278,987	-	278,987	126,238
-	-	-	-	-	250,503
-	-	8,465,000	-	8,465,000	8,740,000
-	-	319,129	102,629	421,758	443,576
-	-	60,930	13,605	74,535	206,000
-	-	-	66,965	66,965	46,486
-	-	62,986	1,915,183	1,978,169	2,900,774
-	-	3,100	31,090	34,190	30,574
-	-	93,721	-	93,721	56,464
-	-	-	-	-	280,527
\$55,642,344	-	59,124,434	64,682,113	123,806,547	99,101,344
-	-	10,000	-	10,000	10,000
-	-	-	489,711	489,711	364,244
-	-	-	-	-	239,468
-	\$59,527,330	59,527,330	73,967,466	133,494,796	114,168,612
<u>\$55,642,344</u>	<u>\$59,527,330</u>	<u>\$131,753,253</u>	<u>\$176,757,638</u>	<u>\$308,510,891</u>	<u>\$265,438,234</u>
-	-	\$1,096,394	\$2,624,395	\$3,720,789	\$2,512,463
-	-	62,986	1,915,183	1,978,169	2,900,774
-	-	-	8,465,000	8,465,000	8,740,000
-	\$65,367	65,367	117,466	182,833	776,096
-	57,281,488	57,281,488	65,385,000	122,666,488	103,037,526
-	-	17,018	-	17,018	5,750
-	2,180,475	2,309,548	-	2,309,548	2,000,255
-	-	-	-	-	280,527
-	-	193,480	676,271	869,751	461,031
-	59,527,330	61,026,281	79,183,315	140,209,596	120,714,422
\$55,642,344	-	55,642,344	64,682,113	120,324,457	95,228,530
-	-	7,493,643	-	7,493,643	7,385,623
-	-	(3,939,929)	-	(3,939,929)	(3,713,636)
-	-	8,465,000	-	8,465,000	8,740,000
-	-	93,721	-	93,721	56,464
-	-	-	-	-	280,527
-	-	-	29,431	29,431	27,384
-	-	-	1,032,813	1,032,813	177,643
-	-	-	-	-	1,910,166
-	-	574,005	15,000,747	15,574,752	3,044,082
-	-	2,398,188	16,829,219	19,227,407	31,587,029
<u>55,642,344</u>	<u>-</u>	<u>70,726,972</u>	<u>97,574,323</u>	<u>168,301,295</u>	<u>144,723,812</u>
<u>\$55,642,344</u>	<u>\$59,527,330</u>	<u>\$131,753,253</u>	<u>\$176,757,638</u>	<u>\$308,510,891</u>	<u>\$265,438,234</u>

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

THE CITY OF HOOVER, ALABAMA
Combined Statements of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types and Component Unit
For the fiscal year ended September 30, 1993
(with comparative totals for the fiscal year ended September 30, 1992)

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Primary Government
Revenues				
Taxes	\$21,984,391	-	-	\$21,984,391
Licenses and permits	6,083,992	-	-	6,083,992
Intergovernmental	1,442,157	\$649,532	-	2,091,689
Fines & forfeits	461,024	-	-	461,024
Interest on pooled cash and investments	151,735	10,723	\$54,650	217,108
Interest on Board of Education loan	619,800	-	-	619,800
Stadium lease	229,527	-	-	229,527
Other	1,112,639	496,577	-	1,609,216
Total revenues	<u>32,085,265</u>	<u>1,156,832</u>	<u>54,650</u>	<u>33,296,747</u>
Expenditures				
Current operations				
General government	3,110,641	-	-	3,110,641
Public safety	11,151,835	406,562	-	11,558,397
Municipal court	231,597	-	-	231,597
Streets and sanitation	3,313,053	451,536	-	3,764,589
Recreation	1,499,082	-	-	1,499,082
Library	1,404,550	-	-	1,404,550
Health	131,824	-	-	131,824
Instructional services	-	-	-	-
Instructional support services	-	-	-	-
Operation and maintenance	-	-	-	-
Auxiliary services	-	-	-	-
Fixed charges	-	-	-	-
Other	-	-	-	-
Total	<u>20,842,582</u>	<u>858,098</u>	<u>-</u>	<u>21,700,680</u>
Capital outlays	594,672	-	1,632,140	2,226,812
Debt service				
Principal	1,641,079	-	-	1,641,079
Interest	3,540,589	-	-	3,540,589
Intergovernmental				
City Board of Education	4,554,809	-	-	4,554,809
Total expenditures	<u>31,173,731</u>	<u>858,098</u>	<u>1,632,140</u>	<u>33,663,969</u>
Excess (deficiency) of revenues over (under) expenditures	<u>911,534</u>	<u>298,734</u>	<u>(1,577,490)</u>	<u>(367,222)</u>
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers out	(304,368)	-	(33,920)	(338,288)
Proceeds of general obligation warrants notes payable and capital leases	-	-	-	-
Proceeds of refunding debt	-	-	-	-
Payment to refunded debt - escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(304,368)</u>	<u>-</u>	<u>(33,920)</u>	<u>(338,288)</u>
Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	607,166	298,734	(1,611,410)	(705,510)
Fund balances at beginning of year	9,806,088	244,921	2,185,415	12,236,424
Fund balances at end of year	<u>\$10,413,254</u>	<u>\$543,655</u>	<u>\$574,005</u>	<u>\$11,530,914</u>

Component Unit	Totals	
	(Memorandum Only)	
	Reporting Entity	
Board of Education	1993	1992
-	\$21,984,391	\$20,235,049
-	6,083,992	5,221,673
\$36,339,657	38,431,346	35,083,169
-	461,024	454,527
-	217,108	331,774
-	619,800	640,600
-	229,527	206,083
3,513,783	5,122,999	4,281,290
<u>39,853,440</u>	<u>73,150,187</u>	<u>66,454,165</u>
900,127	4,010,768	4,207,796
-	11,558,397	10,661,235
-	231,597	259,340
-	3,764,589	3,533,030
-	1,499,082	1,170,117
-	1,404,550	1,294,110
-	131,824	105,953
14,472,139	14,472,139	13,315,822
3,792,241	3,792,241	3,242,433
2,807,159	2,807,159	2,272,244
2,700,744	2,700,744	2,357,313
5,757,952	5,757,952	4,686,180
577,381	577,381	498,738
<u>31,007,743</u>	<u>52,708,423</u>	<u>47,604,311</u>
21,413,968	23,640,780	19,986,836
1,198,721	2,839,800	2,651,503
3,550,334	7,090,923	6,189,437
-	4,554,809	4,500,000
<u>57,170,766</u>	<u>90,834,735</u>	<u>80,932,087</u>
(17,317,326)	(17,684,548)	(14,477,922)
5,400,707	5,400,707	6,175,158
(5,400,707)	(5,738,995)	(6,175,158)
16,622,665	16,622,665	46,596,422
47,665,006	47,665,006	-
<u>(47,665,006)</u>	<u>(47,665,006)</u>	<u>-</u>
16,622,665	16,284,377	46,596,422
(694,661)	(1,400,171)	32,118,500
33,586,871	45,823,295	13,704,795
<u>\$32,892,210</u>	<u>\$44,423,124</u>	<u>\$45,823,295</u>

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

THE CITY OF HOOVER, ALABAMA
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General and Special Revenue Funds
For the fiscal year ended September 30, 1993

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$22,493,000	\$21,984,391	(\$508,609)
Licenses and permits	5,849,000	6,083,992	234,992
Intergovernmental	1,138,000	1,442,157	304,157
Fines & forfeits	400,000	461,024	61,024
Interest on pooled cash and investments	169,500	151,735	(17,765)
Interest on Board of Education loan	619,800	619,800	-
Stadium lease	250,000	229,527	(20,473)
Other	1,108,000	1,112,639	4,639
Total revenues	<u>32,027,300</u>	<u>32,085,265</u>	<u>57,965</u>
Expenditures			
Current operations			
General government	3,177,426	3,110,641	66,785
Public safety	11,318,578	11,151,835	166,743
Municipal court	233,232	231,597	1,635
Streets and sanitation	3,291,061	3,313,053	(21,992)
Recreation	1,505,438	1,499,082	6,356
Library	1,466,198	1,404,550	61,648
Health	124,945	131,824	(6,879)
Total	<u>21,116,878</u>	<u>20,842,582</u>	<u>274,296</u>
Capital outlays	792,945	594,672	198,273
Debt service			
Principal	1,641,079	1,641,079	-
Interest	3,540,593	3,540,589	4
Intergovernmental			
City Board of Education	4,616,400	4,554,809	61,591
Total expenditures	<u>31,707,895</u>	<u>31,173,731</u>	<u>534,164</u>
Excess of revenues over expenditures	<u>319,405</u>	<u>911,534</u>	<u>592,129</u>
Other financing uses			
Operating transfers out	(300,000)	(304,368)	(4,368)
Total other financing uses	<u>(300,000)</u>	<u>(304,368)</u>	<u>(4,368)</u>
Excess of revenues over expenditures and other financing uses	<u>\$19,405</u>	607,166	<u>\$587,761</u>
Fund balances at beginning of year		9,806,088	
Fund balances at end of year		<u>\$10,413,254</u>	

Special Revenue Funds		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
-	-	-
\$736,000	\$649,532	(\$86,468)
-	-	-
9,500	10,723	1,223
-	-	-
440,000	496,577	56,577
<u>1,185,500</u>	<u>1,156,832</u>	<u>(28,668)</u>
-	-	-
420,735	406,562	14,173
-	-	-
509,976	451,536	58,440
-	-	-
-	-	-
<u>930,711</u>	<u>858,098</u>	<u>72,613</u>
-	-	-
-	-	-
<u>930,711</u>	<u>858,098</u>	<u>72,613</u>
<u>254,789</u>	<u>298,734</u>	<u>43,945</u>
-	-	-
<u>-\$254,789</u>	<u>298,734</u>	<u>\$43,945</u>
	<u>244,921</u>	
	<u>\$543,655</u>	

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

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

	<u>1993</u>	<u>1992</u>
Operating Revenues		
Charges for services	<u>\$684,058</u>	<u>\$571,796</u>
Operating expenses		
Depreciation	403,656	403,745
Management fees	405,664	290,372
Repairs and maintenance	108,685	191,023
Utilities	197,437	181,016
Personal services	26,941	33,014
Professional fees	3,726	29,147
Collection fees	22,122	25,036
Supplies	19,166	6,770
Telephone	3,662	3,582
Engineering fees	57,579	-
Total operating expenses	<u>1,248,638</u>	<u>1,163,705</u>
Operating loss	(564,580)	(591,909)
Non-operating revenue - interest	-	69
Loss before operating transfers	(564,580)	(591,840)
Operating transfers in	<u>338,287</u>	-
Net loss	(226,293)	(591,840)
Retained earnings (deficit) at beginning of year	<u>(3,713,636)</u>	<u>(3,121,796)</u>
Retained earnings (deficit) at end of year	<u><u>(\$3,939,929)</u></u>	<u><u>(\$3,713,636)</u></u>

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

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

	<u>1993</u>	<u>1992</u>
Cash flows from operating activities:		
Cash received from customers	\$653,189	\$580,589
Cash payments to suppliers for goods and services	(640,796)	(300,098)
Cash payments to management companies for services	(405,664)	(290,372)
Cash payments to employees for services	(26,941)	(33,014)
Deposits refunded	(750)	(750)
Net cash used by operating activities	<u>(420,962)</u>	<u>(43,645)</u>
Cash flows from noncapital financing activities:		
Operating transfers from General Fund	338,287	-
Net cash provided by noncapital financing activities	<u>338,287</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(12,932)	(1,144)
Capital contributed by customers	108,020	42,451
Net cash provided by capital and related financing activities	<u>95,088</u>	<u>41,307</u>
Cash flows from investing activities:		
Interest earned on pooled cash and investments	-	69
Net cash provided by investing activities	<u>-</u>	<u>69</u>
Net increase (decrease) in pooled cash and investments	12,413	(2,269)
Pooled cash and investments, beginning of year	<u>37,879</u>	<u>40,148</u>
Pooled cash and investments, end of year	<u>\$50,292 +</u>	<u>\$37,879</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	(\$564,580)	(\$591,909)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	403,656	403,745
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(30,868) +	8,793
Increase (decrease) in accounts payable	52,107 -	(18,856)
Increase (decrease) in advance from General Fund	(280,527)	155,332
Decrease in refundable deposits	(750)	(750)
Net cash used by operating activities	<u>(\$420,962)</u>	<u>(\$43,645)</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
September 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity.

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body *and* either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

The organizations which are included in the reporting entity are presented in one of two methods; blended or discretely presented. Blended component units, despite being legally separate from the primary government, are so intertwined with the primary government that they are, in substance, the same as the primary government, and are reported as part of the primary government. Discretely presented component units entail reporting financial data of the component unit in one or more columns separate from the financial data of the primary government. The following is a brief review of each component unit included within the reporting entity.

Included within the reporting entity - Blended Component Units

City of Hoover Public Library -

The governing board of the City of Hoover Public Library (the Library Board) is appointed by the City Council. While the Library Board selects the management of the Library, the City has the ability to significantly influence the operations of the Library, and is accountable for the Library's fiscal matters.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
 September 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

A. Reporting Entity - Continued

Included within the Reporting Entity - Blended Component Units - Continued

City of Hoover Parks and Recreation Board -

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

Included within the Reporting Entity - Discretely Presented Component Unit

The Hoover City Board of Education (the Board of Education) is appointed by the City Council and provides services to the citizens of the City. During the fiscal year ended September 30, 1989, the City issued general obligation school warrants and loaned the proceeds to the Board of Education. The City also has voluntarily committed to make annual contributions to the Board of Education. This commitment called for contributions from the City to the Board of Education during the fiscal year ended September 30, 1993 of the greater of 24% of sales and use tax collections or \$4,500,000. These contributions normally make up approximately 12% of the Board of Education's annual revenues. The remaining 88% of the Board of Education's funding comes from federal, state and county governments and from a 14 mill City school ad valorem tax that The Board of Education began receiving after a May 8, 1990 referendum.

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Fund Accounting

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

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

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

Governmental Funds:

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

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

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

Proprietary Fund:

Enterprise Fund - An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund:

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

Account Groups:

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

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Fund Accounting - Continued

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

C. Basis of Accounting

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

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

The modified accrual basis of accounting is used by all governmental fund types and the agency fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

Those revenues susceptible to accrual are interest revenues, court fines and forfeits and shared taxes collected and remitted by the counties and the state. Taxes collected and held by an intermediary at year end on behalf of the City are recognized as revenue. Sales and use taxes, business licenses, permits and stadium lease revenues are not susceptible to accrual (unless as a result of sales and use tax audits) because generally they are not measurable until received in cash.

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

D. Budgets

Budgets are adopted on a basis consistent with GAAP. Although not required by state or local law, annual appropriated budgets are adopted for the General and Special Revenue

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

D. Budgets - Continued

Funds. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for the Capital Projects Funds, which have no legally adopted budgets.

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

1. Prior to September 1, all departments of the City submit requests for appropriation to the City's Finance Director so that a budget may be prepared. The budget is prepared by fund, function and activity and includes actual information on the past year, current year estimates and requested appropriations for the next fiscal year.
2. Prior to October 1, the Mayor submits the appropriated budget to the City Council for the next fiscal year.
3. The City Council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Finance Director.
4. Expenditures may not legally exceed budgeted appropriations at the activity level. Management may not amend or transfer appropriations within the budget at or above the activity level without the approval of the City Council. The City Council may authorize expenditures from time to time during the year without legally amending the previously adopted budget. The City Council may legally amend the budget at any time during the fiscal year. During the year several supplementary appropriations were necessary.

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

E. Pooled Cash and Investments

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

Pooled cash includes amounts in demand deposits and short-term investments with an original maturity date of three months or less. State statutes authorize the City to invest in U.S. Government obligations, U.S. corporate debt, U.S. corporate equities, State of Alabama obligations, county obligations and other municipal obligations as well as bank certificates of deposit and bank public funds investment accounts. Investments are stated at cost, except

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

E. Pooled Cash and Investments - Continued

for investments in the deferred compensation agency fund which are reported at market value.

For purposes of the statements of cash flows, the Sewer Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

F. Property Tax

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

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

G. Short-Term Interfund Receivables/Payables

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

H. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

I. Inventory

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

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 1993, are recorded as prepaid items.

K. Fixed Assets

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

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

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

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

L. Compensated Absences

Vested or accumulated vacation leave and overtime pay that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave and overtime pay that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. In accordance with the provisions of Governmental Accounting Standards Board Statement 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. The liability is measured using the pay or salary rates effective at September 30, 1993 and additional amounts have been accrued for salary-related payments of employer's share of Social Security, Medicare taxes, retirement and insurance benefits. City employees had unused overtime pay, vacation pay and vested sick leave benefits totalling \$2,309,548 at September 30, 1993.

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

M. Long-term Obligations

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

N. Fund Equity

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

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

O. General Obligation Warrant Discounts and Issuance Costs

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

P. Interfund Transactions

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

Q. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with GAAP. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

R. Comparative Data

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

NOTE 2 - DEPOSITS AND INVESTMENTS

At September 30, 1993, the bank balance of deposits was entirely covered by federal depository insurance or collateralized with securities held by the City's agent in the City's name.

The carrying amount and bank balance of the component unit Board of Education's deposits and investments at September 30, 1993 were as follows:

<u>Deposits:</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Fund</u>
Insured or collateral held by Federal Reserve in Board of Education's name	\$ 697,121	\$ 1,219,328	Pool
Uncollateralized	-	<u>647,744</u>	Pool
Total deposits	<u>697,121</u>	<u>1,867,072</u>	
 <u>Investments:</u>			
Federal government securities held by Federal Reserve in Board of Education's name	3,719,900	3,719,900	Pool
Invested in uncollateralized government securities mutual funds	<u>31,071,855</u>	<u>31,071,855</u>	Pool
Total investments	<u>34,791,755</u>	<u>34,791,755</u>	
Total deposits and investments	<u>\$35,488,876</u>	<u>\$36,658,827</u>	

Continued on Page 35.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 3 - RECEIVABLES**Taxes Receivable -**

A summary of the items included in taxes receivable at September 30, 1993 is set forth below:

	<u>1993</u>
Gasoline tax	\$ 33,263
Sales and use taxes	6,491
Beer tax	28,013
Motor vehicle registration fees	19,821
Property tax	16,731
Tobacco tax	<u>6,225</u>
 Total	 <u>\$ 110,544</u>

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

Accounts Receivable -

A summary of the items included in accounts receivable at September 30, 1993 is set forth below:

	<u>1993</u>
General Fund:	
Account	\$ 1,038
Due from City Board of Education	175,955
Due from Shelby County Commission	3,706
Due from stadium lease	<u>17,098</u>
Total General Fund	
accounts receivable	197,797
 Sewer Enterprise Fund:	
Sewer service charges	<u>81,190</u>
 Total accounts receivable	 <u>\$278,987</u>

No significant uncollectible accounts are anticipated on these receivables.

Continued on Page 36.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 4 - LOAN RECEIVABLE - BOARD OF EDUCATION

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

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

The outstanding balance at September 30, 1993 was \$8,465,000.

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

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

	Balance October 1, <u>1992</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>1993</u>
Land	\$10,174,739	\$ 802,500	-	\$10,977,239
Buildings	18,258,035	601,618	-	18,859,653
Improvements other than buildings	17,781,411	91,071	-	17,872,482
Equipment and vehicles	6,899,242	536,105	\$ 13,993	7,421,354
Construction in progress	<u>47,153</u>	<u>1,066,081</u>	<u>601,618</u>	<u>511,616</u>
Total	<u>\$53,160,580</u>	<u>\$3,097,375</u>	<u>\$615,611</u>	<u>\$55,642,344</u>

Construction in progress at September 30, 1993 consisted of expenditures for construction for a new fire station (\$511,616).

Continued on Page 37.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS - CONTINUED

Proprietary Fund property, plant and equipment at September 30, 1993 and 1992 consisted of:

	<u>Sewer Enterprise Fund</u>	
	<u>1993</u>	<u>1992</u>
Equipment	\$ 159,584	\$ 146,653
Land	643,000	643,000
Sewage treatment plants	<u>5,361,097</u>	<u>5,361,096</u>
Total	6,163,681	6,150,749
Less - Accumulated depreciation	<u>(2,681,591)</u>	<u>(2,277,935)</u>
Net	<u>\$3,482,090</u>	<u>\$3,872,814</u>

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

	Balance October 1, <u>1992</u>	<u>Additions</u>	<u>Deductions</u>	Balance September 30, <u>1993</u>
Land and improvements	\$ 3,315,822	\$ 855	\$ -	\$ 3,316,677
Building and improvements	33,720,241	4,152,626	-	36,872,867
Equipment	2,755,923	1,845,438	56,044	4,545,317
Vehicles	2,098,341	445,372	61,853	2,481,860
Construction in process	<u>177,623</u>	<u>16,465,392</u>	<u>177,623</u>	<u>16,465,392</u>
Total	<u>\$42,067,950</u>	<u>\$22,909,683</u>	<u>\$295,520</u>	<u>\$64,682,113</u>

NOTE 6 - LEASE-PURCHASE AGREEMENT

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

Continued on Page 38.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 6 - LEASE-PURCHASE AGREEMENT - CONTINUED

The following is a schedule of the future minimum lease payments under this agreement and the present value of the net minimum lease payments at September 30, 1993.

Fiscal Year Ending <u>September 30,</u>	General Long-term Debt
1994	\$23,277
1995	23,277
1996	23,277
1997	<u>11,639</u>
Total minimum lease payments	81,470
Less: Amount representing interest Present value of future minimum lease payments	<u>16,103</u> <u>\$65,367</u>

NOTE 7 - GENERAL LONG-TERM DEBT

General long-term debt of the City consists of general obligation warrants and other long-term liabilities reported in the General Long-Term Debt Account Group. A summary of general long-term debt transactions for the year ended September 30, 1993 is as follows:

General long-term debt at October 1, 1992	\$60,208,413
Amortization of accreted interest	647,257
Additions to accrued compensated leave	312,739
Note payable principal payments	(219,108)
Lease purchase principal payments	(18,676)
Warrants and bond retired	<u>(1,403,295)</u>
General long-term debt at September 30, 1993	<u>\$59,527,330</u>

General long-term debt at September 30, 1993 is comprised of the following:

General obligation warrants:

(A) \$17,500,000 general obligation warrants; dated September 1, 1988; issued September 29, 1988; due \$480,000 to \$1,705,000 annually beginning September 1, 1991; interest at 5.90% to 7.375% due semi-annually commencing March 1, 1989.	\$15,950,000
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THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 7 - GENERAL LONG-TERM DEBT - CONTINUED

(B) \$7,550,000 general obligation warrants, dated May 1, 1987; issued September 29, 1988; due \$190,000 to \$845,000 annually beginning May 1, 1991; interest at 8.90% to 9.50% due semi-annually commencing November 1, 1988	6,920,000
(C) \$9,000,000 general obligation school warrants, dated September 1, 1989; due \$260,000 to \$850,000 annually beginning September 1, 1992; interest at 6.50% to 8.00% due semi-annually commencing March 1, 1990 (See Note 4)	8,465,000
(D) \$450,000 general obligation warrant, dated May 1, 1989, due \$50,000 annually beginning May 1, 1990 plus interest at 7.25%	250,000
(E) \$14,590,000 general obligation warrants, dated September 1, 1990; due \$305,000 to \$1,250,000 annually beginning March 1, 1994; interest at 6.30% to 7.40% due semi-annually commencing March 1, 1991.	14,590,000
(F) \$9,455,000 (principal and accreted interest at September 1, 1993) refunding general obligation warrants, dated September 1, 1990; due \$5,000 to \$1,930,000 annually beginning March 1, 2006; interest at 8.00% due semi-annually commencing March 1, 1994.	9,455,000
(G) \$2,200,000 (principal and imputed interest) general obligation warrant dated May 15, 1992; due \$200,000 to \$400,000 annually beginning October 1, 1993; interest is imputed at rate of 6.8%.	<u>1,651,488</u>
Total general obligation warrants	\$57,281,488

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 7 - GENERAL LONG-TERM DEBT - CONTINUED

Lease Purchase:

\$93,500 municipal lease-purchase agreement dated March 16, 1992; due \$1,939.76 monthly including imputed interest of 9.029% collateralized by exercise equipment. (See Note 6) 65,367

Total general obligation warrants and leases payable 57,346,855

Accrued compensated leave 2,180,475

Total general long-term debt \$59,527,330

Annual debt service requirements to maturity for general long-term debt (including interest) at September 30, 1993 are as follows:

<u>Year Ending</u> <u>September 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1994	\$ 1,673,811	\$ 3,870,515	\$ 5,544,326
1995	1,816,345	4,152,191	5,968,536
1996	1,941,345	4,034,436	5,975,781
1997	2,137,075	3,928,973	6,066,048
1998	2,267,737	3,787,682	6,055,419
1999	2,405,271	3,649,379	6,054,650
2000	2,565,271	3,490,996	6,056,267
2001	2,450,000	3,224,172	5,674,172
2002	2,645,000	3,041,462	5,686,462
2003	2,855,000	2,843,524	5,698,524
2004	3,085,000	2,627,944	5,712,944
2005	3,320,000	2,393,774	5,713,774
2006	3,595,000	2,139,814	5,734,814
2007	3,960,000	1,863,472	5,823,472
2008	3,350,000	1,556,951	4,906,951
2009	1,770,000	1,317,195	3,087,195
2010	985,000	1,194,495	2,179,495
2011	1,060,000	1,122,295	2,182,295
2012	1,130,000	1,044,583	2,174,583
2013	1,215,000	961,757	2,176,757
2014	1,305,000	872,695	2,177,695
2015	1,400,000	776,450	2,176,450
2016	1,450,000	673,200	2,123,200
2017	1,560,000	557,200	2,117,200
2018	1,675,000	432,400	2,107,400
2019	1,800,000	298,400	2,098,400
2020	1,930,000	154,400	2,084,400
	<u>\$57,346,855</u>	<u>\$56,010,355</u>	<u>\$113,357,210</u>

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 7 - GENERAL LONG-TERM DEBT -CONTINUED

The total accreted interest on the \$9,455,000 refunding general obligation warrants dated September 1, 1990 of \$1,941,773 was amortized using the straight-line method over three years. During the current year, \$647,257 was amortized and added to the general obligation warrants.

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

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

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

Component Unit - Board of Education

In fiscal 1989, the City issued general obligation school warrants of \$9 million and loaned the net proceeds to the Board of Education, the amount of which totalled \$8,908,239 (see Note 4). The outstanding balance at September 30, 1993 was \$8,465,000. Other than the aforementioned loan, the City is not obligated in any manner for the debt of the Board of Education.

NOTE 8 - INTERFUND BALANCES

Individual interfund balances at September 30, 1992 are as follows:

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
E-911	General	\$20,230
State Seven Cent Gasoline Tax	General	42,697
State Five Cent Gasoline Tax	General	<u>59</u>
Total due from/to other funds		<u>\$62,986</u>

NOTE 9 - SEWER ENTERPRISE FUND

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

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

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 9 - SEWER ENTERPRISE FUND - CONTINUED

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

The Sewer Enterprise Fund incurred losses for the fiscal years ended September 30, 1993 and 1992 of \$226,293 and \$591,840, respectively. The Sewer Enterprise Fund has an accumulated deficit of \$3,939,929 at September 30, 1993. The City acquired the sewage treatment plants as a part of the Riverchase and Inverness annexations. It was anticipated that the plants would operate at a deficit, but that the deficit incurred would be greatly offset by taxes and licenses revenue derived from the annexed areas as well as by contributed capital from new customers in the form of tap fees. The City has received revenue from the annexed areas substantially in excess of the Sewer Enterprise Fund operating deficit. Additionally, tap fees collected through September 30, 1993 totalled \$1,423,758.

NOTE 10 - CONTRIBUTED CAPITAL - SEWER ENTERPRISE FUND

Contributed capital increased as follows:

	<u>1993</u>	<u>1992</u>
Customer tap fee	\$ <u>108,020</u>	\$ <u>42,451</u>
Net increase in contributed capital	108,020	42,451
Contributed capital at beginning of year	<u>7,385,623</u>	<u>7,343,172</u>
Contributed capital at end of year	<u>\$7,493,643</u>	<u>\$7,385,623</u>

NOTE 11 - COMMITMENTS

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

NOTE 12 - DEFINED BENEFIT PENSION PLAN

Plan Description and Provisions:

The City contributes to the Employees' Retirement System of Alabama (the System), an agent multiple-employer retirement system that acts as a common investment and administrative agent for state employees and public organizations. The City's payroll for employees covered by the System for the year ended September 30, 1993 was \$11,861,860; total payroll was

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 12 - DEFINED BENEFIT PENSION PLAN - CONTINUED

\$12,240,358. At September 30, 1992, the date of the most recent actuarial valuation, membership in the System was comprised of the following:

Group

Retirees and beneficiaries	
currently receiving benefits	4
Active employees	334

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

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

Funding Status and Progress:

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

The PBO was determined as part of the most recent actuarial valuation which was performed as of September 30, 1992. Significant actuarial assumptions used in determining the PBO include: (a) a rate of return on investments of 8% compounded annually, (b) projected annual salary increases of 5.8% per year compounded annually, attributable to inflation and (c) projected annual salary increases ranging up to 2.7%, depending on age, attributable to seniority/merit.

Continued on Page 44.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 12 - DEFINED BENEFIT PENSION PLAN - CONTINUED

Total surplus PBO applicable to the City's employees was \$813,995 at September 30, 1992, as follows:

Pension Benefit Obligation

Retirees, beneficiaries and terminated employees currently receiving benefits	\$ 240,305
Current employees	
Employee contributions	3,348,453
Employer financed - vested	762,946
Employer financed - nonvested	<u>4,054,145</u>
Total PBO	8,405,849
Net assets available for benefits, at cost (market value is \$9,778,953)	<u>9,219,844</u>
Surplus PBO	<u>\$ 813,995</u>

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

Contributions Required and Contributions Made:

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

The contribution to the System for fiscal 1993 of \$1,174,231 was made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of September 30, 1992. The total employer contributions of \$581,138 represented 4.90% of current year covered payroll, and the total employee contributions of \$593,093 represented 5.00% of current year covered payroll. The employee contributions were a component of normal cost. The employer contributions consisted of \$450,279 for normal cost (4.32% of current year covered payroll), \$55,243 for amortization of the actuarial accrued liability (.53% of current year covered payroll), \$15,635 for death benefits (.15% of current year covered payroll), \$18,762 for administrative expenses of the System (.18% of current year covered payroll), and \$41,219 for cost of living adjustments.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 12 - DEFINED BENEFIT PENSION PLAN - CONTINUED

The last valuation was September 30, 1992. The System has informed the City that no significant changes have occurred during fiscal 1993. Significant actuarial assumptions used to compute contribution requirements were the same as those used to compute the standardized measure of the pension benefit obligation.

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. For the three years ended September 30, 1990, 1991 and 1992, respectively, available assets were sufficient to fund 106.23, 109.96, and 109.68 percent of PBO. Surplus PBO represents 3.45, 6.27 and 7.81 percent of the annual payroll for employees covered by the System for the same three year period. Showing unfunded or surplus PBO as a percentage of covered payroll approximately adjusts for the effects of inflation for analysis purposes. In addition, for the three year period, the City's contributions to the System, all made in accordance with actuarially determined requirements was 5.31 percent of annual covered payroll in 1990, 1991 and 1992. The City joined the System in August, 1982. The first actuarial determination was made as of September 30, 1983. Therefore, the information disclosed above represents the PBO, net assets available for benefits and the unfunded liability since the City joined the System. The required historical trend information disclosure is shown on Page 85 of this report in order to maintain the stand alone nature of the general purpose financial statements.

NOTE 13 - CONTINGENT LIABILITIES

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

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

Continued on Page 46.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 14 - APPROPRIATIONS AND EXPENDITURES

The total amounts of expenditures (over) under appropriations for the fiscal year ended September 30, 1993, at the legal level of control (the activity level), in individual funds are as follows:

<u>Activity</u>	<u>General Fund</u>	<u>E-911 Fund</u>	<u>State Seven Cent Gasoline Tax Fund</u>	<u>State Four Cent Gasoline Tax Fund</u>	<u>Drug Enforcement Fund</u>	<u>Total Expenditures (Over) Under Appropriations</u>
Administration	\$ 53,305	\$ -	\$ -	\$ -	\$ -	\$ 53,305
Municipal garage	13,480	-	-	-	-	13,480
Police	(15,556)	19,751	-	-	(5,578)	(1,383)
Fire	139,261	-	-	-	-	139,261
Inspection	43,038	-	-	-	-	43,038
Municipal court	1,635	-	-	-	-	1,635
Streets and sanitation	(21,992)	-	42,696	2,039	-	22,743
Recreation	6,356	-	-	-	-	6,356
Library	61,648	-	-	-	-	61,648
Health	(6,879)	-	-	-	-	(6,879)

The excess of expenditures over appropriations in the police and health activities resulted from unavoidable overtime pay.

NOTE 15 - BUDGETED AND FUND BALANCE DEFICITS

None of the governmental funds had a budgeted deficiency for the year or a fund balance deficit at September 30, 1993.

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

NOTE 16 - DEFERRED COMPENSATION PLAN

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

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1993

NOTE 16 - DEFERRED COMPENSATION PLAN - CONTINUED

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

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

NOTE 17 - STADIUM LEASE

On April 7, 1988 the City entered into a ten year agreement with a professional baseball club to lease Hoover Metropolitan Stadium. The lease was renegotiated and amended on March 14, 1991 after the club had a change in ownership. Rental income under the lease is based on percentages of skybox rentals, ticket sales, concessions, parking fees and income from other events. Revenue from the lease totalled \$229,527 in fiscal 1993. There are no minimum future lease payments to be received.

NOTE 18 - RISK MANAGEMENT

During fiscal 1992 the City established a self-insurance retention plan, using a professional claims handler, to account for its uninsured risks of loss. All insurance coverage, except workers compensation, is carried with a retention of \$50,000 per occurrence. The aggregate annual retention of all claims is \$250,000. Excess insurance is provided for catastrophic occurrences. The City also contracts with a professional claims handling firm to supervise and pay workers compensation claims from a fund provided by the City. Since benefits may be statutory, one excess policy provides statutory limits over \$250,000. A second policy provides a \$100,000 "bridge" to reduce loss exposure to \$150,000.

Risk management expenditures totalled \$598,805 and \$585,324 in fiscal 1993 and fiscal 1992 respectively. The City has elected not to early implement statement Number 10 of the Governmental Accounting Standards Board, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues". GASB Statement Number 10 will be effective for periods beginning after June 15, 1993.

NOTE 19 - SUBSEQUENT EVENTS

Subsequent to fiscal year end on October 14, 1993, the City advance refunded those general obligation warrants then outstanding upon which substantial debt service savings could be realized. The City issued general obligation taxable warrants of \$7,490,000 and general obligation refunding warrants of \$43,155,000 to provide resource to purchase U.S. Government securities. The securities were placed in an irrevocable trust for the purpose of generating resources for future debt service payments of the refunded debt. As a result, the refunded general obligation warrants are considered to be defeased. The advance refunding will reduce total debt service payments over the next 27 years by approximately \$4.3 million.

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

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GENERAL FUND

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

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

	1993	1992
Assets		
Pooled cash and investments	\$2,279,997	\$910,776
Receivables		
Taxes	110,544	104,963
Accounts	197,797	34,486
Loan receivable - Board of Education	8,465,000	8,740,000
Due from county government	319,129	314,567
Due from other funds		
Drug enforcement fund	-	22,707
Seven cent gasoline tax fund	-	16,200
E-911 fund	-	75,622
1983 Capital projects fund	-	2,350
1990 Capital projects fund	-	3,518
Prepaid items	93,721	56,464
Advance to sewer enterprise fund	-	280,527
Deposits	10,000	10,000
	\$11,476,188	\$10,572,180
Liabilities and fund balances		
Accounts payable	\$858,857	\$633,573
Due to other funds		
Seven cent gasoline tax fund	42,697	-
Five cent gasoline tax fund	59	-
E-911 fund	20,230	-
Refundable deposits	12,018	-
Accrued compensated leave	129,073	132,519
Total liabilities	1,062,934	766,092
Fund balances		
Reserved for noncurrent loans receivable	8,465,000	8,740,000
Reserved for prepaid items	93,721	56,464
Reserved for advances	-	280,527
Unreserved, undesignated	1,854,533	729,097
Total fund balances	10,413,254	9,806,088
Total liabilities and fund balances	\$11,476,188	\$10,572,180

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

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

	<u>1993</u>	<u>1992</u>
Revenues		
Taxes	\$21,984,391	\$20,235,049
Licenses and permits	6,083,992	5,221,673
Intergovernmental	1,442,157	1,078,334
Fines & forfeits	461,024	454,527
Interest on pooled cash and investments	151,735	162,220
Interest on Board of Education loan	619,800	640,600
Stadium lease	229,527	206,083
Other	1,112,639	620,439
Total revenues	<u>32,085,265</u>	<u>28,618,925</u>
Expenditures		
Current operations		
General government	3,110,641	2,766,945
Public safety	11,151,835	10,359,568
Municipal court	231,597	259,340
Streets and sanitation	3,313,053	3,252,832
Recreation	1,499,082	1,170,117
Library	1,404,550	1,294,110
Health	131,824	105,953
Total	<u>20,842,582</u>	<u>19,208,865</u>
Capital outlays	594,672	2,725,027
Debt service		
Principal	1,641,079	1,319,361
Interest	3,540,589	3,650,408
Intergovernmental		
City Board of Education	4,554,809	4,500,000
Total expenditures	<u>31,173,731</u>	<u>31,403,661</u>
Excess (deficiency) of revenues over (under) expenditures	<u>911,534</u>	<u>(2,784,736)</u>
Other financing sources (uses)		
Operating transfers in (out)	(304,368)	138,396
Proceeds of general obligation warrants	-	1,944,783
Proceeds of note payable	-	399,334
Proceeds of capital lease	-	93,500
Total other financing sources (uses)	<u>(304,368)</u>	<u>2,576,013</u>
Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	607,166	(208,723)
Fund balances at beginning of year	<u>9,806,088</u>	<u>10,014,811</u>
Fund balances at end of year	<u>\$10,413,254</u>	<u>\$9,806,088</u>

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

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

	1993		Variance Favorable (Unfavorable)
	Budget	Actual	
Revenues			
Taxes	\$22,493,000	\$21,984,391	(\$508,609)
Licenses and permits	5,849,000	6,083,992	234,992
Intergovernmental	1,138,000	1,442,157	304,157
Fines and forfeits	400,000	461,024	61,024
Interest on pooled cash and investments	169,500	151,735	(17,765)
Interest on Board of Education loan	619,800	619,800	-
Stadium lease	250,000	229,527	(20,473)
Other	1,108,000	1,112,639	4,639
Total revenues	<u>32,027,300</u>	<u>32,085,265</u>	<u>57,965</u>
Expenditures			
Current operations			
General government	3,177,426	3,110,641	66,785
Public safety	11,318,578	11,151,835	166,743
Municipal court	233,232	231,597	1,635
Streets and sanitation	3,291,061	3,313,053	(21,992)
Recreation	1,505,438	1,499,082	6,356
Library	1,466,198	1,404,550	61,648
Health	124,945	131,824	(6,879)
Total	<u>21,116,878</u>	<u>20,842,582</u>	<u>274,296</u>
Capital outlays	792,945	594,672	198,273
Debt service			
Principal	1,641,079	1,641,079	-
Interest	3,540,593	3,540,589	4
Intergovernmental			
City Board of Education	4,616,400	4,554,809	61,591
Total expenditures	<u>31,707,895</u>	<u>31,173,731</u>	<u>534,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>319,405</u>	<u>911,534</u>	<u>592,129</u>
Other financing sources (uses)			
Operating transfers in (out)	(300,000)	(304,368)	(4,368)
Proceeds of general obligation warrants	-	-	-
Proceeds of note payable	-	-	-
Proceeds of capital lease	-	-	-
Total other financing sources (uses)	<u>(300,000)</u>	<u>(304,368)</u>	<u>(4,368)</u>
Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$19,405</u>	<u>607,166</u>	<u>\$587,761</u>
Fund balances at beginning of year		<u>9,806,088</u>	
Fund balances at end of year		<u>\$10,413,254</u>	

1992		
Budget	Actual	Variance Favorable (Unfavorable)
\$19,798,071	\$20,235,049	\$436,978
5,138,500	5,221,673	83,173
1,139,550	1,078,334	(61,216)
528,000	454,527	(73,473)
170,000	162,220	(7,780)
900,600	640,600	(260,000)
250,000	206,083	(43,917)
429,871	620,439	190,568
<u>28,354,592</u>	<u>28,618,925</u>	<u>264,333</u>
2,831,354	2,766,945	64,409
10,282,407	10,359,568	(77,161)
237,928	259,340	(21,412)
2,787,363	3,252,832	(465,469)
1,142,956	1,170,117	(27,161)
1,161,955	1,294,110	(132,155)
150,290	105,953	44,337
<u>18,594,253</u>	<u>19,208,865</u>	<u>(614,612)</u>
2,682,108	2,725,027	(42,919)
1,289,361	1,319,361	(30,000)
3,659,748	3,650,408	9,340
4,500,000	4,500,000	-
<u>30,725,470</u>	<u>31,403,661</u>	<u>(678,191)</u>
<u>(2,370,878)</u>	<u>(2,784,736)</u>	<u>(413,858)</u>
114,396	138,396	24,000
1,944,783	1,944,783	-
399,334	399,334	-
93,500	93,500	-
<u>2,552,013</u>	<u>2,576,013</u>	<u>24,000</u>
<u>\$181,135</u>	<u>(208,723)</u>	<u>(\$389,858)</u>
	<u>10,014,811</u>	
	<u>\$9,806,088</u>	

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

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

For the fiscal year ended September 30, 1993
(with comparative actual amounts for the fiscal year ended September 30, 1992)

<u>Expenditures - Current Operations</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1992 Actual</u>
General government				
Administrative				
Personal services	\$1,152,054	\$1,063,810	\$88,244	\$941,524
Other	1,877,463	1,912,402	(34,939)	1,698,245
Total	<u>3,029,517</u>	<u>2,976,212</u>	<u>53,305</u>	<u>2,639,769</u>
Municipal garage				
Personal services	125,659	119,676	5,983	111,289
Other	22,250	14,753	7,497	15,887
Total	<u>147,909</u>	<u>134,429</u>	<u>13,480</u>	<u>127,176</u>
Total general government	<u>3,177,426</u>	<u>3,110,641</u>	<u>66,785</u>	<u>2,766,945</u>
Public safety				
Police				
Personal services	4,292,378	4,301,142	(8,764)	4,074,608
Other	597,401	604,193	(6,792)	432,024
Total	<u>4,889,779</u>	<u>4,905,335</u>	<u>(15,556)</u>	<u>4,506,632</u>
Fire				
Personal services	5,367,456	5,317,373	50,083	5,008,572
Other	444,600	355,422	89,178	330,471
Total	<u>5,812,056</u>	<u>5,672,795</u>	<u>139,261</u>	<u>5,339,043</u>
Inspection services				
Personal services	556,347	533,837	22,510	471,860
Other	60,396	39,868	20,528	42,033
Total	<u>616,743</u>	<u>573,705</u>	<u>43,038</u>	<u>513,893</u>
Total public safety	<u>11,318,578</u>	<u>11,151,835</u>	<u>166,743</u>	<u>10,359,568</u>
Municipal court				
Personal services	194,932	202,697	(7,765)	173,662
Other	38,300	28,900	9,400	85,678
Total municipal court	<u>233,232</u>	<u>231,597</u>	<u>1,635</u>	<u>259,340</u>
Streets and sanitation				
Personal services	368,061	513,320	(145,259)	488,063
Other	2,923,000	2,799,733	123,267	2,764,769
Total streets and sanitation	<u>3,291,061</u>	<u>3,313,053</u>	<u>(21,992)</u>	<u>3,252,832</u>

Continued on Page 53

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

For the fiscal year ended September 30, 1993
(with comparative actual amounts for the fiscal year ended September 30, 1992)

<u>Expenditures - Current Operations</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1992 Actual</u>
Recreation				
Personal services	1,018,788	1,004,814	13,974	741,023
Other	486,650	494,268	(7,618)	429,094
Total recreation	<u>1,505,438</u>	<u>1,499,082</u>	<u>6,356</u>	<u>1,170,117</u>
Library				
Personal services	1,017,999	969,437	48,562	838,671
Other	448,199	435,113	13,086	455,439
Total library	<u>1,466,198</u>	<u>1,404,550</u>	<u>61,648</u>	<u>1,294,110</u>
Health				
Personal services	56,850	62,313	(5,463)	47,961
Other	68,095	69,511	(1,416)	57,992
Total health	<u>124,945</u>	<u>131,824</u>	<u>(6,879)</u>	<u>105,953</u>
Total expenditures - current operations	<u>\$21,116,878</u>	<u>\$20,842,582</u>	<u>\$274,296</u>	<u>\$19,208,865</u>

Continued from Page 52

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

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SPECIAL REVENUE FUNDS

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

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

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

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

State Five Cent Gasoline Tax Special Revenue Fund accounts for proceeds of a five cent State gasoline tax. The use of these funds is restricted to expenditures for the same purposes as the State Four Cent Gasoline Tax Fund.

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

THE CITY OF HOOVER, ALABAMA
Special Revenue Funds
Combining Balance Sheets
September 30, 1993
(with comparative totals for September 30, 1992)

	<u>E-911</u>	<u>State Seven Cent Gasoline Tax</u>	<u>State Four Cent Gasoline Tax</u>	<u>State Five Cent Gasoline Tax</u>
Assets				
Pooled cash and investments	\$78,213	\$70,625	\$114,617	\$94,892
Due from other governments				
State	-	32,562	19,092	9,276
Due from General Fund	<u>20,230</u>	<u>42,697</u>	<u>-</u>	<u>59</u>
Total assets	<u><u>\$98,443</u></u>	<u><u>\$145,884</u></u>	<u><u>\$133,709</u></u>	<u><u>\$104,227</u></u>
Liabilities and fund balances				
Liabilities				
Accounts payable	-	-	\$15,042	-
Due to General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>15,042</u></u>	<u><u>-</u></u>
Fund balances				
Unreserved, undesignated	<u>\$98,443</u>	<u>\$145,884</u>	<u>118,667</u>	<u>\$104,227</u>
Total liabilities and fund balances	<u><u>\$98,443</u></u>	<u><u>\$145,884</u></u>	<u><u>\$133,709</u></u>	<u><u>\$104,227</u></u>

Drug Enforce- ment	Totals	
	1993	1992
\$76,434	\$434,781	\$323,499
-	60,930	35,951
-	62,986	-
<u>\$76,434</u>	<u>\$558,697</u>	<u>\$359,450</u>
-	\$15,042	-
-	-	\$114,529
-	<u>15,042</u>	<u>114,529</u>
<u>\$76,434</u>	<u>543,655</u>	<u>244,921</u>
<u>\$76,434</u>	<u>\$558,697</u>	<u>\$359,450</u>

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

THE CITY OF HOOVER, ALABAMA

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the fiscal year ended September 30, 1993

(with comparative totals for the fiscal year ended September 30, 1992)

	<u>E-911</u>	<u>State Seven Cent Gasoline Tax</u>	<u>State Four Cent Gasoline Tax</u>	<u>State Five Cent Gasoline Tax</u>
Revenues				
Intergovernmental	-	\$336,803	\$210,220	\$102,509
Interest on pooled cash and investments	\$1,499	3,631	2,235	1,461
Telephone surcharge	409,105	-	-	-
Confiscated drug funds	-	-	-	-
Total revenues	<u>410,604</u>	<u>340,434</u>	<u>212,455</u>	<u>103,970</u>
Expenditures				
Current Operations				
Public safety				
Police				
Personal services	375,249	-	-	-
Other	-	-	-	-
Streets and sanitation				
Personal services	-	323,280	-	-
Other	-	-	117,961	10,295
Total	<u>375,249</u>	<u>323,280</u>	<u>117,961</u>	<u>10,295</u>
Capital outlays	-	-	-	-
Total expenditures	<u>375,249</u>	<u>323,280</u>	<u>117,961</u>	<u>10,295</u>
 Excess of revenues over expenditures	35,355	17,154	94,494	93,675
Other financing uses				
Operating transfers to General Fund	-	-	-	-
 Excess (deficiency) of revenues over (under) expenditures and other financing uses	35,355	17,154	94,494	93,675
Fund balances at beginning of year	<u>63,088</u>	<u>128,730</u>	<u>24,173</u>	<u>10,552</u>
Fund balances at end of year	<u><u>\$98,443</u></u>	<u><u>\$145,884</u></u>	<u><u>\$118,667</u></u>	<u><u>\$104,227</u></u>

Drug Enforcement	Totals	
	1993	1992
-	\$649,532	\$342,137
\$1,897	10,723	8,867
-	409,105	316,107
87,472	87,472	10,917
<u>89,369</u>	<u>1,156,832</u>	<u>678,028</u>
-	375,249	164,159
31,313	31,313	137,508
-	323,280	194,400
-	128,256	85,798
<u>31,313</u>	<u>858,098</u>	<u>581,865</u>
-	-	30,517
<u>31,313</u>	<u>858,098</u>	<u>612,382</u>
58,056	298,734	65,646
-	-	(114,396)
58,056	298,734	(48,750)
<u>18,378</u>	<u>244,921</u>	<u>293,671</u>
<u>\$76,434</u>	<u>\$543,655</u>	<u>\$244,921</u>

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

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

	Totals	
	<u>1993</u>	<u>1992</u>
Assets		
Pooled cash and investments	\$78,213	\$138,710
Due from General Fund	20,230	-
Total assets	<u>\$98,443</u>	<u>\$138,710</u>
 Liabilities and fund balances		
Liabilities		
Due to General Fund	-	\$75,622
Total liabilities	-	75,622
 Fund balances		
Unreserved, undesignated	\$98,443	63,088
Total liabilities and fund balances	<u>\$98,443</u>	<u>\$138,710</u>

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

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

	<u>Totals</u>	
	<u>1993</u>	<u>1992</u>
Revenues		
Telephone surcharge	\$409,105	\$316,107
Interest on pooled cash and investments	1,499	5,268
Total revenues	<u>410,604</u>	<u>321,375</u>
 Expenditures		
Current operations		
Public safety		
Police		
Personal services	375,249	164,159
Other	-	107,085
Total expenditures	<u>375,249</u>	<u>271,244</u>
Excess of revenues over expenditures	35,355	50,131
 Other financing uses		
Operating transfers to General Fund	-	(114,396)
Total other financing uses	<u>-</u>	<u>(114,396)</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	35,355	(64,265)
 Fund balances at beginning of year	<u>63,088</u>	<u>127,353</u>
 Fund balances at end of year	<u><u>\$98,443</u></u>	<u><u>\$63,088</u></u>

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

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

	1993			1992		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Telephone surcharge	\$395,000	\$409,105	\$14,105	\$327,300	\$316,107	(\$11,193)
Interest on pooled cash and investments	1,500	1,499	(1)	10,000	5,268	(4,732)
Total revenues	<u>396,500</u>	<u>410,604</u>	<u>14,104</u>	<u>337,300</u>	<u>321,375</u>	<u>(15,925)</u>
Expenditures						
Current operations						
Public safety						
Personal safety	395,000	375,249	19,751	145,429	164,159	(18,730)
Other	-	-	-	106,564	107,085	(521)
Total expenditures	<u>395,000</u>	<u>375,249</u>	<u>19,751</u>	<u>251,993</u>	<u>271,244</u>	<u>(19,251)</u>
Excess of revenues over expenditures	1,500	35,355	33,855	85,307	50,131	(35,176)
Other Financing Uses						
Operating transfers to General Fund	-	-	-	(114,500)	(114,396)	104
Excess (deficiency) of revenues over (under) expenditures and other financing uses	<u>\$1,500</u>	<u>35,355</u>	<u>\$33,855</u>	<u>(\$29,193)</u>	<u>(64,265)</u>	<u>(\$35,072)</u>
Fund balances at beginning of year		<u>63,088</u>			<u>127,353</u>	
Fund balances at end of year		<u>\$98,443</u>			<u>\$63,088</u>	

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

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

	<u>1993</u>	<u>1992</u>
Assets		
Pooled cash and investments	\$70,625	\$125,733
Due from state government	32,562	19,197
Due from General Fund	<u>42,697</u>	<u>-</u>
Total assets	<u><u>\$145,884</u></u>	<u><u>\$144,930</u></u>
 Liabilities and fund balances		
Liabilities		
Due to General Fund	<u>-</u>	<u>\$16,200</u>
Total liabilities	-	16,200
Fund balances		
Unreserved, undesignated	<u>\$145,884</u>	<u>128,730</u>
Total liabilities and fund balances	<u><u>\$145,884</u></u>	<u><u>\$144,930</u></u>

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

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

	<u>1993</u>	<u>1992</u>
Revenues		
Intergovernmental	\$336,803	\$204,773
Interest on pooled cash and investments	3,631	1,509
	<u>340,434</u>	<u>206,282</u>
Expenditures		
Current operations		
Streets and sanitation		
Personal services	323,280	194,400
	<u>323,280</u>	<u>194,400</u>
Excess of revenues over expenditures	17,154	11,882
Fund balances at beginning of year	<u>128,730</u>	<u>116,848</u>
Fund balances at end of year	<u><u>\$145,884</u></u>	<u><u>\$128,730</u></u>

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

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

	1993			1992		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	\$389,000	\$336,803	(\$52,197)	\$388,800	\$204,773	(\$184,027)
Interest on pooled cash and investments	4,400	3,631	(769)	2,000	1,509	(491)
Total revenues	393,400	340,434	(52,966)	390,800	206,282	(184,518)
Expenditures						
Current operations						
Streets and sanitation						
Personal services	365,976	323,280	42,696	388,800	194,400	194,400
Total expenditures	365,976	323,280	42,696	388,800	194,400	194,400
Excess of revenues over expenditures	\$27,424	17,154	(\$10,270)	\$2,000	11,882	\$9,882
Fund balances at beginning of year		128,730			116,848	
Fund balances at end of year		\$145,884			\$128,730	

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

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

	<u>1993</u>	<u>1992</u>
Assets		
Pooled cash and investments	\$114,617	\$12,911
Due from state government	<u>19,092</u>	<u>11,262</u>
Total assets	<u><u>\$133,709</u></u>	<u><u>\$24,173</u></u>
 Liabilities and fund balances		
Liabilities		
Accounts payable	<u>\$15,042</u>	<u>-</u>
Total liabilities	15,042	-
Fund balances		
Unreserved, undesignated	<u>118,667</u>	<u>\$24,173</u>
Total liabilities and fund balances	<u><u>\$133,709</u></u>	<u><u>\$24,173</u></u>

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

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

	<u>1993</u>	<u>1992</u>
Revenues		
Intergovernmental	\$210,220	\$126,824
Interest on pooled cash and investments	2,235	539
	<u>212,455</u>	<u>127,363</u>
Expenditures		
Current operations		
Streets and sanitation		
Other	117,961	85,798
Capital outlays	-	27,840
	<u>117,961</u>	<u>113,638</u>
Total expenditures	117,961	113,638
Excess of revenues over expenditures	94,494	13,725
Fund balances at beginning of year	<u>24,173</u>	<u>10,448</u>
Fund balances at end of year	<u><u>\$118,667</u></u>	<u><u>\$24,173</u></u>

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

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

	1993			1992		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	\$227,000	\$210,220	(\$16,780)	\$226,800	\$126,824	(\$99,976)
Interest on pooled cash and investments	1,000	2,235	1,235	15,000	539	(14,461)
Total revenues	228,000	212,455	(15,545)	241,800	127,363	(114,437)
Expenditures						
Current operations						
Streets and sanitation						
Other	120,000	117,961	2,039	236,800	85,798	151,002
Capital outlays	-	-	-	-	27,840	(27,840)
Total expenditures	120,000	117,961	2,039	236,800	113,638	123,162
Excess of revenues over expenditures	\$108,000	94,494	(\$13,506)	\$5,000	13,725	\$8,725
Fund balances at beginning of year		24,173			10,448	
Fund balances at end of year		\$118,667			\$24,173	

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

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

	<u>1993</u>	<u>1992</u>
Assets		
Pooled cash and investments	\$94,892	\$5,060
Due from state government	9,276	5,492
Due from General Fund	59	-
Total assets	<u>\$104,227</u>	<u>\$10,552</u>
 Liabilities and fund balances		
Fund balances		
Unreserved, undesignated	<u>\$104,227</u>	<u>\$10,552</u>
Total liabilities and fund balances	<u>\$104,227</u>	<u>\$10,552</u>

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

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

	<u>1993</u>	<u>1992</u>
Revenues		
Intergovernmental	\$102,509	\$10,540
Interest on pooled cash and investments	1,461	12
	<u>103,970</u>	<u>10,552</u>
Total revenues		
	<u>103,970</u>	<u>10,552</u>
 Expenditures		
Current Operations		
Streets and sanitation		
Other	10,295	-
	<u>10,295</u>	<u>-</u>
Total expenditures		
	<u>10,295</u>	<u>-</u>
Excess of revenues over expenditures	93,675	10,552
 Fund balances at beginning of year	<u>10,552</u>	<u>-</u>
Fund balances at end of year	<u><u>\$104,227</u></u>	<u><u>\$10,552</u></u>

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

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

	1993			1992		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget (A)	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	\$120,000	\$102,509	(\$17,491)	-	\$10,540	\$10,540
Interest on pooled cash and investments	600	1,461	861	-	12	12
Total revenues	<u>120,600</u>	<u>103,970</u>	<u>(16,630)</u>	<u>-</u>	<u>10,552</u>	<u>10,552</u>
Expenditures						
Current Operations						
Street and sanitations						
Other	<u>24,000</u>	<u>10,295</u>	<u>13,705</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>24,000</u>	<u>10,295</u>	<u>13,705</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>\$96,600</u>	<u>93,675</u>	<u>(\$2,925)</u>	<u>-</u>	<u>10,552</u>	<u>\$10,552</u>
Fund balances at beginning of year		<u>10,552</u>			<u>-</u>	
Fund balances at end of year		<u>\$104,227</u>			<u>\$10,552</u>	

(A) Due to the fact that this was a new revenue source during fiscal 1992, revenues could not be accurately estimated.

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

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

	<u>1993</u>	<u>1992</u>
Assets		
Pooled cash and investments	<u>\$76,434</u>	<u>\$41,085</u>
Total assets	<u><u>\$76,434</u></u>	<u><u>\$41,085</u></u>
 Liabilities and fund balances		
Liabilities		
Due to General Fund	<u>-</u>	<u>\$22,707</u>
Total liabilities	-	22,707
Fund balances		
Unreserved, undesignated	<u>\$76,434</u>	<u>18,378</u>
Total liabilities and fund balances	<u><u>\$76,434</u></u>	<u><u>\$41,085</u></u>

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

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

	<u>1993</u>	<u>1992</u>
Revenues		
Confiscated drug funds	\$87,472	\$10,917
Interest on pooled cash and investments	1,897	1,539
	<u>89,369</u>	<u>12,456</u>
Total revenues		
Expenditures		
Current operations		
Public safety		
Police		
Other	31,313	30,423
Capital outlays	-	2,677
	<u>31,313</u>	<u>33,100</u>
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	58,056	(20,644)
Fund balances at beginning of year	<u>18,378</u>	<u>39,022</u>
Fund balances at end of year	<u><u>\$76,434</u></u>	<u><u>\$18,378</u></u>

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

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

	1993			1992		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Confiscated drug funds	\$45,000	\$87,472	\$42,472	\$30,000	\$10,917	(\$19,083)
Interest on pooled cash and investments	2,000	1,897	(103)	3,000	1,539	(1,461)
Total revenues	47,000	89,369	42,369	33,000	12,456	(20,544)
Expenditures						
Current operations						
Public safety						
Police						
Other	25,735	31,313	(5,578)	25,655	30,423	(4,768)
Capital outlays	-	-	-	-	2,677	(2,677)
Total expenditures	25,735	31,313	(5,578)	25,655	33,100	(7,445)
Excess (deficiency) of revenues over (under) expenditures	\$21,265	58,056	\$36,791	\$7,345	(20,644)	(\$27,989)
Fund balances at beginning of year		18,378			39,022	
Fund balances at end of year		\$76,434			\$18,378	

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

CAPITAL PROJECTS FUNDS

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

1983 Capital Projects Fund accounts for all financial resources to be used for the acquisition or construction of major capital facilities, except the financial resources derived from the proceeds of the general obligation warrants dated September 1, 1990. This fund was eliminated at the end of fiscal year 1993.

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

THE CITY OF HOOVER, ALABAMA
Capital Projects Funds
Combining Balance Sheet
September 30, 1993
(with comparative totals for September 30, 1992)

	1983 Capital Projects	1990 Capital Projects	Totals	
			1993	1992
Assets				
Pooled cash and investments	-	\$738,542	\$738,542	\$2,542,476
Accounts receivable	-	-	-	41,430
Due from 1983 Capital Projects Fund	-	-	-	39,000
Total assets	<u>-</u>	<u>\$738,542</u>	<u>\$738,542</u>	<u>\$2,622,906</u>
Liabilities and fund balances				
Liabilities				
Accounts payable	-	\$164,537	\$164,537	\$392,623
Due to General Fund	-	-	-	5,868
Due to 1990 Capital Projects Fund	-	-	-	39,000
Total liabilities	<u>-</u>	<u>164,537</u>	<u>164,537</u>	<u>437,491</u>
Fund balances				
Unreserved, designated for acquisition, construction and improvements	-	574,005	574,005	2,185,415
Total liabilities and fund balances	<u>-</u>	<u>\$738,542</u>	<u>\$738,542</u>	<u>\$2,622,906</u>

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

THE CITY OF HOOVER, ALABAMA
Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 1993
(with comparative totals for the fiscal year ended September 30, 1992)

	<u>1983 Capital Projects</u>	<u>1990 Capital Projects</u>	<u>Totals</u>	
			<u>1993</u>	<u>1992</u>
Revenues				
Interest on pooled cash and investments	\$1,072	\$53,578	\$54,650	\$160,687
Total revenues	<u>1,072</u>	<u>53,578</u>	<u>54,650</u>	<u>160,687</u>
Expenditures				
Personal outlays	-	-	-	41,898
Capital outlays	20,900	1,611,240	1,632,140	5,710,632
Total expenditures	<u>20,900</u>	<u>1,611,240</u>	<u>1,632,140</u>	<u>5,752,530</u>
Deficiency of revenues under expenditures	<u>(19,828)</u>	<u>(1,557,662)</u>	<u>(1,577,490)</u>	<u>(5,591,843)</u>
Other financing uses				
Operating transfers to General Fund	(33,920)	-	(33,920)	(24,000)
Total other financing uses	<u>(33,920)</u>	<u>-</u>	<u>(33,920)</u>	<u>(24,000)</u>
Deficiency of revenues under expenditures and other financing uses	(53,748)	(1,557,662)	(1,611,410)	(5,615,843)
Fund balances at beginning of year	<u>\$53,748</u>	<u>2,131,667</u>	<u>2,185,415</u>	<u>7,801,258</u>
Fund balances at end of year	<u>-</u>	<u>\$574,005</u>	<u>\$574,005</u>	<u>\$2,185,415</u>

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

THE CITY OF HOOVER, ALABAMA
1983 Capital Projects Funds
Balance Sheet
September 30, 1992

	1992
Assets	
Pooled cash and investments	\$61,920
Accounts receivable	33,178
Total assets	\$95,098
 Liabilities and fund balances	
Liabilities	
Due to General Fund	\$2,350
Due to 1990 Capital Projects Fund	39,000
Total liabilities	41,350
Fund balances	
Unreserved, designated for acquisition, construction and improvements	53,748
Total liabilities and fund balances	\$95,098

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

THE CITY OF HOOVER, ALABAMA
1983 Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the fiscal years ended September 30

	<u>1993</u>	<u>1992</u>
Revenues		
Interest on pooled cash and investments	<u>\$1,072</u>	<u>\$2,487</u>
Total revenues	<u>1,072</u>	<u>2,487</u>
Expenditures		
Capital outlays		
Recreation center	-	39,000
Stadium bleachers	-	2,350
Drainage	<u>20,900</u>	<u>-</u>
Total expenditures	<u>20,900</u>	<u>41,350</u>
Deficiency of revenues under expenditures	<u>(19,828)</u>	<u>(38,863)</u>
Other financing uses		
Operating transfers to General Fund	<u>(33,920)</u>	<u>-</u>
Total other financing uses	<u>(33,920)</u>	<u>-</u>
Deficiency of revenues under expenditures and other financing uses	(53,748)	(38,863)
Fund balances at beginning of year	<u>\$53,748</u>	<u>92,611</u>
Fund balances at end of year	<u>-</u>	<u>\$53,748</u>

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

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

Assets	<u>1993</u>	<u>1992</u>
Pooled cash and investments	\$738,542	\$2,480,556
Accounts receivable	-	8,252
Due from 1983 Capital Projects Fund	-	39,000
Total assets	<u><u>\$738,542</u></u>	<u><u>\$2,527,808</u></u>
Liabilities and fund balances		
Liabilities		
Accounts payable	\$164,537	\$392,623
Due to General Fund	-	3,518
Total liabilities	<u>164,537</u>	<u>396,141</u>
Fund balances		
Unreserved, designated for acquisition, construction and improvements	<u>574,005</u>	<u>2,131,667</u>
Total liabilities and fund balances	<u><u>\$738,542</u></u>	<u><u>\$2,527,808</u></u>

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

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

	<u>1993</u>	<u>1992</u>
Revenues		
Interest on pooled cash and investments	<u>\$53,578</u>	<u>\$158,200</u>
Total revenues	<u>53,578</u>	<u>158,200</u>
Expenditures		
Personal services	-	41,898
Arbitrage rebate	24,528	-
Capital outlays		
Recreation center	802,500	3,591,406
Library	1,635	1,942,339
Fire station	464,463	-
Street improvements	-	87,863
Recreation facility improvements	<u>318,114</u>	<u>47,674</u>
Total expenditures	<u>1,611,240</u>	<u>5,711,180</u>
Deficiency of revenues under expenditures	<u>(1,557,662)</u>	<u>(5,552,980)</u>
Other financing uses		
Operating transfers to General Fund	<u>-</u>	<u>(24,000)</u>
Total other financing uses	<u>-</u>	<u>(24,000)</u>
Deficiency of revenues under expenditures and other financing uses	<u>(1,557,662)</u>	<u>(5,576,980)</u>
Fund balances at beginning of year	<u>2,131,667</u>	<u>7,708,647</u>
Fund balances at end of year	<u>\$574,005</u>	<u>\$2,131,667</u>

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

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ENTERPRISE FUND

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

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

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

	<u>1993</u>	<u>1992</u>
Assets		
Current assets		
Pooled cash and investments	\$50,292	\$37,879
Accounts receivable	81,190	50,322
Inventory	3,100	3,100
Total current assets	<u>134,582</u>	<u>91,301</u>
Property, plant and equipment		
Equipment	159,584	146,653
Land	643,000	643,000
Sewage treatment plants	5,361,097	5,361,096
Total property, plant and equipment	<u>6,163,681</u>	<u>6,150,749</u>
Less accumulated depreciation	<u>(2,681,591)</u>	<u>(2,277,935)</u>
Net property, plant and equipment	<u>3,482,090</u>	<u>3,872,814</u>
Total assets	<u><u>\$3,616,672</u></u>	<u><u>\$3,964,115</u></u>
Liabilities and equity		
Current liabilities		
Accounts payable	\$57,958	\$5,851
Refundable deposits	5,000	5,750
Total current liabilities	<u>62,958</u>	<u>11,601</u>
Noncurrent liabilities		
Advances from General Fund	-	280,527
Total liabilities	<u>62,958</u>	<u>292,128</u>
Equity		
Contributed capital		
Government	4,250,000	4,250,000
Customers	1,423,758	1,315,738
Developers	1,819,885	1,819,885
Total contributed capital	<u>7,493,643</u>	<u>7,385,623</u>
Retained earnings (deficit)	<u>(3,939,929)</u>	<u>(3,713,636)</u>
Total equity	<u>3,553,714</u>	<u>3,671,987</u>
Total liabilities and equity	<u><u>\$3,616,672</u></u>	<u><u>\$3,964,115</u></u>

*A statement of revenues, expenses and changes in retained earnings (deficit) for the Sewer Enterprise Fund is presented on Page 24 of this report. A statement of cash flows for the Sewer Enterprise Fund is presented on Page 25 of this report.

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

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AGENCY FUND

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

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

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THE CITY OF HOOVER, ALABAMA
Deferred Compensation Agency Fund
Statement of Changes in Assets and Liabilities
For the fiscal year ended September 30, 1993

	<u>Balance</u> <u>October 1, 1992</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>September 30, 1993</u>
Assets				
Pooled cash and investments	<u>\$96,787</u>	<u>\$96,693</u>	<u>-</u>	<u>\$193,480</u>
Liabilities				
Deferred compensation benefits payable	<u>\$96,787</u>	<u>\$96,693</u>	<u>-</u>	<u>\$193,480</u>

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

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GENERAL FIXED ASSETS ACCOUNT GROUP

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

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

General Fixed Assets	<u>1993</u>	<u>1992</u>
Land	\$10,977,239	\$10,174,739
Buildings	18,859,653	18,258,035
Improvements other than buildings	17,872,482	17,781,411
Equipment and vehicles	7,421,354	6,899,242
Construction in progress	<u>511,616</u>	<u>47,153</u>
Total general fixed assets	<u><u>\$55,642,344</u></u>	<u><u>\$53,160,580</u></u>
 Investment in general fixed assets		
Park and recreation board bond	\$427,146	\$427,146
General obligation warrants	37,254,734	35,634,102
Long-term notes payable	899,334	899,334
Federal grants	1,256,344	1,256,344
General revenues	12,567,080	11,741,515
Capital leases payable	93,500	93,500
Donations and annexations	<u>3,144,206</u>	<u>3,108,639</u>
Total investment in general fixed assets	<u><u>\$55,642,344</u></u>	<u><u>\$53,160,580</u></u>

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

THE CITY OF HOOVER, ALABAMA
Schedule of General Fixed Assets by Function and Activity
September 30, 1993

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Equipment and Vehicles</u>	<u>Total</u>
General government					
Administration	\$2,176,056	\$4,314,450	-	\$688,604	\$7,179,110
Municipal garage	-	254,492	-	59,859	314,351
Total general government	<u>2,176,056</u>	<u>4,568,942</u>	<u>-</u>	<u>748,463</u>	<u>7,493,461</u>
Public safety					
Police	-	-	-	1,798,076	1,798,076
Fire	385,277	2,199,070	\$94,370	2,744,912	5,423,629
Inspection	-	-	-	171,957	171,957
Total public safety	<u>385,277</u>	<u>2,199,070</u>	<u>94,370</u>	<u>4,714,945</u>	<u>7,393,662</u>
Municipal Court	-	-	-	47,853	47,853
Streets and sanitation	-	508,985	-	886,293	1,395,278
Recreation	8,415,906	6,069,430	17,778,112	522,324	32,785,772
Library	-	5,513,226	-	482,962	5,996,188
Health	-	-	-	18,514	18,514
Total general fixed assets allocated to functions and activities	<u>\$10,977,239</u>	<u>\$18,859,653</u>	<u>\$17,872,482</u>	<u>\$7,421,354</u>	
Construction in progress					<u>511,616</u>
Total general fixed assets					<u>\$55,642,344</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Changes in General Fixed Assets by Function and Activity
For the fiscal year ended September 30, 1993

<u>Function and Activity</u>	<u>General Fixed assets October 1, 1992</u>	<u>Additions</u>	<u>Deletions</u>	<u>General Fixed Assets September 30, 1993</u>
General government				
Administration	\$7,081,958	\$103,862	\$6,710	\$7,179,110
Municipal garage	314,351	-	-	314,351
Total general government	<u>7,396,309</u>	<u>103,862</u>	<u>6,710</u>	<u>7,493,461</u>
Public safety				
Police	1,561,858	241,154	4,936	1,798,076
Fire	5,291,255	132,374	-	5,423,629
Inspection	119,592	53,350	985	171,957
Total public safety	<u>6,972,705</u>	<u>426,878</u>	<u>5,921</u>	<u>7,393,662</u>
Municipal Court	<u>25,616</u>	<u>22,237</u>	-	<u>47,853</u>
Streets and sanitation	<u>1,333,025</u>	<u>62,253</u>	-	<u>1,395,278</u>
Recreation	<u>31,380,424</u>	<u>1,406,710</u>	<u>1,362</u>	<u>32,785,772</u>
Library	<u>5,986,834</u>	<u>9,354</u>	-	<u>5,996,188</u>
Health	<u>18,514</u>	-	-	<u>18,514</u>
Construction in progress	<u>47,153</u>	<u>1,066,081</u>	<u>601,618</u>	<u>511,616</u>
Total general fixed assets	<u><u>\$53,160,580</u></u>	<u><u>\$3,097,375</u></u>	<u><u>\$615,611</u></u>	<u><u>\$55,642,344</u></u>

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GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

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

	<u>1993</u>	<u>1992</u>
Amount available and to be provided for the payment of general long-term debt		
Amount to be provided from General Fund revenues	<u>\$59,527,330</u>	<u>\$60,208,413</u>
Total available and to be provided	<u><u>\$59,527,330</u></u>	<u><u>\$60,208,413</u></u>
 General Long-term debt		
General obligation warrants payable	\$57,281,488	\$58,037,526
Note payable	-	219,108
Capital lease payable	65,367	84,043
Accrued compensation leave	<u>2,180,475</u>	<u>1,867,736</u>
Total general long-term debt	<u><u>\$59,527,330</u></u>	<u><u>\$60,208,413</u></u>

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SUPPLEMENTAL INFORMATION

PRIMARY GOVERNMENT

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

Plan year Ended September 30 (A)	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded (1)/(2)	(4) Surplus (Unfunded) PBO (2)-(1)	(5) Annual Covered Payroll	Surplus (Unfunded) PBO As a Percentage of Covered Payroll (4)/(5)
1983	\$336,964	\$564,691	59.67%	(\$227,727)	\$1,930,284	(11.80%)
1984	664,838	1,081,851	61.45%	(417,013)	2,339,581	(17.82%)
1985	1,027,524	1,364,869	75.28%	(337,345)	3,127,442	(10.79%)
1986	1,682,417	1,876,066	89.68%	(193,649)	4,668,667	(4.15%)
1987	2,453,819	2,669,871	91.91%	(216,052)	6,712,481	(3.22%)
1988	3,273,891	3,632,448	90.13%	(358,557)	7,806,751	(4.59%)
1989	4,559,086	4,719,410	96.60%	(160,324)	8,272,042	(1.94%)
1990	5,876,911	5,532,292	106.23%	344,619	9,997,353	3.45%
1991	7,454,756	6,779,817	109.96%	674,939	10,760,283	6.27%
1992	9,219,844	8,405,849	109.68%	813,995	11,861,860	6.86%

* Unaudited

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

Source: Employee's Retirement System of Alabama

PBO = Pension Benefit Obligation

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STATISTICAL SECTION

PRIMARY GOVERNMENT

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

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

Source: City annual financial reports.

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

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety (B)</u>	<u>Streets and Sanitation</u>	<u>Recreation</u>	<u>Library</u>
1984	\$578,632	\$2,712,438	\$1,119,255	\$84,878	\$237,187
1985	949,720	3,433,347	1,560,209	181,071	391,958
1986	1,752,087	5,050,302	1,797,103	251,955	428,796
1987	2,069,240	6,025,411	2,272,864	491,369	507,896
1988	2,504,863	6,999,518	2,288,101	630,564	571,997
1989	2,078,774	7,964,689	2,542,297	823,782	632,757
1990	2,244,350	9,600,102	2,760,175	918,109	766,368
1991	2,824,151	10,164,111	3,020,169	893,962	867,755
1992	2,808,843	10,920,575	3,533,030	1,170,117	1,294,110
1993	3,110,641	11,789,994	3,764,589	1,499,082	1,404,550

Continued on Page 88

- (A) This schedule includes the General, Special Revenue and Capital Projects Funds.
- (B) Includes Municipal Court.
- (C) City Board of Education was formed October 5, 1987 and began operation of the school system on August 29, 1988.
- (D) The deficit shown for the fiscal year 1984 resulted from a contractual agreement to subsidize the operating cost of a private sewage treatment plant prior to its acquisition by the City. Subsequent to its acquisition by the City, operating results are reported in the Proprietary Fund.

Source: City annual financial reports.

<u>Health</u>	<u>Capital Outlays</u>	<u>Debt Service</u>	<u>City Board of Education (C)</u>	<u>Sewage Treatment Plant Operating Deficit (D)</u>	<u>Total</u>
\$47,481	\$5,704,698	\$1,589,970	-	\$17,898	\$12,092,437
56,638	5,354,721	1,103,150	-	-	13,030,814
62,995	3,688,824	1,432,019	-	-	14,464,081
84,646	8,650,166	1,472,053	-	-	21,573,645
105,317	16,204,594	3,881,644	\$3,100,000	-	36,286,598
124,523	1,835,289	3,082,645	3,733,239	-	22,817,995
135,333	1,060,623	4,124,387	4,453,850	-	26,063,297
126,752	7,150,715	4,393,214	4,500,000	-	33,940,829
105,953	8,466,176	4,969,769	4,500,000	-	37,768,573
131,824	2,226,812	5,181,668	4,554,809	-	33,663,969

Continued from Page 87

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

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Fines and Forfeits
1984	\$5,008,427	\$1,378,351	\$826,258	\$184,417
1985	6,191,443	1,745,746	885,437	176,043
1986	8,656,149	1,902,237	889,399	207,288
1987	11,771,178	2,631,011	890,915	255,711
1988	13,202,171	2,719,683	1,021,781	295,758
1989	14,936,802	3,219,790	1,043,063	404,469
1990	17,398,546	3,721,613	1,395,944	380,592
1991	18,607,573	4,848,791	1,259,986	491,556
1992	20,235,049	5,221,673	1,420,471	454,527
1993	21,984,391	6,083,992	2,091,689	461,024

Continued on Page 90

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

Source: City annual financial reports.

<u>Interest</u>	<u>Stadium Lease (B)</u>	<u>Other</u>	<u>Total</u>
\$576,573	-	\$60,998	\$8,035,024
677,996	-	47,718	9,724,383
161,037	-	527,031	12,343,141
207,925	-	161,826	15,918,566
480,062	\$280,368	233,438	18,233,261
383,322	302,140	607,592	20,897,178
841,655 (C)	275,597	572,068	24,586,015
1,689,072 (C)	249,367	1,287,703	28,434,048
972,374 (C)	206,083	947,463	29,457,640
836,908 (C)	229,527	1,609,216	33,296,747

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

Jefferson County:

<u>Beginning October 1</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Tax Collections to Tax Levy</u>
1983	\$714,276	\$708,853	99.2%	\$17,004	\$725,857	101.6%
1984	757,461	743,416	98.1%	7,915	751,331	99.2%
1985	795,568	781,553	98.2%	3,438	784,991	98.7%
1986	1,021,885	1,008,165	98.7%	3,161	1,011,326	99.0%
1987	1,186,046	1,179,185	99.4%	6,186	1,185,371	99.9%
1988	1,751,174	1,655,850	94.6%	383	1,656,233	94.6%
1989	1,824,382	1,752,624	96.1%	6,256	1,758,880	96.4%
1990	1,923,931	1,872,508	97.3%	865	1,873,373	97.4%
1991	2,054,747	1,920,859	93.5%	16,478	1,937,337	94.3%
1992	2,067,439	1,935,348	93.6%	21,071	1,956,419	94.6%

Shelby County:

<u>Beginning October 1</u>	<u>Total Tax Levy</u>	<u>Total Tax Collections</u>	<u>Percent of Tax Collections to Tax Levy</u>
1983	\$174,915	\$160,162	91.6%
1984	292,169	290,013	99.3%
1985	112,638	114,562	101.7%
1986	143,242	142,860	99.7%
1987	210,662	195,512	92.8%
1988	328,393	324,682	98.9%
1989	392,809	398,256	101.4%
1990	548,679	510,515	93.0%
1991	736,067	755,187	102.6%
1992	839,231	775,477	92.4%

(A) Property tax on motor vehicles is excluded.

Source: Jefferson and Shelby County Tax Collectors.

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

Located in Jefferson County:

Assessment Date October 1	Real Property (A)		Personal Property (A)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1983	\$75,855,907	\$552,538,060	\$8,794,191	\$43,970,955
1984	78,306,515	568,866,298	8,956,959	44,784,795
1985	111,225,401	808,350,049	11,360,483	56,802,415
1986	125,892,258	884,824,401	18,981,584	94,907,920
1987	197,510,028	1,329,041,058	26,457,290	132,286,450
1988	207,967,118	1,408,265,431	28,331,826	141,659,130
1989	211,928,255	1,451,431,416	30,148,078	150,740,390
1990	217,467,432	1,507,641,117	32,106,596	160,532,980
1991	225,745,021	1,564,991,798	34,959,344	174,796,720
1992	232,228,585	1,626,395,898	31,343,255	156,718,775

Located in Shelby County:

1983	12,347,960	61,739,800	30,194,940	150,974,700
1984	14,536,000	72,680,000	500,040	2,500,200
1985	17,668,840	88,344,200	633,180	3,165,900
1986	25,740,940	128,704,700	1,416,320	7,081,600
1987	45,294,040	226,470,200	2,225,340	11,126,700
1988	53,956,020	269,780,100	4,214,000	21,070,000
1989	59,066,940	295,334,700	3,412,400	17,062,000
1990	100,310,320	501,551,000	10,342,160	51,710,800
1991	107,783,940	538,919,700	10,665,000	53,325,000
1992	114,616,180	573,080,900	12,254,780	61,273,900

Continued on Page 93

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

Source: Jefferson and Shelby County Tax Collectors.

Public Utility Property (B)		Total		Ratio of Total Assessed to Total Estimated Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$33,097,460	\$99,292,380	\$117,747,558	\$695,801,395	16.9 %
35,131,660	116,988,420	122,395,134	730,639,513	16.8
36,620,700	121,946,931	159,206,584	987,099,395	16.1
39,880,100	132,800,733	184,753,942	1,112,533,054	16.6
44,875,440	149,435,215	268,842,758	1,610,762,723	16.7
48,758,880	162,367,070	285,057,824	1,712,291,631	16.6
56,510,980	188,181,563	298,587,313	1,790,353,369	16.7
61,356,140	204,520,467	310,930,168	1,872,694,564	16.6
60,831,040	202,749,856	321,535,405	1,942,538,374	16.6
60,297,380	200,971,168	323,869,220	1,984,085,841	16.3
2,555,720	12,778,600	45,098,620	225,493,100	20.0
2,292,900	11,464,500	17,328,940	86,644,700	20.0
3,808,220	19,041,100	22,110,240	110,551,200	20.0
5,333,580	26,667,900	32,490,840	162,454,200	20.0
3,002,720	15,013,600	50,522,100	252,610,500	20.0
2,566,960	12,834,800	60,736,980	303,684,900	20.0
2,885,720	14,428,600	65,365,060	326,825,300	20.0
3,040,080	15,200,400	113,682,560	568,462,800	20.0
3,129,900	15,649,500	121,578,840	607,894,200	20.0
3,880,840	19,404,200	130,751,800	653,759,000	20.0

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

Jefferson County:

Fiscal Year Ended September 30	City of Hoover		Jefferson County				State of Alabama	Total Tax
	General Fund	City Schools	County	County Schools	School District	County Total		
1984	\$0.65	-	\$1.35	\$0.82	\$1.39	\$3.56	\$0.65	\$4.86
1985	0.65	-	1.35	0.82	1.39	3.56	0.65	4.86
1986	0.65	-	1.35	0.82	1.39	3.56	0.65	4.86
1987	0.65	-	1.35	0.82	1.39	3.56	0.65	4.86
1988	0.65	-	1.35	0.82	1.39	3.56	0.65	4.86
1989	0.65	-	1.35	0.82	1.39	3.56	0.65	4.86
1990	0.65	-	1.35	0.82	1.39	3.56	0.65	4.86
1991 (A)	0.65	\$1.40	1.35	0.82	1.39	3.56	0.65	6.26
1992	0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26
1993	0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26

Shelby County:

Fiscal Year Ended September 30	City of Hoover		Shelby County				State of Alabama	Total Tax	
	General Fund	City Schools	County	County Schools	School District	Hospital			County Total
1984	\$0.65	-	\$0.75	\$0.90	\$0.30	\$0.40	\$2.35	\$0.65	\$3.65
1985	0.65	-	0.75	0.90	0.60	0.40	2.65	0.65	3.95
1986	0.65	-	0.75	0.90	0.60	0.40	2.65	0.65	3.95
1987	0.65	-	0.75	0.90	0.60	0.40	2.65	0.65	3.95
1988	0.65	-	0.75	0.90	0.60	0.40	2.65	0.65	3.95
1989	0.65	-	0.75	0.90	0.60	0.30	2.55	0.65	3.85
1990	0.65	-	0.75	1.60	0.60	0.40	3.35	0.65	4.65
1991 (A)	0.65	\$1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1992	0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1993	0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05

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

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Principal Property Taxpayers
For the fiscal year ended September 30, 1993

	<u>City Ad Valorem Taxes</u>	<u>Percentage of Total Property Taxes Collected (A)</u>
Bellsouth Telecommunications	\$377,068	13.13 %
Galleria Venture	142,064	4.95
Metropolitan Life Insurance	131,348	4.57
Alabama Power Company	105,897	3.69
Daniel Companies	77,697	2.71
Harbert Korach Properties	53,591	1.87
Blue Cross - Blue Shield of Alabama	52,166	1.82
Harbert Companies	45,048	1.57
Rime Village	36,402	1.27
Macy's, Inc.	15,762	0.55
Sunlink Corporation	<u>14,689</u>	<u>0.51</u>
Total	<u><u>\$1,051,732</u></u>	<u><u>36.64 %</u></u>

(A) Excludes motor vehicles.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Computation of Legal Debt Margin
September 30, 1993

Assessed Value of property	<u>\$483,125,500</u> (A)
Debt Limit - 20 percent of total assessed value	96,625,100
Amount of debt applicable to debt limit	<u>47,307,801</u> (B)
Legal debt margin	<u>\$49,317,299</u>

(A) Included assessed value of motor vehicles totaling \$28,504,480.

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

Source: Jefferson County and Shelby County Tax Assessors.

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General Obligation Debt</u>	<u>Ratio of Debt To Assessed Value</u>	<u>General Obligation Debt per Capita</u>
1984	19,792	\$138,081,404	\$10,925,000	\$7.91	\$551.99
1985	19,792	162,846,178	10,775,000	6.62	544.41
1986	19,792	139,724,074	10,257,000	7.35	518.24
1987	31,319	192,914,341 (B)	19,400,000	10.06	619.43
1988	31,319	235,696,242 (B)	33,475,000	14.20	1,068.84
1989	31,319	341,716,138 (B)	42,450,000	12.42	1,355.41
1990	39,788	370,910,744 (B)	56,553,227	15.25	1,421.36
1991	39,788	391,529,273 (B)	56,480,485	14.43	1,419.54
1992 (A)	45,000	451,450,768 (B)	58,340,677	12.92	1,296.46
1993 (A)	48,000	469,130,985 (B)	57,346,855	12.22	1,194.73

(A) Estimate by city.

(B) Includes assessed value of motor vehicles.

Source: City annual financial reports.

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

<u>Fiscal Year</u>	<u>Total Debt Service</u>	<u>Total General Expenditures (A)</u>	<u>Ratio of Debt Service to Total General Expenditures</u>
1984	\$1,589,970	\$12,092,437	13.15 %
1985	1,103,150	13,030,814	8.46
1986	1,432,019	14,464,081	9.90
1987	1,433,623	21,573,645	6.64
1988	3,881,644	36,286,598	10.70
1989	3,082,645	22,817,995	13.51
1990	4,124,387	26,063,297	15.82
1991	4,393,214	33,940,829	12.94
1992	4,969,769	37,768,573	13.15
1993	5,181,668	33,663,969	15.39

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

Source: City annual financial reports.

THE CITY OF HOOVER, ALABAMA
Computation of Direct and Overlapping Debt
September 30, 1993

	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Hoover</u>	<u>Amount Applicable to City of Hoover</u>
Direct Debt			
City of Hoover - general obligation warrants	<u>\$57,346,855</u>	100.00 %	<u>\$57,346,855</u>
Overlapping Debt			
Hoover City Board of Education	65,502,466 (A)	100.00	65,502,466
Jefferson County	327,004,189	8.82	28,841,769
Jefferson County Board of Education	60,634,675	8.82	5,347,978
Shelby County	49,873,953	17.30	8,628,194
Shelby County Board of Education	<u>52,347,818</u>	17.30	<u>9,056,173</u>
Total overlapping debt	<u>555,363,101</u>		<u>117,376,580</u>
Total direct and overlapping debt	<u><u>\$612,709,956</u></u>		<u><u>\$174,723,435</u></u>

(A) Hoover City Board of Education debt shown net of \$8,465,000 due to the City of Hoover.

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

THE CITY OF HOOVER, ALABAMA
Demographic Statistics

<u>Fiscal Year</u>	<u>Population</u>	<u>Median Household Income</u>	<u>School Age Individuals</u>	<u>Unemployment Rate</u>
1984	22,500 (E)	**	**	9.8 % (B) (C)
1985	30,000 (E)	**	**	6.6 (B) (C)
1986	30,500 (E)	**	**	7.7 (B) (C)
1987	31,319 (A)	**	**	6.7 (B) (C)
1988	34,000 (E)	**	5,300 (F)	5.8 (B) (C)
1989	40,000 (E)	**	5,556 (F)	5.5 (B) (C)
1990	39,788 (A)	\$39,527 (G)	6,115 (F)	5.3 (B) (C)
1991	42,500 (G)	40,500 (E)	6,329 (F)	5.6 (B) (C)
1992	45,000 (G)	53,472 (G)	6,806 (F)	2.4 (B) (D)
1993	48,000 (G)	53,472 (G)	7,483 (F)	2.3 (B) (D)

** Information not available

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

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

<u>Fiscal Year</u>	<u>Value of Commercial Construction (A)</u>	<u>Value of Residential Construction (A)</u>	<u>Bank Deposits (B)</u>	<u>Retail Sales (A) (C)</u>
1984	\$83,901,000	\$19,480,000	\$185,500,000	\$292,000,000
1985	22,165,000	23,085,000	195,300,000	328,000,000
1986	55,639,000	26,598,308	205,000,000	537,000,000
1987	56,108,000	35,170,000	223,400,000	698,000,000
1988	38,061,643	37,592,249	272,976,000	729,000,000
1989	63,716,547	27,808,568	317,120,000	741,000,000
1990	25,467,426	48,871,241	548,029,000	750,000,000
1991	55,797,335	85,719,502	650,050,000	800,000,000
1992	18,105,842	104,642,785	730,154,000	850,000,000
1993	34,058,808	147,744,433	1,017,033,000	950,000,000

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

THE CITY OF HOOVER, ALABAMA

Miscellaneous Statistical Data

September 30, 1993

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (5 members)

Area: 37 Square miles (A)

Miles of Street:

Paved	460 (A)
Unpaved	0 (A)

Miles of Sewers:

Sanitary	136 (A)
Storm	146 (A)

Number of City Employees:

Administration	17
Finance	7
Garage	3
Police	116
Fire	114
Inspection services	13
Municipal court	5
Street and sanitation	24
Sewer	1
Recreation	45
Library	57
Health	2
Total	<u><u>404</u></u> (B)

Public Schools:

Established - August 29, 1988
 Enrollment - 7,483
 Buildings - one high school; one middle school;
 and six elementary schools.
 Budget - approximately \$57.6 million (C)

Major employers:

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

Recreation:

Number of parks 12 (E)

Acres of parks and lakes 172 (E)

Acres not developed 398 (E)

Public Safety:

Number of fire stations 7

Number of police stations 1

Population:

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

Number of housing units:

Owner occupied	13,463
Renter occupied	7,920
Total	<u><u>21,383</u></u> (F)

Value of housing units:

Median value \$112,700 (F)

Income:

Per capita \$21,961 (F)

Family \$53,472 (F)

Median age

34 (G)

- (A) Source: City Engineer (Amounts are approximate).
 (B) Source: City payroll records, September 30, 1993.
 (C) Source: City Board of Education.
 (D) Source: Birmingham Regional Planning Commission.
 (E) Source: Director of Parks and Recreation, City of Hoover.
 (F) Source: House Consultants, Independent Consulting Firm.
 (G) Source: Federal census.
 (H) Source: Estimate by City.