

The City of Hoover , Alabama

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30 , 1985

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THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report  
For the Fiscal Year Ended  
September 30, 1985

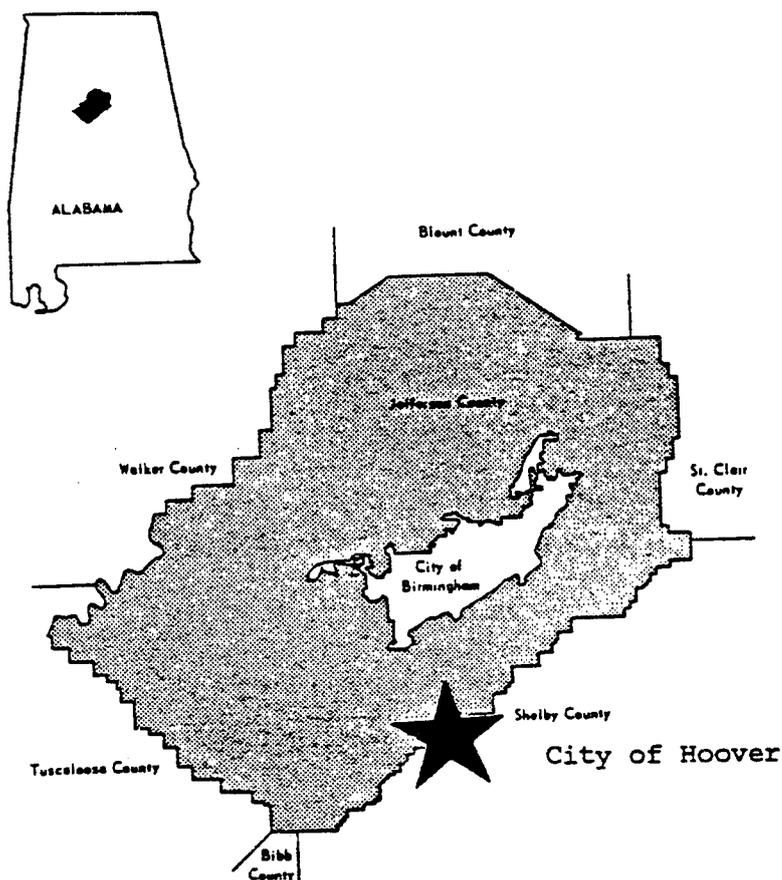
Prepared by:  
Office of the Finance Director

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



# The City of Hoover, Alabama

## Introduction



The City of Hoover, Alabama is located in Jefferson and Shelby Counties in north central Alabama. The City occupies approximately 15 square miles and has a population of approximately 34,000.

Officials of the City of Hoover, Alabama

September 30, 1985

Mayor

Frank S. Skinner, Jr.

-----  
City Council

William J. Billingsley, President

Faye B. Anderson

Oscar W. Davis

T.H. Blackmon

Geoffrey E. Huddleston

Heads of Departments

Finance .....	Richard K. Smith, Director
City Clerk .....	Anita W. Steiner, 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
Library .....	Linda R. Andrews, Director

Jack H. Harrison  
City Attorney

Joel C. Watson  
Municipal Judge

THE CITY OF HOOVER, ALABAMA  
Comprehensive Annual Financial Report  
 Year Ended September 30, 1985

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## CITY OF HOOVER

Honorable Mayor and Members of  
the City Council

The Comprehensive Annual Financial Report of the City of Hoover, Alabama, for the fiscal year ended September 30, 1985, is submitted herewith. This report was prepared from the City's accounting records. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

This report is prepared using the pyramid approach to governmental financial reporting prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles, prepared by the National Council on Governmental Accounting (NCGA). By using this approach, the reader is able to obtain a broad overview of the financial position and results of operations of the governmental unit as a whole, prior to proceeding to comparable data on a detailed basis for individual funds.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded Certificates of Conformance in Financial Reporting to The City of Hoover, Alabama for its comprehensive annual financial reports for the fiscal years ended September 30, 1984, 1983 and 1982.

In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Conformance is valid for a period of one year only. We believe our current report continues to conform to Certificate of Conformance/Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Honorable Mayor and Members of  
the City Council

### Internal Accounting Controls

Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) The safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) The cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management. We believe that the City's internal accounting controls are adequate.

### Budgeting, Budgetary Controls and Budgetary Reporting

The City is not required under state or local law to adopt an annual budget for the General Fund and Special Revenue Funds; however, there is a federal requirement that a budget be prepared for the Federal Revenue Sharing Fund. The City legally adopts a combined budget for the General Fund and Special Revenue Funds of the City. A budget is not legally adopted for the Capital Projects Fund.

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

1. Prior to October 1, the Mayor submits to the City Council a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.
3. On or about October 1, the budget is adopted by the City Council.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds.
5. Department heads are responsible for adhering to their departmental budgets.
6. The General Fund and Special Revenue Fund budget is adopted on a basis consistent with generally accepted accounting principles.
7. At the end of the fiscal year, appropriations of the General Fund and Special Revenue Funds automatically lapse.
8. The level of control (the level at which expenditures may not exceed budget) is the fund; however, the City Council may authorize expenditures from time to time during the year without legally amending the previously adopted budget. The Council may legally amend the budget at any time during the fiscal year. The budget was not amended in fiscal year 1985.

### The Reporting Entity and Its Services

For financial reporting purposes, in conformance with National Council on Governmental Accounting (NCGA) Statement 3, Defining the Governmental Reporting Entity, the City includes all funds and account groups that are controlled by

Honorable Mayor and Members of  
the City Council

or dependent on the Mayor and the City Council. The Library Board of the City of Hoover is funded by the City and is included in the financial reporting entity. The Medical Clinic Board of the City of Hoover and The Industrial Development Board of the City of Hoover have been excluded from the financial reporting entity. The organizations have substantial autonomy and separate governmental entity characteristics. They are governed by separate boards (appointed by the City Council). They are not funded by the City. The City is not obligated to finance any deficits they may incur and the City does not guarantee their indebtedness.

The City provides the following services: public safety (police, fire and inspection), street maintenance, sanitation, recreation, public library, public improvements, planning and zoning, and general administration. The City does not operate a school system. Students attend county schools.

#### Explanation of Fund Structure

The financial statements of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are presented in separate financial statements that comprise its assets, liabilities, fund equity, revenues and expenditures (or expenses). Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

Governmental funds are as follows:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary fund is as follows:

Enterprise Fund - The City's only enterprise fund is a sewer enterprise fund. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (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 (loss) is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Significant Aspects of Financial Operations During the Year

Set forth below is a summary and analysis of the combined operations of the General Fund and Special Revenue Funds of the City for fiscal 1985. This combined presentation is intended to provide insight as to general governmental operations. The capital projects fund has been excluded.

Revenues for general governmental operations totalled \$9,321,488 in the fiscal year ended September 30, 1985, an increase of 20.8% over the previous fiscal year. The amount of revenues and the changes from last year are shown in the following tabulation:

	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount of Increase or (Decrease) from 1984</u>	<u>Percent of Increase or (Decrease) from 1984</u>
<u>Revenues</u>				
Sales taxes	\$5,028,805	53.9%	\$1,026,149	25.6%
Business licenses	1,191,356	12.8	62,678	5.6
Property taxes	1,111,157	11.9	165,687	17.5
Intergovernmental	885,437	9.5	59,179	7.2
Building permits	553,681	5.9	304,928	122.6
Interest on investments	275,101	3.0	18,927	7.4
Fines and forfeitures	176,043	1.9	( 8,374)	(4.5)
Rental tax	51,481	.6	( 8,820)	(14.6)
All other	48,427	.5	(13,491)	(21.8)
Total Revenues	<u>\$9,321,488</u>	<u>100.0%</u>	<u>\$1,606,863</u>	20.8%

Sales tax revenue comprised 53.9% of the City's total revenue for fiscal 1985. Sales tax revenue increased by \$1,026,149 (25.6%) over fiscal 1984 primarily because of the continued growth in the number of retail businesses in the City. Business license receipts in fiscal 1985 were up \$62,678 over fiscal 1984 because of the increased sales volume in fiscal 1985. Revenue from business licenses comprised 12.8% of total revenue of the City.

Property taxes represented 11.9% of City revenues. Property taxes collected during fiscal 1985 were based on property tax assessments on real and personal property as of October 1, 1983 totalling approximately \$163 million. Real and personal property taxes collected and remitted by county tax collectors totalled \$1,041,344 and motor vehicle taxes totalled \$69,813.

Interest on investments totalled \$275,101 in fiscal 1985, an increase of \$18,927 (7.4%) over the previous year. City management invests idle cash in certificates of deposits, repurchase agreements and U.S. government obligations. At September 30, 1985, the City's excess funds were invested at annual rates of from 7.10% to 9.00%.

Building permits increased \$304,928 (122.6%) from fiscal 1984 to fiscal 1985 because of the continuing construction of the Riverchase Galleria and other new construction in the City.

Expenditures for current operations of general government totalled \$6,572,088 in fiscal year ended September 30, 1985, an increase of 37.5% over the previous fiscal year. Expenditure levels for major functions of the City and changes from last year are shown in the following tabulation:

<u>Function</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Amount of Increase or (Decrease) from 1984</u>	<u>Percent of Increase or (Decrease) from 1984</u>
General government	\$ 948,865	14.4%	\$ 370,233	64.0%
Public safety	3,381,145	51.4	740,012	28.0
Municipal Court	52,202	.8	( 19,103)	(26.8)
Streets and sanitation	1,560,209	23.7	440,954	39.4
Recreation	181,071	2.8	96,193	113.3
Library	391,958	6.0	154,771	65.3
Health	56,638	.9	9,157	19.3
Total expenditures related to current operations	6,572,088	<u>100.0%</u>	<u>\$1,792,217</u>	37.5%
Capital outlays	1,489,408			
Debt service	1,103,150			
Total expenditures	<u>\$ 9,164,646</u>			

Expenditures for personal services including salaries, retirement contributions and other employee benefits totalled \$3,955,884 in fiscal 1985, compared to \$2,998,567 in fiscal 1984. This was an increase of \$957,317. The increase resulted from a 9% across the board pay increase, merit raises, and the hiring of approximately 41 additional City employees during the year.

The following is an analysis of the increase in current operating expenditures by function:

	<u>Increase (Decrease) in Expenditures</u>		
	<u>Current Operations</u>		<u>Total</u>
	<u>Personal Services</u>	<u>Other (A)</u>	
General government			
Administrative	\$ 82,007	\$280,156	\$ 362,163
Municipal garage	5,292	2,778	8,070
Total	<u>87,299</u>	<u>282,934</u>	<u>370,233</u>
Public safety			
Police	227,234	16,506	243,740
Fire	353,138	32,670	385,808
Inspection services	69,262	41,202	110,464
Total	<u>649,634</u>	<u>90,378</u>	<u>740,012</u>
Municipal Court	16,705	(35,808)	( 19,103)
Streets and sanitation	122,000	318,954	440,954
Recreation	19,883	76,310	96,193
Library	61,796	92,975	154,771
Health	-	9,157	9,157
Total increases	<u>\$957,317</u>	<u>\$834,900</u>	<u>\$1,792,217</u>

(A) Includes all expenditures for goods and services (other than salaries and fringe benefits) required for general governmental operations.

Capital Outlays From The General Fund and Special Revenue Funds

A total of \$1,489,408 was expended from the General Fund and Special Revenue Funds for General Fixed Assets during fiscal 1985. Major items included therein were as follows:

<u>Description</u>	<u>Amount</u>
Aerial Platform Truck - Fire Department	\$ 410,061
Improvements - Shades Mountain Community Park	197,740
Land - Fire Department	180,000
Land - Administration	175,356
Land - Shades Mountain Community Park	139,965
Radio Console System - Police Department	59,010
Computer and Office Equipment - Administration	57,144
Five Motor Vehicles - Police Department	51,839
Three Motor Vehicles - Public Works Department	34,938
Improvements - Hoover Athletic Park	32,852
Two Motor Vehicles - Building Inspection Department	16,576
Asphalt Roller - Public Works Department	11,872
Improvements - Building Inspection Annex	10,143
All Other Items	<u>111,912</u>
	<u>\$1,489,408</u>

Debt Service

Debt service expenditures during the fiscal year ended September 30, 1985 consisted of the following:

(A) Principal payment of \$150,000 on \$1,500,000 general obligation warrant and payment of 12 months interest totalling \$119,250	\$ 269,250
(B) Payment of interest on \$9,575,000 general obligation warrants	<u>833,900</u>
	<u>\$1,103,150</u>

Payments on general obligation warrants are made from the General Fund.

General Long-Term Debt

General long-term debt at September 30, 1985 consisted of the following:

(A) \$1,500,000 general obligation warrant payable to a trust; dated July 27, 1983; due \$150,000 annually; interest at 9% due monthly	\$ 1,200,000
(B) \$9,575,000 general obligation warrants, series 1983; dated October 1, 1983; due \$350,000 to \$1,150,000 annually beginning October 1, 1985; interest at 8.20% to 9.00% due semi-annually commencing April 1, 1984	<u>9,575,000</u>
	<u>\$10,775,000</u>

The ratio of general obligation debt to assessed valuation is 6.62% and the amount of general obligation debt per capita is \$544.41 (based on the 1980 Federal Census population of 19,792).

Overlapping debt of Jefferson and Shelby Counties applicable to the City of Hoover at September 30, 1985 totaled \$6,879,275.

The City's credit ratings are as follows:

Moody's Investors Service	A
Standard and Poor's	A+

#### Cash Management

Cash temporarily idle during the year is invested by the City. City management invests idle cash in certificates of deposits, repurchase agreements and U.S. government obligations. At September 30, 1985, the City's excess funds were invested at annual rates ranging from 7.10% to 9.00%

#### Capital Projects Fund

The Capital Projects fund described in Explanation of Fund Structure above was established in fiscal 1984 to account for that portion of the \$9,575,000 general obligation warrant (GOW) proceeds to be used to acquire the Riverchase sewer treatment plant, construct a public works building and municipal center, and complete construction of improvements at Hoover Athletic Park. A summary of the sources and uses of the Capital Projects Fund is set forth below:

<u>Sources</u>	<u>Total</u>	<u>1985</u>	<u>1984</u>
GOW proceeds to Capital Projects Fund	\$ 8,566,992	\$ -	\$ 8,566,992
Advances from General Fund	1,408,975	1,408,975	-
Interest on investments	723,294	402,895	320,399
Total	<u>10,699,261</u>	<u>1,811,870</u>	<u>8,887,391</u>
<u>Uses</u>			
Acquisition of sewer treatment plant	3,500,000	-	3,500,000
Construction costs			
Park facilities	756,968	-	756,968
Public works building	763,477	289,314	474,163
Municipal Center	4,097,055	3,575,999	521,056
Other	855	855	-
Total	<u>9,118,355</u>	<u>3,866,168</u>	<u>5,252,187</u>
Excess of sources over (under) uses	<u>\$ 1,580,906</u>	<u>\$(2,054,298)</u>	<u>\$ 3,635,204</u>

The City has contractual commitments for uncompleted construction at September 30, 1985 as follows:

<u>Project</u>	<u>Remaining Construction Committed</u>
Municipal Center	\$ 123,281
Park Improvements	<u>684,000</u>
Total	<u>\$ 807,281</u>

Sewer Enterprise Fund

The Sewer Enterprise Fund described in Explanation of Fund Structure above was established in fiscal 1984 to account for the operations of the Riverchase sewer treatment plant. A summary of the operations of the plant for fiscal 1985 and 1984 is as follows:

	<u>1985</u>	<u>1984 *</u>
Total revenues	\$ 356,831	\$ 268,434
Total expenses (including depreciation of \$197,333 and \$148,000 in 1985 and 1984, respectively)	( 471,303)	( 342,536)
Net income (loss)	<u>\$( 114,472)</u>	<u>\$( 74,102)</u>

A summary of financial position of the Sewer Enterprise Fund at September 30, 1985 and 1984 is set forth below:

<u>Assets</u>	<u>1985</u>	<u>1984 *</u>
Current assets	\$ 197,672	\$ 96,110
Net property, plant and equipment	3,150,667	3,348,000
Total assets	<u>\$3,348,339</u>	<u>\$3,444,110</u>
<u>Liabilities and Fund Balance</u>		
Current liabilities	\$ 36,913	\$ 18,212
Fund balance		
Contributed capital	3,500,000	3,500,000
Retained earnings (deficit)	( 188,574)	( 74,102)
Total fund balance	<u>3,311,426</u>	<u>3,425,898</u>
Total liabilities and fund balance	<u>\$3,348,339</u>	<u>\$3,444,110</u>

The sewer treatment plant and related supplies have been recorded as contributed capital from the City in the Sewer Enterprise Fund. Long-term debt related to the sewer treatment plant has been included in the general long-term debt account group.

\* The fiscal 1984 financial statements of the Sewer Enterprise Fund have been restated to delete a receivable subsequently determined to be uncollectible at September 30, 1984. The effect of the restatement was to reduce revenue for fiscal 1984 by \$118,590 and to reduce receivables by a corresponding amount.

Economic Prospects

Hoover is the fastest growing city in the State. In another two years it may be the sixth largest city in the State. It is on the verge of becoming the second largest city in Jefferson County. It now has the largest shopping mall in the Southeast, the Riverchase Galleria. Other shopping centers and businesses are springing up on the two north-south open access traffic arteries through the City. Significant annexations of unincorporated areas are almost commonplace. The City is not "landlocked" by other municipalities. Thousands of acres of unincorporated land lie to the east and southwest to provide for future growth. Due to the City's far sighted leadership (in both the public and private sector) as well as its geographical location, Hoover is in an enviable position. The City is "booming" without the common problems associated with rapid growth. Despite the approximate 50% population increase during 1985, the City's expanding commercial revenue base

has made it possible to continue to deliver its high quality of service to its residents and businesses without anticipating future tax increases. The City has already put into place the organizational structure and personnel required to provide basic municipal services to the Riverchase Galleria, other new businesses and recently annexed areas. For the short run, the City's revenue compared to its expenditures will not be as favorable as it has been in the past. However, it is anticipated that increased revenue from the Galleria and other businesses will correct this condition.

#### Independent Audit

The State law requires an annual audit to be made of the books of account, financial records and transactions of all administrative departments of the City by a Certified Public Accountant. This requirement has been complied with and the auditor's opinion is included in this report.

#### Acknowledgements

We faced many difficulties this year in getting the Comprehensive Annual Financial Report (CAFR) completed. I appreciate very much the patience and support of the Mayor and City Council. I also wish to thank our accountants, Livings & Company for their assistance in compiling some of the information needed to complete the CAFR.

Respectfully submitted,



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

April 30, 1986

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# Certificate of Conformance in Financial Reporting

Presented to  
City of Hoover,  
Alabama

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 1984

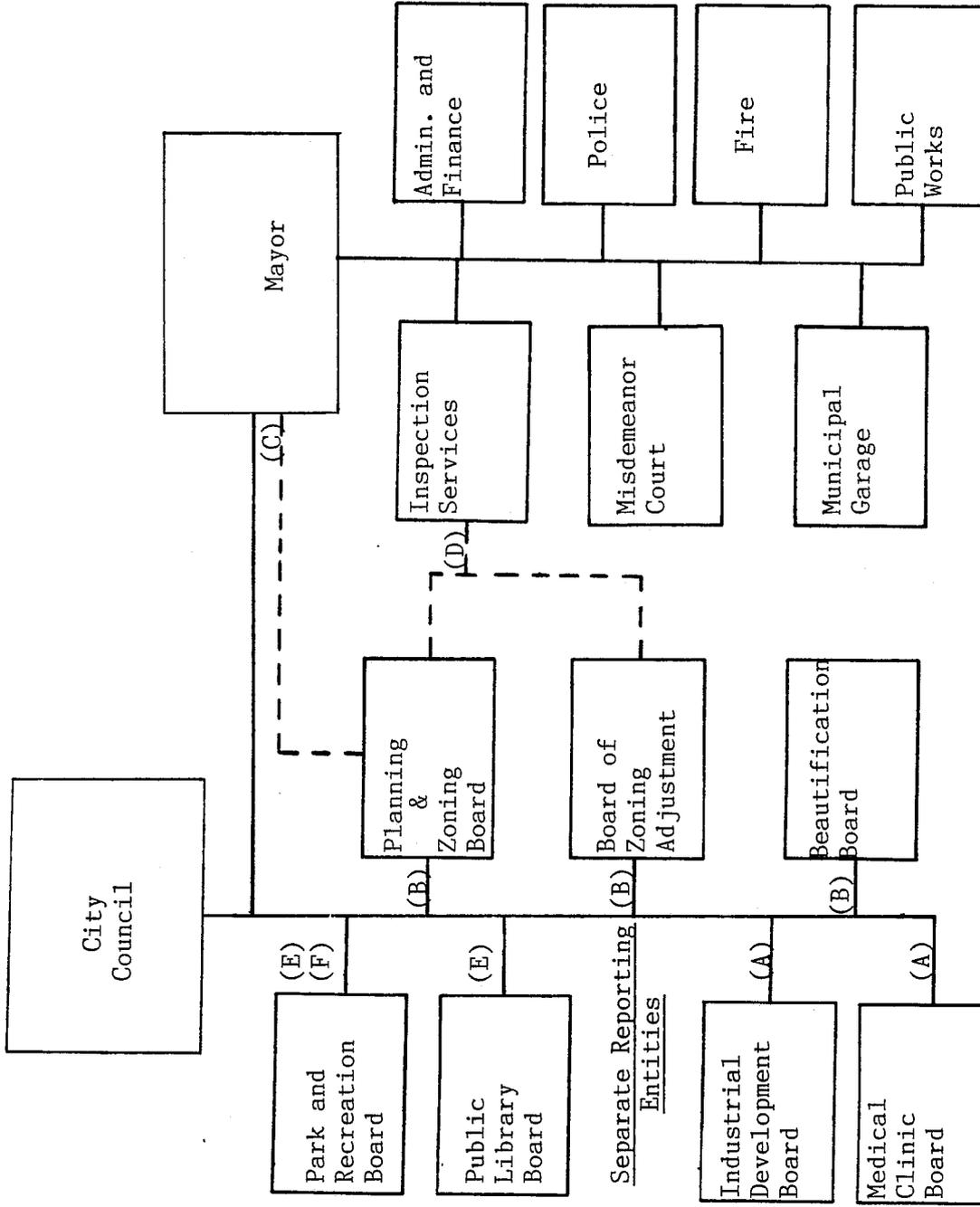
A Certificate of Conformance in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.



*John T. Walsh*  
President

*Jeffrey L. Eselle*  
Executive Director

City of Hoover, Alabama  
Organization Chart



- (A) Independent board which is not funded by the City, the members of which are appointed by the City Council.
- (B) Independent board which requires no significant funding, the members of which are appointed by the City Council.
- (C) The Mayor is an ex-officio member of the Planning and Zoning and Zoning Board.
- (D) Inspector enforces decisions of the Planning and Zoning Board and the Board of Zoning Adjustment.
- (E) Independent Board funded by the City. The Board members are appointed by the City Council.
- (F) The Park and Recreation Board was formed on September 16, 1985 and was not significantly active until after September 30, 1985.

Financial Section



# Livings & Company

Certified Public Accountants

James H. Livings, CPA  
Marion E. Higgins, CPA

910 First Alabama Bank Building  
Birmingham, Alabama 35203  
(205) 251-3177

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

We have examined the combined financial statements of the City of Hoover, Alabama and the combining, individual fund and account group financial statements as of and for the years ended September 30, 1985 and 1984, as listed in the table of contents. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the combined financial statements referred to above present fairly the financial position of the City of Hoover, Alabama, at September 30, 1985 and 1984, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis, after restatement for the changes, with which we concur, set forth in Note 11 to the combined financial statements. Also, in our opinion, the combining, individual fund and account group financial statements referred to above present fairly the financial position of the individual funds and account groups of the City of Hoover, Alabama, at September 30, 1985 and 1984, and their results of operations, in conformity with generally accepted accounting principles applied on a consistent basis after restatement for the changes, with which we concur, set forth in Note 11 to the combined financial statements.

Our examinations were made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed in the supplementary information and statistical tables sections in the table of contents is presented for purposes of additional analysis and is not a required part of the combined financial statements of the City of Hoover, Alabama. This information, except those schedules noted as unaudited, has been subjected to the auditing procedures applied in the examination of the combined, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

*Livings & Company*

March 26, 1986

## COMBINED FINANCIAL STATEMENTS

These statements provide a summary overview of the financial position of all funds and account groups and of the operating results by fund types. They also serve as an introduction to the more detailed statements and schedules that follow. Separate columns are used for each fund type and account group.

THE CITY OF HOOVER, ALABAMA  
Combined Balance Sheet  
All Fund Types and Account Groups  
 September 30, 1985

<u>Assets</u>	Governmental Fund Types		
	General Fund	Special Revenue Funds	Capital Projects Fund
Cash	\$ 80,963	\$ -	\$ 7,996
Investments (Note 1)	1,711,700	723,000	1,996,732
Receivables			
Taxes (Note 3)	526,170	-	-
Accrued interest	22,175	14,954	71,167
Grant	-	-	-
Accounts	-	-	-
Other	-	-	32,369
Due from other governments			
State	-	25,318	-
Federal	-	30,334	-
Due from other funds (Note 7)	1,425,488	203,000	-
Inventory-supplies, at cost	-	-	-
Fixed assets - Net of accumulated depreciation (Notes 1 and 4)	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
Total assets	3,766,496	996,606	2,108,264
<u>Liabilities</u>			
Bank overdraft	-	268,194	-
Accounts payable	449,116	166,052	527,358
Payroll taxes payable	27,867	-	-
Accrued retirement contribution (Note 9)	19,132	-	-
Due to other funds (Note 7)	203,000	-	1,408,975
General obligation warrants payable (Note 5)	-	-	-
Accrued compensated leave (Notes 1 and 11)	362,746	-	-
Total liabilities	1,061,861	434,246	1,936,333
<u>Fund Equity</u>			
Contributed capital	-	-	-
Investment in general fixed assets	-	-	-
Retained earnings (deficit) - unreserved	-	-	-
Fund balances - unreserved	2,704,635	562,360	171,931
Total fund equity	2,704,635	562,360	171,931
Total liabilities and fund equity	\$3,766,496	\$ 996,606	\$2,108,264

The accompanying notes are an integral part of this statement.

Proprietary Fund Type	Account Groups		Totals (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	1985	1984 Restated (Note 11)
Sewer				
Enterprise				
Fund				
\$ 33,472	\$ -	\$ -	\$ 122,431	\$ 658,040
148,000	-	-	4,579,432	6,576,544
-	-	-	526,170	444,354
117	-	-	108,413	55,452
-	-	-	-	7,500
12,083	-	-	12,083	22,234
-	-	-	32,369	-
-	-	-	25,318	25,208
-	-	-	30,334	24,801
-	-	-	1,628,488	21,953
4,000	-	-	4,000	4,000
3,150,667	12,306,204	-	15,456,871	10,179,781
-	-	10,775,000	10,775,000	10,925,000
<u>3,348,339</u>	<u>12,306,204</u>	<u>10,775,000</u>	<u>33,300,909</u>	<u>28,944,867</u>
-	-	-	268,194	-
20,400	-	-	1,162,926	666,601
-	-	-	27,867	21,657
-	-	-	19,132	13,158
16,513	-	-	1,628,488	21,953
-	-	10,775,000	10,775,000	10,925,000
-	-	-	362,746	293,462
<u>36,913</u>	<u>-</u>	<u>10,775,000</u>	<u>14,244,353</u>	<u>11,941,831</u>
3,500,000	-	-	3,500,000	3,500,000
-	12,306,204	-	12,306,204	6,831,781
( 188,574)	-	-	( 188,574)	( 74,102)
-	-	-	3,438,926	6,745,357
<u>3,311,426</u>	<u>12,306,204</u>	<u>-</u>	<u>19,056,556</u>	<u>17,003,036</u>
<u>\$3,348,339</u>	<u>\$12,306,204</u>	<u>\$10,775,000</u>	<u>\$33,300,909</u>	<u>\$28,944,867</u>

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THE CITY OF HOOVER, ALABAMA  
Combined Statement of Revenues, Expenditures and Changes in Fund Balances  
All Governmental Fund Types  
 Year Ended September 30, 1985

	<u>Governmental Fund Types</u>			<u>Total</u> (Memorandum Only)	
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>1985</u>	<u>1984 Restated (Note 11)</u>
<b>Revenues</b>					
Taxes	\$6,191,443	\$ -	\$ -	\$ 6,191,443	\$ 5,008,427
Licenses and permits	1,745,746	-	-	1,745,746	1,378,351
Intergovernmental	489,666	395,771	-	885,437	826,258
Fines and forfeitures	176,043	-	-	176,043	184,417
Interest on investments	218,247	56,854	402,895	677,996	576,573
Other	47,718	-	-	47,718	60,998
<b>Total revenues</b>	<u>8,868,863</u>	<u>452,625</u>	<u>402,895</u>	<u>9,724,383</u>	<u>8,035,024</u>
<b>Expenditures</b>					
Current operations					
General government	948,865	-	855	949,720	578,632
Public safety	3,381,145	-	-	3,381,145	2,641,133
Municipal court	52,202	-	-	52,202	71,305
Streets and sanitation	1,275,596	284,613	-	1,560,209	1,119,255
Recreation	181,071	-	-	181,071	84,878
Library	391,958	-	-	391,958	237,187
Health	56,638	-	-	56,638	47,481
Total	<u>6,287,475</u>	<u>284,613</u>	<u>855</u>	<u>6,572,943</u>	<u>4,779,871</u>
Capital outlays	1,274,593	214,815	3,865,313	5,354,721	5,704,698
Debt service	1,103,150	-	-	1,103,150	1,589,970
Sewer treatment plant operating deficit (Note 10)	-	-	-	-	17,898
<b>Total expenditures</b>	<u>8,665,218</u>	<u>499,428</u>	<u>3,866,168</u>	<u>13,030,814</u>	<u>12,092,437</u>
Excess of revenues over (under) expenditures	203,645	( 46,803)	(3,463,273)	( 3,306,431)	(4,057,413)
<b>Other financing sources</b>					
Proceeds of general obligation warrants (Note 5)	-	-	-	-	9,529,070
Excess of revenues and other financing sources over (under) expenditures	203,645	( 46,803)	(3,463,273)	( 3,306,431)	5,471,657
<b>Fund balances at beginning of year, as restated (Note 11)</b>	<u>2,500,990</u>	<u>609,163</u>	<u>3,635,204</u>	<u>6,745,357</u>	<u>1,273,700</u>
<b>Fund balances at end of year</b>	<u>\$2,704,635</u>	<u>\$ 562,360</u>	<u>\$ 171,931</u>	<u>\$ 3,438,926</u>	<u>\$ 6,745,357</u>

The accompanying notes 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 Fund Types  
 Year Ended September 30, 1985

	General Fund		Special Revenue Fund Types		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Revenues</b>					
Taxes	\$5,758,000	\$6,191,443	\$ -	\$ -	\$ -
Licenses and permits	1,965,000	1,745,746	-	-	-
Intergovernmental	390,000	489,666	380,300	395,771	15,471
Fines and forfeitures	206,400	176,043	-	-	-
Interest on investments	208,000	218,247	52,000	56,854	4,854
Other	59,000	47,718	-	-	-
<b>Total revenues</b>	<u>8,586,400</u>	<u>8,868,863</u>	<u>432,300</u>	<u>452,625</u>	<u>20,325</u>
<b>Expenditures</b>					
Current operations					
General government	842,800	948,865	-	-	-
Public safety	3,267,150	3,381,145	-	-	-
Municipal court	103,600	52,202	-	-	-
Streets and sanitation	1,249,800	1,275,596	263,000	284,613	( 21,613)
Recreation	235,900	181,071	-	-	-
Library	395,750	391,958	-	-	-
Health	58,600	56,638	-	-	-
<b>Total</b>	<u>6,153,600</u>	<u>6,287,475</u>	<u>263,000</u>	<u>284,613</u>	<u>( 21,613)</u>
Capital outlays	767,700	1,274,593	169,300	214,815	( 45,515)
Debt service	1,437,400	1,103,150	-	-	-
<b>Total expenditures</b>	<u>8,358,700</u>	<u>8,665,218</u>	<u>432,300</u>	<u>499,428</u>	<u>( 67,128)</u>

Excess of revenues over (under) expenditures	\$ <u>227,700</u>	\$ 203,645	\$ <u>(24,055)</u>	\$ <u>-</u>	\$ ( 46,803)	\$ <u>( 46,803)</u>
Fund balances at beginning of year, as restated (Note 11)		<u>2,500,990</u>			<u>609,163</u>	
Fund balances at end of year		<u>\$2,704,635</u>			<u>\$ 562,360</u>	

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
Statement of Revenues, Expenses and Changes  
in Retained Earnings (Deficit) - Proprietary Fund Type -  
Sewer Enterprise Fund  
Year Ended September 30, 1985 and  
Period Ended September 30, 1984\*

	<u>1985</u>	<u>1984</u> Restated (Note 11)
Operating revenues		
Charges for services	\$ 110,068	\$ 97,729
Operating expenses		
Depreciation	197,333	148,000
Management fees	189,910	127,262
Utilities	67,759	59,150
Supplies	5,326	3,401
Repairs and maintenance	10,708	2,159
Professional fees	192	1,525
Telephone	-	783
Uncollectible accounts	-	236
Bank charges	75	20
Total operating expenses	<u>471,303</u>	<u>342,536</u>
Operating income (loss)	(361,235)	( 244,807)
Non-operating revenues		
Tap fees	239,315	167,857
Interest	7,448	2,848
Total non-operating revenues	<u>246,763</u>	<u>170,705</u>
Net income (loss)	(114,472)	( 74,102)
Retained earnings (deficit) at beginning of period as restated (Note 11)	<u>( 74,102)</u>	<u>-</u>
Retained earnings (deficit) at end of period	<u><u>\$(188,574)</u></u>	<u><u>\$( 74,102)</u></u>

\* December 22, 1983 through September 30, 1984

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
Statement of Changes in Financial Position  
Proprietary Fund Type - Sewer Enterprise Fund  
 Year Ended September 30, 1985 and  
 Period Ended September 30, 1984\*

	<u>1985</u>	<u>1984*</u> <u>Restated</u> <u>(Note 11)</u>
Sources of working capital		
Operations		
Net income (loss)	\$(114,472)	\$( 74,102)
Item not requiring working capital - depreciation	<u>197,333</u>	<u>148,000</u>
Working capital provided by operations	82,861	73,898
Contributed capital	<u>-</u>	<u>3,500,000</u>
Total sources of working capital	82,861	3,573,898
Uses of working capital		
Acquisition of sewer treatment plant	<u>-</u>	<u>3,496,000</u>
Net increase in working capital	<u>82,861</u>	<u>77,898</u>
Elements of net increase in net working capital:		
Cash	( 36,404)	69,876
Investments	148,000	-
Receivables	( 10,034)	22,234
Inventory - supplies	-	4,000
Accounts payable	( 18,701)	( 1,699)
Due to General Fund	<u>-</u>	<u>( 16,513)</u>
Net increase in working capital	<u>\$ 82,861</u>	<u>\$ 77,898</u>

\* December 22, 1983 through September 30, 1984

The accompanying notes are an integral part of this statement.

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Notes to Financial Statements

THE CITY OF HOOVER, ALABAMA  
Notes to Financial Statements  
September 30, 1985

NOTE 1 Summary of Significant Accounting Policies

The City of Hoover, Alabama 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), street maintenance, sanitation, recreation, public library, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Hoover, Alabama conform to generally accepted accounting principles, as applicable to municipal governments. Following is a summary of the most significant policies:

A. Fund Accounting

The financial statements of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are presented in separate financial statements that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

Governmental funds are as follows:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary fund is as follows:

Enterprise Fund - The City's only enterprise fund is a sewer enterprise fund. An enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (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.

## B. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets located within the City consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

The proprietary fund (sewer enterprise fund) is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet. Its reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. The proprietary fund type operating statement presents increases (revenues) and decreases (expenses) in net total assets.

Depreciation of the sewer treatment plant used by the proprietary fund is charged as an expense against its operations. Accumulated depreciation is reported on the proprietary fund balance sheet. Depreciation has been provided over the estimated 15 year useful life of the sewer treatment plant using the straight-line method.

C. Financial Reporting Entity

For financial reporting purposes, in conformance with National Council on Governmental Accounting (NCGA) Statement 3, Defining the Governmental Reporting Entity, as amplified by NCGA Interpretation 7, Clarification as to the Application of the Criteria in NCGA Statement 3, the City includes all funds and account groups that are controlled by or dependent on the Mayor and the City Council. The Medical Clinic Board of the City of Hoover and The Industrial Development Board of the City of Hoover have been excluded from the financial reporting entity. The City does not significantly influence their operations. These organizations have substantial autonomy and separate governmental entity characteristics. They are governed by separate boards (appointed by the City Council). They are not funded by the City. The City is not obligated to finance any deficits they may incur and the City does not guarantee their indebtedness.

D. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed sales taxes and shared revenues are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

The proprietary fund (sewer enterprise fund) is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

E. Budgeting, Budgetary Control and Budgetary Reporting

The City is not required under state or local law to adopt an annual budget for the General Fund and Special Revenue Funds; however, there is a federal requirement that a budget be prepared for the Federal Revenue Sharing Fund. The City legally adopts a combined budget for the General Fund and Special Revenue Funds of the City. A budget is not legally adopted for the capital projects fund.

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

1. Prior to October 1, the Mayor submits to the City Council a proposed operating budget for the upcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the City Hall to obtain taxpayer comments.

3. On or about October 1, the budget is adopted by the City Council.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds.
5. Department heads are responsible for adhering to their departmental budgets.
6. The General Fund and Special Revenue Fund budget is adopted on a basis consistent with generally accepted accounting principles.
7. At the end of the fiscal year, appropriations of the General Fund and Special Revenue Funds automatically lapse.
8. The level of control (the level at which expenditures may not exceed budget) is the fund; however, the City Council may authorize expenditures from time to time during the year without legally amending the previously adopted budget. The Council may legally amend the budget at any time during the fiscal year. The budget was not amended in fiscal year 1985.

F. Encumbrances

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. Appropriations automatically lapse at year end.

G. Investments

Investments, which consist of certificates of deposit, repurchase agreements and U.S. Government obligations, are stated at cost.

H. Accumulated Unused Compensated Leave

The National Council on Governmental Accounting (NCGA) issued Statement 4, Accounting and Financial Reporting Principles for Claims and Judgements and Compensated Absences, in August, 1982. Statement 4 requires municipalities to comply with the provisions of Financial Accounting Standards Board (FASB) Statement 43, Accounting for Compensated Absences, for fiscal years beginning after December 31, 1982. FASB Statement 43 requires employers to accrue a liability for future compensated absences rather than disclose the liability in notes to financial statements.

Overtime leave and vacation leave are fully vested rights which are an obligation of the City even if an employee resigns or is discharged. Sick leave benefits were previously treated as nonvested rights which terminated if an employee resigned or was discharged. Effective October 1, 1984, the policy was changed retroactively, making one half of each current employee's accumulated sick leave a vested benefit when he or she discontinued employment with the City. (See Note 11A).

City employees had unused overtime leave, vacation leave and vested sick leave benefits totalling \$362,746 and \$293,462 at September 30, 1985 and 1984, respectively. Accrued compensated leave, which does not exceed a normal year's accumulation, is recorded as a liability of the General Fund.

I. 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.

J. Total Columns on Combined Statements

Total columns on the Combined 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 generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 Property Tax

Property is assessed and property taxes are collected by Jefferson and Shelby Counties on behalf of the City. Property is assessed and property taxes attach as an enforceable lien on property as of October 1. These property taxes are due and payable October 1 of the subsequent year and are delinquent after January 1. Total assessed value of property within the City approximated \$163 million at October 1, 1983. The City's property tax rate is \$.65 per \$100 of assessed value. This is presently the maximum legal rate.

Property tax revenues are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the accounting period when they become susceptible to accrual; that is, when they are levied. They are considered "available" when they meet the criteria set forth in NCGA Interpretation 3, Revenue Recognition - Property Taxes. "Available" is defined in Interpretation 3 as "... then due, or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period."

Property tax revenues are not normally collected in advance of the year to which they apply. Should this occur, such revenues would be recorded as deferred revenues and recognized as revenue in the year for which they are levied.

## NOTE 3 Receivables - Taxes

A summary of the items included in taxes receivable at September 30, 1985 and 1984 is set forth below:

	<u>1985</u>	<u>1984</u>
Sales tax	\$ 357,297	\$ 306,088
County road tax	117,188	95,169
Beer tax	17,227	17,990
Property tax	3,899	5,802
Other	<u>30,559</u>	<u>19,305</u>
Total	<u>\$ 526,170</u>	<u>\$ 444,354</u>

## NOTE 4 Changes in General Fixed Assets

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

	Balance October 1, <u>1984</u>	<u>Additions</u>	<u>Deletions</u>	Balance September 30, <u>1985</u>
Land	\$2,418,694	\$ 627,320	\$ -	\$ 3,046,014
Buildings	700,018	767,667	-	1,467,685
Improvements other than buildings	1,248,821	243,303	-	1,492,124
Equipment and vehicles	1,469,029	852,960	12,297	2,309,692
Construction in progress	<u>995,219</u>	<u>3,469,633</u>	<u>474,163</u>	<u>3,990,689</u>
Total	<u>\$6,831,781</u>	<u>\$5,960,883</u>	<u>\$ 486,460</u>	<u>\$12,306,204</u>

Construction in progress is composed of the following:

	<u>Contract Amounts</u>	<u>Expended to September 30, 1985</u>	<u>Committed</u>
Municipal Center	\$4,113,970	\$3,990,689	\$123,281
Park Improvements	<u>684,000</u>	<u>-</u>	<u>684,000</u>
	<u>\$4,797,970</u>	<u>\$3,990,689</u>	<u>\$807,281</u>

Proprietary fund type property, plant and equipment at September 30, 1985 and 1984 consisted of:

	Sewer Enterprise Fund	
	<u>1985</u>	<u>1984</u>
Land	\$ 536,000	\$ 536,000
Sewer treatment plant	2,960,000	2,960,000
Total	<u>3,496,000</u>	<u>3,496,000</u>
Less - Accumulated depreciation	345,333	148,000
Net	<u>\$ 3,150,667</u>	<u>\$ 3,348,000</u>

NOTE 5 Long-Term Debt

Long-term debt of the City consists exclusively of general obligation warrants reported in the General Long-Term Debt Account Group. A summary of general obligation warrant transactions for the year ended September 30, 1985 is as follows:

General obligation warrants payable at October 1, 1985	\$10,925,000
General obligation warrants retired	<u>( 150,000)</u>
General obligation warrants payable at September 30, 1985	<u>\$10,775,000</u>

General obligation warrants at September 30, 1985 are comprised of the following:

(A) \$1,500,000 general obligation warrant payable to a trust; dated July 27, 1983; due \$150,000 annually; interest at 9 percent due monthly	\$ 1,200,000
(B) \$9,575,000 general obligation warrants, Series 1983; dated October 1, 1983; due \$350,000 to \$1,150,000 annually beginning October 1, 1985; interest at 8.20% to 9.00% due semi-annually commencing April 1, 1984	<u>9,575,000</u>
	<u>\$10,775,000</u>

Annual requirements to amortize long-term debt (including related interest)  
at September 30, 1985:

Year Ending September 30,	(A) \$1,500,000 General Obligation Warrant		(B) \$9,575,000 General Obligation Warrant		Total
	Principal	Interest	Principal	Interest	
1986	\$ 150,000	\$ 105,750	\$ 725,000	\$ 802,400	\$ 1,783,150
1987	150,000	92,250	425,000	768,650	1,435,900
1988	150,000	78,750	475,000	732,525	1,436,275
1989	150,000	65,250	525,000	692,150	1,432,400
1990	150,000	51,750	550,000	647,525	1,399,275
1991	150,000	38,250	625,000	600,775	1,414,025
1992	150,000	24,750	675,000	547,650	1,397,400
1993	150,000	11,250	750,000	492,300	1,403,550
1994	-	-	800,000	429,300	1,229,300
1995	-	-	875,000	360,500	1,235,500
1996	-	-	950,000	283,500	1,233,500
1997	-	-	1,050,000	198,000	1,248,000
1998	-	-	1,150,000	103,500	1,253,500
	<u>\$1,200,000</u>	<u>\$ 468,000</u>	<u>\$9,575,000</u>	<u>\$6,658,775</u>	<u>\$17,901,775</u>

Payments on general obligation warrants, which are secured by the full faith and credit of the City, 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.

NOTE 6 Excess of Actual Expenditures over Budget

General Fund expenditures of \$8,665,218 exceeded appropriations of \$8,358,700. Federal Revenue Sharing Fund expenditures of \$187,193 exceeded appropriations of \$139,300. State Four Cent Gasoline Tax Fund expenditures of \$144,887 exceeded appropriations of \$106,000. These excesses of actual expenditures over budget were primarily the result of capital and other expenditures being authorized by the City Council and made without amending the budget.

NOTE 7 Interfund Balances

Individual fund interfund receivable and payable balances at September 30, 1985 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$1,425,488	\$ 203,000
Special Revenue Funds		
Federal Revenue Sharing Fund	23,000	-
State Seven Cent Gasoline Tax Fund	180,000	-
Capital Projects Fund	-	1,408,975
Sewer Enterprise Fund	-	16,513
Total	<u>\$1,628,488</u>	<u>\$1,628,488</u>

**NOTE 8 Sewer Enterprise Fund**

The Sewer Enterprise Fund, initiated during the fiscal year ended September 30, 1984 to account for the operations of the sewer treatment plant, is the only proprietary type fund maintained by the City. Segment information required to be disclosed by generally accepted accounting principles is effectively provided by the Sewer Enterprise Fund financial statements presented on pages 2,3,7 and 8.

The sewer treatment plant was financed by general long-term debt. No long-term debt is recorded in the Sewer Enterprise Fund. The plant has been charged as an asset of the Sewer Enterprise Fund with a corresponding credit to contributed capital from the City.

The Sewer Enterprise Fund incurred losses for the fiscal years ended September 30, 1985 and 1984 of \$114,472 and \$74,102, respectively. The Sewer Enterprise Fund has an accumulated deficit of \$188,574 at September 30, 1985. The City acquired the sewer treatment plant as a part of the Riverchase annexation. It was anticipated that the plant would operate at a deficit, but that the deficit incurred would be greatly offset by taxes and licenses revenue derived from the annexed area. The City has received revenue from the annexed area substantially in excess of the sewer treatment plant operating deficit.

**NOTE 9 Retirement Commitment**

The City is a participant in The Retirement Systems of Alabama which is the state retirement system operated through a public corporation. Participation commits the City to current benefit costs as well as prior service liability. The City has no fiduciary responsibility. Substantially all employees (other than elected officials) are covered by the Plan.

The City was required to contribute an amount equal to 6.45% of employees' compensation to the retirement plan during the fiscal year ended September 30, 1985. The employees' contribution rate, which is established by an act of the State Legislature, is set at 5% of employees' compensation.

CONTINUED ON PAGE 18

Set forth below is other information regarding the Plan:

- (1) The amount of unfunded accrued liability at September 30, 1985 is not available. The unfunded accrued liabilities at September 30, 1984 and 1983 were \$417,013 and \$227,727, respectively.
- (2) The unfunded accrued liability is being funded over a 30 year period.
- (3) The assumed rate of return that is used to determine the actuarial present values of benefits is 8%.
- (4) The actuarially required contributions for the year ended September 30, 1985 were as follows:

Employee contribution	\$156,372
Employer contribution	<u>201,720</u>
Total	<u>\$358,092</u>

- (5) Contributions for the year equalled the amounts shown in (4) above.

The City's contribution rate, which was based on an actuarial study as of September 30, 1984 consisted of the following:

Normal cost	4.48%
Accrued liability	1.49
Administrative cost	.30
Death benefit	<u>.18</u>
Total	<u>6.45%</u>

Actuarial valuations are normally made on an annual basis by the state retirement system. Contributions to the plan, expressed as a percent of active member payroll, should remain approximately level from year to year.

NOTE 10 Sewer Treatment Plant Operating Deficit

Prior to the acquisition of the sewer treatment plant discussed in Note 8, the City was required under the terms of an annexation agreement and related sewer service agreement to reimburse the developers of Riverchase, who owned and operated the plant, one-half of any operating deficit generated by the plant based upon a computation set forth in the sewer service agreement. The City's expenditures to cover its share of the operating deficits for fiscal 1984 were \$17,898.

NOTE 11 Restatements

A. Correction for change in City Policy Regarding Compensated Absences

Effective October 1, 1984, the City changed its policy regarding accumulated sick leave. Sick leave had previously been a non-vested benefit which terminated when the employee terminated. The policy was changed retroactively making one-half of each current employee's accumulated sick leave a vested benefit when he or she discontinued employment with the City. Due to this change, the fiscal 1984 beginning General Fund balance was reduced by \$184,435. The effect of this change on the fiscal year ended September 30, 1984 was to decrease expenditures by \$6,510.

A summary of the effect of the above mentioned change on the General fund balance at October 1, 1983 is as follows:

Fund balance at beginning of year, as previously stated	\$ 992,687
Reduction resulting from restatement	<u>( 184,435)</u>
Fund balance at beginning of year, as restated	<u>\$ 808,252</u>

A summary of the effect of this change on the financial statements for the fiscal year ended September 30, 1984 is set forth below:

	<u>As Previously Reported</u>		<u>As Restated</u>	
	<u>General Fund Financial Statements</u>	<u>Combined Financial Statements</u>	<u>General Fund Financial Statements</u>	<u>Combined Financial Statements</u>
<u>Balance Sheet</u>				
<u>Liabilities</u>				
Accrued compensated leave	\$ 115,537	\$ 115,537	\$ 293,462	\$ 293,462
Total liabilities	272,752	11,763,906	450,677	11,941,831
<u>Fund Equity</u>				
Fund balance—unreserved	2,678,915	6,923,282	2,500,990	6,745,357
<u>Statement of Revenues, Expenditures and Changes in Fund Balances</u>				
<u>Expenditures</u>				
Current operations				
General government	576,249	576,276	578,605	578,632
Public safety	2,656,533	2,656,533	2,641,133	2,641,133
Municipal court	71,685	71,685	71,305	71,305
Streets and sanitation	928,833	1,114,451	933,637	1,119,255
Recreation	84,008	84,008	84,878	84,878
Library	235,947	235,947	237,187	237,187
Health	47,481	47,481	47,481	47,481
Total current operations	4,600,736	4,786,381	4,594,226	4,779,871
Total expenditures	6,573,336	12,098,947	6,566,826	12,092,437
Excess of revenues over (under) expenditures	724,150	(4,063,923)	730,660	(4,057,913)
Excess of revenues and other financing sources over expenditures	1,686,228	5,465,147	1,692,738	5,471,657
Fund balances at beginning of year	992,687	1,458,135	808,252	1,237,700
Fund balances at end of year	\$2,678,915	\$6,923,282	\$2,500,990	\$6,745,357

B. Correction to delete receivable erroneously included in the financial statements of the Sewer Enterprise Fund for fiscal 1984.

The City acquired a sewer treatment plant on December 22, 1983. The plant serves Riverchase, a large, partially developed, planned community located in south Jefferson and north Shelby counties. The plant was acquired pursuant to an annexation agreement between the City and the Developers of

Riverchase. Under the terms of the agreement, generally, the Developers were required to reimburse the City on an annual basis for a substantial portion of the sewer treatment plant operating expenses incurred through 1988, or until City sales tax revenue from the annexed area reached \$1 million or more annually. The annexation agreement did not specify a sales tax rate upon which the \$1 million sales tax would be based.

Effective October 1, 1983 the City raised its sales tax rate from 1% to 2%. Subsequent to the issuance of the financial statements for fiscal 1984, it was determined that sales tax revenue had exceeded \$1 million in 1984 because of the increase in the sales tax rate. Riverchase has taken the position that the terms of the agreement have been met and that it has no financial obligation to the City. City management has assented.

The fiscal 1984 financial statements included a receivable and related revenue of \$118,590 for the Developers' portion of the sewer treatment plant operating expenses to be reimbursed to the City. Because of this occurrence the fiscal 1984 Sewer Enterprise Fund and Combined Financial Statements presented herein have been restated to delete the receivable and related revenue.

A schedule of the items affected, as previously reported and as restated, is presented below:

	<u>As Previously Reported</u>		<u>As Restated</u>	
	<u>Sewer Enterprise Fund Financial Statements</u>	<u>Combined Financial Statements</u>	<u>Sewer Enterprise Fund Financial Statements</u>	<u>Combined Financial Statements</u>
<u>Balance Sheet</u>				
<u>Assets</u>				
Receivables (consisting of sewer service charges \$22,234 and Developer reimbursements \$118,590)	\$ 140,824	\$ 140,824	\$ 22,234	\$ 22,234
Total assets	3,562,700	29,063,457	3,444,110	28,944,867
<u>Fund Equity</u>				
Retained earnings (deficit) - unreserved	44,488	44,488	( 74,102)	( 74,102)
<u>Statement of Revenues, Expenses and Changes in Retained Earnings</u>				
Non-operating revenues - Expense reimbursement by Developer	118,590	118,590	-	-
Total non-operating revenues	289,295	289,295	170,705	170,705
Net income (loss)	44,488	44,488	( 74,102)	( 74,102)
Retained earnings (deficit) at end of period	44,488	44,488	( 74,102)	( 74,102)
<u>Statement of Changes in Financial Position</u>				
<u>Sources of Working Capital</u>				
Net income (loss)	44,488	44,488	( 74,102)	( 74,102)
Working capital provided by operations	192,488	192,488	73,898	73,898
Total sources of working capital	3,692,488	3,692,488	3,573,898	3,573,898
Net increase in working capital	196,488	196,488	77,898	77,898
Elements of net increase in net working capital				
Receivables	140,824	140,824	22,234	22,234
Net increase in working capital	196,488	196,488	77,898	77,898

## NOTE 12 Operating Leases

The City of Hoover, at September 30, 1985, does not have leases that should be capitalized pursuant to any of the four criteria listed in FASB Statement 13.

The Library Board of the City of Hoover was obligated under a lease agreement covering the building space occupied by the public library at September 30, 1985. Lease payments, which include maintenance charges and real estate taxes, totalled \$28,722 in fiscal 1985. Remaining payments under the lease, which expires December 31, 1985, total \$8,526.

## NOTE 13 Commitments

The City has contractual commitments for uncompleted construction at September 30, 1985 as follows:

<u>Project</u>	<u>Remaining Construction Committed</u>
Municipal Center	\$ 123,281
Park Improvements	684,000
Total	<u>\$ 807,281</u>

## NOTE 14 Grant Contingencies - No Significant Questioned Costs and Limited Disallowance Potential

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City management believes disallowances, if any, will be immaterial.

## NOTE 15 Subsequent Events

Subsequent to year end, on November 15, 1985, City government moved from the old City Hall building, constructed in 1972, into the Hoover Municipal Center located on U.S. Highway 31 beside Interstate Highway I-459. The Hoover Public Library simultaneously moved from a leased building nearby into the new facility. The new structure houses the City Administrative personnel as well as the police department and the library.

Combining and Individual Fund Financial Statements

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#### GENERAL FUND

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

THE CITY OF HOOVER, ALABAMA  
General Fund  
Comparative Balance Sheet  
 September 30, 1985 and 1984

<u>Assets</u>	<u>1985</u>	<u>1984</u> <u>Restated</u> <u>(Note 11)</u>
Cash	\$ 80,963	\$ 548,509
Investments, at cost	1,711,700	1,885,451
Receivables		
Taxes	526,170	444,354
Accrued interest	22,175	43,900
Grant	-	7,500
Due from other funds		
Capital projects fund	1,408,975	5,440
Sewer enterprise fund	<u>16,513</u>	<u>16,513</u>
Total assets	<u>3,766,496</u>	<u>2,951,667</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities		
Accounts payable	449,116	122,400
Payroll taxes payable	27,867	21,657
Accrued retirement contribution	19,132	13,158
Due to other funds		
Seven cent gasoline tax fund	180,000	-
Federal Revenue Sharing fund	23,000	-
Accrued compensated leave	<u>362,746</u>	<u>293,462</u>
Total liabilities	1,061,861	450,677
Fund balance		
Unreserved	<u>2,704,635</u>	<u>2,500,990</u>
Total liabilities and fund balance	<u>\$3,766,496</u>	<u>\$2,951,667</u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended September 30, 1985  
With Comparative Actual Amounts for Year Ended September 30, 1984

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	1984 Restated (Note 11) <u>Actual</u>
<b>Revenues</b>				
Taxes	\$5,758,000	\$6,191,443	\$ 433,443	\$5,008,427
Licenses and permits	1,965,000	1,745,746	( 219,254)	1,378,351
Intergovernmental	390,000	489,666	99,666	451,414
Fines and forfeitures	206,400	176,043	( 30,357)	184,417
Interest on investments	208,000	218,247	10,247	213,879
Other	<u>59,000</u>	<u>47,718</u>	<u>( 11,282)</u>	<u>60,998</u>
Total revenues	<u>8,586,400</u>	<u>8,868,863</u>	<u>282,463</u>	<u>7,297,486</u>
<b>Expenditures</b>				
Current operations				
General government	842,800	948,865	( 106,065)	578,605
Public safety	3,267,150	3,381,145	( 113,995)	2,641,133
Municipal court	103,600	52,202	51,398	71,305
Streets and sanitation	1,249,800	1,275,596	( 25,796)	933,637
Recreation	235,900	181,071	54,829	84,878
Library	395,750	391,958	3,792	237,187
Health	<u>58,600</u>	<u>56,638</u>	<u>1,962</u>	<u>47,481</u>
Total	<u>6,153,600</u>	<u>6,287,475</u>	<u>( 133,875)</u>	<u>4,594,226</u>
Capital outlays	767,700	1,274,593	( 506,893)	364,732
Debt service	1,437,400	1,103,150	334,250	1,589,970
Sewer treatment plant operating deficit	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,898</u>
Total expenditures	<u>8,358,700</u>	<u>8,665,218</u>	<u>( 306,518)</u>	<u>6,566,826</u>
Excess of revenues over (under) expenditures	227,700	203,645	( 24,055)	730,660
<b>Other financing sources</b>				
Proceeds of general obligation warrants	<u>-</u>	<u>-</u>	<u>-</u>	<u>962,078</u>
Excess of revenues and other financing sources over (under) expenditures	<u>\$ 227,700</u>	203,645	<u>\$( 24,055)</u>	1,692,738
Fund balance at beginning of year, as restated (Note 11)		<u>2,500,990</u>		<u>808,252</u>
Fund balance at end of year		<u>\$2,704,635</u>		<u>\$2,500,990</u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
General Fund  
Schedule of Current Expenditures  
Budget and Actual  
Year Ended September 30, 1985  
With Comparative Actual Amounts for Year Ended September 30, 1984

<u>Expenditures - Current Operations</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1984 Restated (Note 11) Actual</u>
General government				
Administrative				
Personal services	\$ 246,200	\$ 220,505	\$ 25,695	\$ 138,498
Other	535,900	666,251	( 130,351)	386,068
Total	<u>782,100</u>	<u>886,756</u>	<u>( 104,656)</u>	<u>524,566</u>
Municipal garage				
Personal services	45,700	47,530	( 1,830)	42,238
Other	15,000	14,579	421	11,801
Total	<u>60,700</u>	<u>62,109</u>	<u>( 1,409)</u>	<u>54,039</u>
Total general government	<u>842,800</u>	<u>948,865</u>	<u>( 106,065)</u>	<u>578,605</u>
Public safety				
Police				
Personal services	1,231,000	1,298,365	( 67,365)	1,071,131
Other	200,450	196,785	3,665	180,279
Total	<u>1,431,450</u>	<u>1,495,150</u>	<u>( 63,700)</u>	<u>1,251,410</u>
Fire				
Personal services	1,443,600	1,548,140	( 104,540)	1,195,002
Other	168,500	148,062	20,438	115,392
Total	<u>1,612,100</u>	<u>1,696,202</u>	<u>( 84,102)</u>	<u>1,310,394</u>
Inspection services				
Personal services	160,800	137,753	23,047	68,491
Other	62,800	52,040	10,760	10,838
Total	<u>223,600</u>	<u>189,793</u>	<u>33,807</u>	<u>79,329</u>
Total public safety	<u>3,267,150</u>	<u>3,381,145</u>	<u>( 113,995)</u>	<u>2,641,133</u>
Municipal court				
Municipal court				
Personal services	37,000	48,148	( 11,148)	31,443
Other	66,600	4,054	62,546	39,862
Total municipal court	<u>103,600</u>	<u>52,202</u>	<u>51,398</u>	<u>71,305</u>
Streets and sanitation				
Streets and sanitation				
Personal services	376,800	421,224	( 44,424)	299,224
Other	873,000	854,372	18,628	634,413
Total streets and sanitation	<u>1,249,800</u>	<u>1,275,596</u>	<u>( 25,796)</u>	<u>933,637</u>

The accompanying notes are an integral part of this schedule.

THE CITY OF HOOVER, ALABAMA  
General Fund (Cont'd)  
Schedule of Current Expenditures  
Budget and Actual

Year Ended September 30, 1985

With Comparative Actual Amounts for Year Ended September 30, 1984

<u>Expenditures - Current Operations</u>	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	1984 Restated (Note 11) <u>Actual</u>
Recreation				
Parks				
Personal services	\$ 140,400	\$ 73,443	\$ 66,957	\$ 53,560
Other	95,500	107,628	( 12,128)	31,318
Total recreation	<u>235,900</u>	<u>181,071</u>	<u>54,829</u>	<u>84,878</u>
Library				
Library				
Personal services	155,000	160,776	( 5,776)	98,980
Other	240,750	231,182	9,568	138,207
Total library	<u>395,750</u>	<u>391,958</u>	<u>3,792</u>	<u>237,187</u>
Health				
Nondepartmental	<u>58,600</u>	<u>56,638</u>	<u>1,962</u>	<u>47,481</u>
Total expenditures- current operations	<u>\$6,153,600</u>	<u>\$6,287,475</u>	<u>\$(133,875)</u>	<u>\$4,594,226</u>

The accompanying notes are an integral part of this schedule.

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#### SPECIAL REVENUE FUNDS

These include operating funds which are restricted as to use by the Federal and State governments as follows:

Federal Revenue Sharing Fund accounts for funds received and disbursed under Federal Revenue Sharing.

State Seven Cent Gasoline Tax Fund accounts for proceeds of a 7 cent State gasoline tax. The use of these funds is restricted to expenditures related to construction, improvement and maintenance of highways, bridges, and streets.

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

THE CITY OF HOOVER, ALABAMA  
Special Revenue Funds  
Combining Balance Sheet  
September 30, 1985  
 With Comparative Totals for September 30, 1984

<u>Assets</u>	<u>Federal Revenue Sharing</u>	<u>State Seven Cent Gasoline Tax</u>	<u>State Four Cent Gasoline Tax</u>	<u>Totals</u>	
				<u>1985</u>	<u>1984</u>
Cash	\$ -	\$ -	\$ -	\$ -	\$ 4,433
Investments, at cost	197,000	389,000	137,000	723,000	596,000
Receivable-accrued interest	2,833	5,017	7,104	14,954	10,545
Due from other governments:					
State	-	16,637	8,681	25,318	25,208
Federal	30,334	-	-	30,334	24,801
Due from other funds	<u>23,000</u>	<u>180,000</u>	<u>-</u>	<u>203,000</u>	<u>-</u>
Total assets	<u>253,167</u>	<u>590,654</u>	<u>152,785</u>	<u>996,606</u>	<u>660,987</u>
<u>Liabilities and Fund Balances</u>					
Liabilities					
Bank overdraft	95,687	148,983	23,524	268,194	-
Accounts payable	<u>6,645</u>	<u>118,196</u>	<u>41,211</u>	<u>166,052</u>	<u>51,824</u>
Total liabilities	<u>102,332</u>	<u>267,179</u>	<u>64,735</u>	<u>434,246</u>	<u>51,824</u>
Fund balances -					
Unreserved	<u>150,835</u>	<u>323,475</u>	<u>88,050</u>	<u>562,360</u>	<u>609,163</u>
Total liabilities and fund balances	<u>\$253,167</u>	<u>\$590,654</u>	<u>\$152,785</u>	<u>\$996,606</u>	<u>\$660,987</u>

The accompanying notes 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  
 Year Ended September 30, 1985  
 With Comparative Totals for Year Ended September 30, 1984

	<u>Federal Revenue Sharing</u>	<u>State Seven Cent Gasoline Tax</u>	<u>State Four Cent Gasoline Tax</u>	<u>Totals</u>	
				<u>1985</u>	<u>1984</u>
Revenues					
Intergovernmental	\$123,052	\$170,937	\$101,782	\$395,771	\$374,844
Interest on investments	<u>17,192</u>	<u>29,900</u>	<u>9,762</u>	<u>56,854</u>	<u>42,295</u>
Total revenues	<u>140,244</u>	<u>200,837</u>	<u>111,544</u>	<u>452,625</u>	<u>417,139</u>
Expenditures					
Current operations					
General government	-	-	-	-	27
Streets and sanitation	<u>-</u>	<u>139,726</u>	<u>144,887</u>	<u>284,613</u>	<u>185,618</u>
Total	<u>-</u>	<u>139,726</u>	<u>144,887</u>	<u>284,613</u>	<u>185,645</u>
Capital outlays	<u>187,193</u>	<u>27,622</u>	<u>-</u>	<u>214,815</u>	<u>87,779</u>
Total expenditures	<u>187,193</u>	<u>167,348</u>	<u>144,887</u>	<u>499,428</u>	<u>273,424</u>
Excess of revenues over (under) expenditures	(46,949)	33,489	( 33,343)	(46,803)	143,715
Fund balances at beginning of year	<u>197,784</u>	<u>289,986</u>	<u>121,393</u>	<u>609,163</u>	<u>465,448</u>
Fund balances at end of year	<u>\$150,835</u>	<u>\$323,475</u>	<u>\$ 88,050</u>	<u>\$562,360</u>	<u>\$609,163</u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
Federal Revenue Sharing Fund  
Comparative Balance Sheet  
 September 30, 1985 and 1984

<u>Assets</u>	<u>1985</u>	<u>1984</u>
Cash	\$ -	\$ 2,076
Investments, at cost	197,000	167,000
Receivable - accrued interest	2,833	3,907
Due from federal government	30,334	24,801
Due from general fund	<u>23,000</u>	<u>-</u>
Total assets	<u>253,167</u>	<u>197,784</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Bank overdraft	95,687	-
Accounts payable	<u>6,645</u>	<u>-</u>
Total liabilities	<u>102,332</u>	<u>-</u>
Fund balance - Unreserved	<u>150,835</u>	<u>197,784</u>
Total liabilities and fund balance	<u>\$253,167</u>	<u>\$197,784</u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
Federal Revenue Sharing Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended September 30, 1985  
With Comparative Actual Amounts for Year Ended September 30, 1984

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1984 Actual</u>
Revenues				
Intergovernmental	\$123,300	\$123,052	\$( 248)	\$ 99,195
Interest on investments	<u>16,000</u>	<u>17,192</u>	<u>1,192</u>	<u>16,481</u>
Total revenues	<u>139,300</u>	<u>140,244</u>	<u>944</u>	<u>115,676</u>
Expenditures				
Current operations				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>27</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>27</u>
Capital outlays	<u>139,300</u>	<u>187,193</u>	<u>(47,893)</u>	<u>87,779</u>
Total expenditures	<u>139,300</u>	<u>187,193</u>	<u>(47,893)</u>	<u>87,806</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>(46,949)</u>	<u>\$(46,949)</u>	<u>27,870</u>
Fund balance at beginning of year		<u>197,784</u>		<u>169,914</u>
Fund balance at end of year		<u>\$150,835</u>		<u>\$197,784</u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
State Seven Cent Gasoline Tax Fund  
Comparative Balance Sheet  
 September 30, 1985 and 1984

<u>Assets</u>	<u>1985</u>	<u>1984</u>
Cash	\$ -	\$ 1,013
Investments, at cost	389,000	274,000
Receivable - accrued interest	5,017	6,327
Due from state government	16,637	16,092
Due from general fund	<u>180,000</u>	<u>-</u>
Total assets	<u>590,654</u>	<u>297,432</u>
<u>Liabilities and Fund Balance</u>		
Liabilities		
Bank overdraft	148,983	-
Accounts payable	<u>118,196</u>	<u>7,446</u>
Total liabilities	<u>267,179</u>	<u>7,446</u>
Fund balance - Unreserved	<u>323,475</u>	<u>289,986</u>
Total liabilities and fund balance	<u>\$590,654</u>	<u>\$297,432</u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
State Seven Cent Gasoline Tax Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended September 30, 1985  
With Comparative Actual Amounts for Year Ended September 30, 1984

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>1984 Actual</u>
Revenues				
Intergovernmental	\$164,000	\$170,937	\$ 6,937	\$171,482
Interest on investments	<u>23,000</u>	<u>29,900</u>	<u>6,900</u>	<u>19,151</u>
Total revenues	<u>187,000</u>	<u>200,837</u>	<u>13,837</u>	<u>190,633</u>
Expenditures				
Current operations				
Streets and sanitation	<u>157,000</u>	<u>139,726</u>	<u>17,274</u>	<u>117,732</u>
Total	<u>157,000</u>	<u>139,726</u>	<u>17,274</u>	<u>117,732</u>
Capital outlays	<u>30,000</u>	<u>27,622</u>	<u>2,378</u>	<u>-</u>
Total expenditures	<u>187,000</u>	<u>167,348</u>	<u>19,652</u>	<u>117,732</u>
Excess of revenues over expenditures	<u>\$ -</u>	33,489	<u>\$33,489</u>	72,901
Fund balance at beginning of year		<u>289,986</u>		<u>217,085</u>
Fund balance at end of year		<u>\$323,475</u>		<u>\$289,986</u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
State Four Cent Gasoline Tax Fund  
Comparative Balance Sheet  
 September 30, 1985 and 1984

<u>Assets</u>	<u>1985</u>	<u>1984</u>
Cash	\$ -	\$ 1,344
Investments, at cost	137,000	155,000
Receivable - accrued interest	7,104	311
Due from state government	<u>8,681</u>	<u>9,116</u>
Total assets	<u><u>152,785</u></u>	<u><u>165,771</u></u>
 <u>Liabilities and Fund Balance</u> 		
Liabilities		
Bank overdraft	23,524	-
Accounts payable	<u>41,211</u>	<u>44,378</u>
Total liabilities	<u>64,735</u>	<u>44,378</u>
Fund balance - Unreserved	<u>88,050</u>	<u>121,393</u>
Total liabilities and fund balance	<u><u>\$152,785</u></u>	<u><u>\$165,771</u></u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
State Four Cent Gasoline Tax Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Year Ended September 30, 1985  
With Comparative Actual Amounts for Year Ended September 30, 1984

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	1984 <u>Actual</u>
Revenues				
Intergovernmental	\$ 93,000	\$101,782	\$ 8,782	\$104,167
Interest on investments	<u>13,000</u>	<u>9,762</u>	<u>( 3,238)</u>	<u>6,663</u>
Total revenues	<u>106,000</u>	<u>111,544</u>	<u>5,544</u>	<u>110,830</u>
Expenditures				
Current operations				
Streets and sanitation	<u>106,000</u>	<u>144,887</u>	<u>(38,887)</u>	<u>67,886</u>
Total expenditures	<u>106,000</u>	<u>144,887</u>	<u>(38,887)</u>	<u>67,886</u>
Excess of revenues over (under) expenditures	<u>\$ -</u>	<u>( 33,343)</u>	<u>\$(33,343)</u>	42,944
Fund balance at beginning of year		<u>121,393</u>		<u>78,449</u>
Fund balance at end of year		<u>\$ 88,050</u>		<u>\$121,393</u>

The accompanying notes are an integral part of this statement.

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#### CAPITAL PROJECTS FUND

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

THE CITY OF HOOVER, ALABAMA  
Capital Projects Fund  
Balance Sheet  
 September 30, 1985 and 1984

<u>Assets</u>	<u>1985</u>	<u>1984</u>
Cash	\$ 7,996	\$ 35,222
Investments, at cost	1,996,732	4,095,093
Receivable - accrued interest	71,167	1,007
Receivable - other	<u>32,369</u>	<u>-</u>
Total assets	<u><u>2,108,264</u></u>	<u><u>4,131,322</u></u>
 <u>Liabilities and Fund Balance</u>  		
Liabilities		
Accounts payable	527,358	490,678
Due to General Fund	<u>1,408,975</u>	<u>5,440</u>
Total liabilities	1,936,333	496,118
Fund balance - Unreserved	<u>171,931</u>	<u>3,635,204</u>
Total liabilities and fund balance	<u><u>\$2,108,264</u></u>	<u><u>\$4,131,322</u></u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
Capital Projects Fund  
Statement of Revenues, Expenditures and  
Changes in Fund Balance  
For the Year Ended September 30, 1985 and 1984

	<u>1985</u>	<u>1984</u>
Revenues		
Interest on investments	\$ 402,895	\$ 320,399
Expenditures - general government	855	-
Expenditures - capital projects		
Acquisition of sewer treatment plant	-	3,500,000
Construction costs		
Park facilities	3,619	756,968
Public works building	289,314	474,163
Municipal center	<u>3,572,380</u>	<u>521,056</u>
Total expenditures - capital projects	<u>3,865,313</u>	<u>5,252,187</u>
Total expenditures	<u>3,866,168</u>	<u>5,252,187</u>
Excess of revenues over (under) expenditures	(3,463,273)	(4,931,788)
Other financing sources		
Proceeds of general obligation warrants	<u>-</u>	<u>8,566,992</u>
Excess of revenues and other financing sources over (under) expenditures	(3,463,273)	3,635,204
Fund balance at beginning of year	<u>3,635,204</u>	<u>-</u>
Fund balance at end of year	<u>\$ 171,931</u>	<u>\$ 3,635,204</u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
Capital Projects Fund  
Project-Length Schedule of Construction Projects  
Beginning of Projects to September 30, 1985

Total project authorization	<u>\$8,566,992</u>
Revenues and other financial sources:	
Proceeds of general obligation warrants (net)	8,566,992
Interest on investments	<u>723,294</u>
Total	<u>9,290,286</u>
Expenditures - capital projects:	
Acquisition of sewer treatment plant	3,500,000
Construction costs	<u>5,617,500</u>
Total	<u>\$9,117,500</u>

The accompanying notes are an integral part of this statement.

#### ENTERPRISE FUND

The Sewer Enterprise Fund accounts for the sewer services to the Riverchase Community. All activities necessary to provide such services are accounted for in this fund.

THE CITY OF HOOVER, ALABAMA  
Sewer Enterprise Fund  
Comparative Balance Sheet  
 September 30, 1985 and 1984

<u>Assets</u>	<u>1985</u>	<u>1984</u> <u>Restated</u> <u>(Note 11)</u>
<b>Current assets</b>		
Cash	\$ 33,472	\$ 69,876
Investments	148,000	-
Receivables		
Accrued interest	117	-
Sewer service charges	12,083	22,234
Inventory - supplies	4,000	4,000
Total current assets	<u>197,672</u>	<u>96,110</u>
<b>Property, plant and equipment</b>		
Land	536,000	536,000
Sewer treatment plant	<u>2,960,000</u>	<u>2,960,000</u>
Total property, plant and equipment	3,496,000	3,496,000
Less accumulated depreciation	<u>345,333</u>	<u>148,000</u>
Net property, plant and equipment	<u>3,150,667</u>	<u>3,348,000</u>
Total assets	<u>3,348,339</u>	<u>3,444,110</u>
<u>Liabilities and Fund Balance</u>		
<b>Current Liabilities</b>		
Accounts payable	20,400	1,699
Due to general fund	<u>16,513</u>	<u>16,513</u>
Total current liabilities	<u>36,913</u>	<u>18,212</u>
<b>Fund balance</b>		
Contributed capital - municipality	3,500,000	3,500,000
Retained earnings (deficit) - unreserved	<u>( 188,574)</u>	<u>( 74,102)</u>
Total fund balance	<u>3,311,426</u>	<u>3,425,898</u>
Total liabilities and fund balance	<u>\$3,348,339</u>	<u>\$3,444,110</u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
Sewer Enterprise Fund  
Statement of Revenues, Expenses and  
Changes in Retained Earnings (Deficit)  
 Year Ended September 30, 1985

With Comparative Amounts for the Period Ended September 30, 1984

	<u>1985</u>	<u>1984</u> Restated (Note 11)*
Operating revenues		
Charges for services	\$ 110,068	\$ 97,729
Operating expenses		
Depreciation	197,333	148,000
Management fees	189,910	127,262
Utilities	67,759	59,150
Supplies	5,326	3,401
Repairs and maintenance	10,708	2,159
Professional fees	192	1,525
Telephone	-	783
Uncollectable accounts	-	236
Bank charges	75	20
Total operating expenses	<u>471,303</u>	<u>342,536</u>
Operating income (loss)	(361,235)	(244,807)
Non-operating revenues		
Tap fees	239,315	167,857
Interest	7,448	2,848
Total non-operating revenues	<u>246,763</u>	<u>170,705</u>
Net income (loss)	(114,472)	( 74,102)
Retained earnings (deficit) at beginning of period	<u>( 74,102)</u>	<u>-</u>
Retained earnings (deficit) at end of period	<u><u>\$(188,574)</u></u>	<u><u>\$( 74,102)</u></u>

\* December 22, 1983 through September 30, 1984

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
Sewer Enterprise Fund  
Statement of Changes in Financial Position  
 Year Ended September 30, 1985  
 With Comparative Totals for Period Ended September 30, 1984

	<u>1985</u>	<u>1984</u> <u>Restated</u> <u>(Note 11)*</u>
Sources of working capital		
Operations		
Net income (loss)	\$(114,472)	\$( 74,102)
Item not requiring working capital - depreciation	<u>197,333</u>	<u>148,000</u>
Working capital provided by operations	82,861	73,898
Contributed capital	<u>-</u>	<u>3,500,000</u>
Total sources of working capital	82,861	3,573,898
Uses of working capital		
Acquisition of sewer treatment plant	<u>-</u>	<u>3,496,000</u>
Net increase in working capital	<u>82,861</u>	<u>77,898</u>
Elements of net increase in net working capital		
Cash	( 36,404)	69,876
Investments	148,000	-
Receivables	( 10,034)	22,234
Inventory - supplies	-	4,000
Accounts payable	( 18,701)	( 1,699)
Due to general fund	<u>-</u>	<u>( 16,513)</u>
Net increase in working capital	<u>\$ 82,861</u>	<u>\$ 77,898</u>

\* December 22, 1983 through September 30, 1984

The accompanying notes are an integral part of this statement.

#### 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 are not justified.

THE CITY OF HOOVER, ALABAMA  
Comparative Statement of General Fixed Assets  
By Sources  
September 30, 1985 and 1984

	<u>1985</u>	<u>1984</u>
General Fixed Assets:		
Land	\$ 3,046,014	\$2,418,694
Buildings	1,467,685	700,018
Improvements other than buildings	1,492,124	1,248,821
Equipment and vehicles	2,309,692	1,469,029
Construction in progress	<u>3,990,689</u>	<u>995,219</u>
Total general fixed assets	<u><u>12,306,204</u></u>	<u><u>6,831,781</u></u>
Investment in General Fixed Assets From:		
General obligation warrants	8,237,756	4,372,443
Federal grants	542,821	355,629
General revenues	2,904,032	1,614,114
Gifts	<u>621,595</u>	<u>489,595</u>
Total investment in general fixed assets	<u><u>\$12,306,204</u></u>	<u><u>\$6,831,781</u></u>

The accompanying notes are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA  
Schedule of General Fixed Assets  
by Function and Activity  
 September 30, 1985

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Equipment and Vehicles</u>
General government:					
Administration	\$ 2,566,363	\$2,206,056	\$ 159,974	\$ -	\$ 200,333
Municipal garage	297,520	15,750	254,492	-	27,278
Total general government	<u>2,863,883</u>	<u>2,221,806</u>	<u>414,466</u>	<u>-</u>	<u>227,611</u>
Public safety:					
Police	499,357	-	48,012	-	451,345
Fire	1,848,851	221,962	477,506	-	1,149,383
Inspection	91,166	-	18,715	10,143	62,308
Total public safety	<u>2,439,374</u>	<u>221,962</u>	<u>544,233</u>	<u>10,143</u>	<u>1,663,036</u>
Streets and sanitation	<u>847,962</u>	<u>-</u>	<u>508,986</u>	<u>-</u>	<u>338,976</u>
Recreation	<u>2,045,315</u>	<u>602,246</u>	<u>-</u>	<u>1,416,038</u>	<u>27,031</u>
Library	<u>118,981</u>	<u>-</u>	<u>-</u>	<u>65,943</u>	<u>53,038</u>
Total General Fixed Assets Allocated to Functions	8,315,515	<u>\$3,046,014</u>	<u>\$1,467,685</u>	<u>\$1,492,124</u>	<u>\$2,309,692</u>
Construction in progress	<u>3,990,689</u>				
Total General Fixed Assets	<u>\$12,306,204</u>				

The accompanying notes are an integral part of this schedule.

THE CITY OF HOOVER, ALABAMA  
Schedule of Changes in General Fixed Assets  
by Function and Activity  
 Year Ended September 30, 1985

<u>Function and Activity</u>	<u>General Fixed Assets October 1, 1984</u>	<u>Additions</u>	<u>Deductions</u>	<u>General Fixed Assets September 30, 1985</u>
General government:				
Administration	\$2,234,503	\$ 331,860	\$ -	\$ 2,566,363
Municipal garage	98,805	254,861	56,146	297,520
Total general government	<u>2,333,308</u>	<u>586,721</u>	<u>56,146</u>	<u>2,863,883</u>
Public safety:				
Police	324,650	175,652	945	499,357
Fire	1,225,731	623,701	581	1,848,851
Inspection	35,197	56,471	502	91,166
Total public safety	<u>1,585,578</u>	<u>855,824</u>	<u>2,028</u>	<u>2,439,374</u>
Streets and sanitation	<u>286,424</u>	<u>569,976</u>	<u>8,438</u>	<u>847,962</u>
Recreation	<u>1,523,202</u>	<u>523,944</u>	<u>1,831</u>	<u>2,045,315</u>
Library	<u>108,050</u>	<u>10,931</u>	<u>-</u>	<u>118,981</u>
Construction in progress	<u>995,219</u>	<u>3,469,633</u>	<u>474,163</u>	<u>3,990,689</u>
Total General Fixed Assets	<u>\$6,831,781</u>	<u>\$6,017,029</u>	<u>\$ 542,606</u>	<u>\$12,306,204</u>

The accompanying notes are an integral part of this schedule.

#### GENERAL LONG-TERM DEBT ACCOUNT GROUP

General obligation bonds 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 debt group includes, in addition to conventional general obligation bonds, warrants which have a maturity of more than one year from date of issuance.

THE CITY OF HOOVER, ALABAMA  
Comparative Statement of General Long-Term Debt  
 September 30, 1985 and 1984

	<u>1985</u>	<u>1984</u>
Amount available and to be provided for the payment of long-term debt		
General obligation warrants:		
Amount to be provided from General Fund revenues	<u>\$10,775,000</u>	<u>\$10,925,000</u>
Total available and to be provided	<u>10,775,000</u>	<u>10,925,000</u>
General long-term debt:		
General obligation warrants payable	<u>10,775,000</u>	<u>10,925,000</u>
Total general long-term debt payable	<u>\$10,775,000</u>	<u>\$10,925,000</u>

The accompanying notes are an integral part of this statement.

Supplementary Information

THE CITY OF HOOVER, ALABAMA  
Combined Schedule of Investments - All Governmental Fund Types  
 September 30, 1985

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Book Value</u>
General Fund:				
Certificates of deposits	8.75	01-28-86	\$ 128,000	\$ 128,000
	9.00	12-23-85	100,000	100,000
	9.00	02-15-86	112,700	112,700
Repurchase agreements	7.10	Open End	266,000	266,000
	7.10	Open End	<u>1,105,000</u>	<u>1,105,000</u>
Total general fund			<u>1,711,700</u>	<u>1,711,700</u>
Special Revenue Funds:				
Federal Revenue Sharing				
Certificate of deposit	7.75	11-21-85	100,000	100,000
Repurchase agreement	7.10	Open End	<u>97,000</u>	<u>97,000</u>
Total			<u>197,000</u>	<u>197,000</u>
Seven Cent Gasoline Tax				
Certificate of deposit	8.50	05-25-86	160,000	160,000
repurchase agreement	7.10	Open End	<u>229,000</u>	<u>229,000</u>
Total			<u>389,000</u>	<u>389,000</u>
Four Cent Gasoline Tax				
Certificate of deposit	9.00	12-23-85	100,000	100,000
repurchase agreement	7.10	Open End	<u>37,000</u>	<u>37,000</u>
Total			<u>137,000</u>	<u>137,000</u>
Total special revenue funds			<u>723,000</u>	<u>723,000</u>
Capital Projects Fund				
U.S. Treasury Note	10.50	11-30-85	<u>2,000,000</u>	<u>1,996,732</u>
Total capital projects fund			<u>\$2,000,000</u>	<u>\$1,996,732</u>

Statistical Section

THE CITY OF HOOVER, ALABAMA  
Combined Government Expenditures By Functions  
All Governmental Fund Types (A)  
 1975 - 1985

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety (C)</u>	<u>Streets and Sanitation</u>	<u>Recreation</u>	<u>Library</u>
1975	\$ 82,477	\$ 251,774	\$ 314,138	\$ 3,297	\$ -
1976	135,652	469,632	340,700	6,944	-
1977	186,073	647,348	499,302	19,400	-
1978 (B)	154,687	636,672	403,453	16,975	-
1979	250,512	984,133	555,282	18,064	-
1980	326,888	1,192,370	631,747	25,476	-
1981	355,476	1,646,729	796,141	34,078	-
1982	374,992	1,901,025	894,441	43,985	-
1983	498,738	2,398,310	1,028,819	60,666	87,328
1984	578,632	2,712,438	1,119,255	84,878	237,187
1985	949,720	3,433,347	1,560,209	181,071	391,958

CONTINUED ON PAGE 46

- (A) This schedule includes the General, Special Revenue and Capital Projects Funds.
- (B) The City changed its fiscal year end from December 31 to September 30 in 1978. Amounts presented for 1978 are for nine months.
- (C) Municipal Court, which was segregated from Public Safety in these financial statements for fiscal 1985 and 1984, is included in Public Safety for this presentation to afford comparability.

Source: City annual financial reports.

<u>Health</u>	<u>Capital Outlays</u>	<u>Debt Service</u>	<u>Sewer Treatment Plant Operating Deficit</u>	<u>Total</u>
\$ 12,312	\$ 124,366	\$ 15,630	\$ -	\$ 803,994
2,612	308,182	25,071	-	1,288,793
3,310	86,891	44,345	-	1,486,669
2,400	115,430	24,826	-	1,354,443
3,115	121,859	43,940	-	1,976,905
2,785	6,761	44,200	-	2,230,227
33,488	90,123	51,216	-	3,007,251
34,771	343,341	47,351	411,000	4,050,906
50,747	2,456,536	46,626	189,000	6,816,770
47,481	5,704,698	1,589,970	17,898	12,092,437
56,638	5,354,721	1,103,150	-	13,030,814

CONTINUED FROM PAGE 45

THE CITY OF HOOVER, ALABAMA  
Combined Government Revenues By Sources  
All Governmental Fund Types (A)  
 1975 - 1985

<u>Fiscal Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Intergovernmental</u>
1975	\$ 398,123	\$ 182,825	\$ 175,585
1976	532,800	270,957	210,804
1977	742,509	369,021	252,420
1978 (B)	758,796	421,624	202,610
1979	1,152,967	519,504	304,908
1980	1,345,886	563,330	239,512
1981	1,906,789	725,199	367,455
1982	2,392,226	987,557	630,008
1983	2,639,030	1,165,863	728,679
1984	5,008,427	1,378,351	826,258
1985	6,191,443	1,745,746	885,437

CONTINUED ON PAGE 48

- (A) This schedule includes the General, Special Revenue and Capital Projects Funds.
- (B) The City changed its fiscal year end from December 31 to September 30 in 1978.

Source: City annual financial report.

<u>Fines and Forfeitures</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
\$ 41,878	\$ 20,657	\$ 1,998	\$ 821,066
48,518	19,389	42,829	1,125,297
40,020	22,728	191,573	1,618,271
34,606	28,257	9,950	1,455,843
40,493	40,969	10,545	2,069,386
49,708	61,318	19,370	2,279,124
70,598	71,125	45,654	3,186,820
97,629	172,948	97,756	4,378,124
154,976	172,460	83,717	4,944,725
184,417	576,573	60,998	8,035,024
176,043	677,996	47,718	9,724,383

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THE CITY OF HOOVER, ALABAMA  
Property Tax Levies and Collections\*

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 Total Tax Collections To Tax Levy</u>
1977 (A)	\$213,401	\$211,268	99.0%	\$ 828	\$212,096	99.4%
1978	252,227	248,363	98.5	1,168	249,531	98.9
1979	322,435	290,389	90.1	3,899	294,288	90.3
1980	307,398	300,585	97.8	4,597	305,182	99.3
1981	511,955	506,149	98.9	2,736	508,885	99.4
1982	677,381	664,336	98.1	3,333	667,669	98.6
1983	714,276	708,853	99.2	17,004	725,857	101.6
1984	757,461	743,416	98.1	7,915	751,331	99.2

Shelby County:

<u>Beginning October 1</u>	<u>Total Tax Levy</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>
1981 (B)	\$ 44,270	\$ 43,823	99.0%
1982	96,336	92,322	95.8
1983	174,915	160,162	91.6
1984	292,169	290,013	99.3

\* Unaudited

(A) First year in which the City of Hoover imposed a property tax.

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

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA  
Assessed and Estimated Actual Value of Taxable Property\*

Located in Jefferson County:

Assessment Date October 1	Real Property (B)		Personal Property (B)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1976 (A)	\$37,525,391	\$182,004,207	\$ 4,102,460	\$ 16,049,788
1977	44,517,945	274,140,075	4,164,204	16,656,816
1978	44,745,710	310,084,795	3,160,850	15,804,250
1979	42,694,228	325,294,765	2,729,254	13,647,620
1980	52,485,366	380,443,592	7,413,358	37,066,790
1981	71,377,534	513,464,935	8,363,282	41,816,410
1982	73,447,751	539,124,610	8,106,453	40,532,265
1983	75,855,907	552,538,060	8,794,191	43,970,955
1984	78,306,515	568,866,298	8,956,959	44,784,795

Located in Shelby County:

1980 (D)	5,210,600	26,053,000	-	-
1981	12,260,860	61,304,300	384,020	1,920,100
1982	11,164,640	55,823,200	13,597,920	67,989,600
1983	12,347,960	61,739,800	30,194,940	150,974,700
1984	14,536,000	72,680,000	500,040	2,500,200

CONTINUED ON PAGE 51

\* Unaudited

- (A) First year of assessment for property tax purposes.  
 (B) Excludes public utilities and motor vehicles.  
 (C) Includes real and personal property.  
 (D) The City of Hoover annexed an area in North Shelby County in 1980. Prior to that annexation the City was located entirely in Jefferson County.

Source: Jefferson and Shelby County Tax Assessors.

<u>Public Utility Property (C)</u>		<u>Total</u>		<u>Ratio of Total Assessed to Total Estimated Actual Value</u>
<u>Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Assessed Value</u>	<u>Estimated Actual Value</u>	
\$ 966,080	\$ 3,220,267	\$ 42,593,931	\$201,274,262	21.2%
1,397,100	4,657,000	50,079,249	295,453,891	17.0
1,525,400	5,084,667	49,431,960	330,973,712	14.9
1,448,880	4,829,600	46,872,362	343,771,985	13.6
18,257,460	60,858,200	78,156,184	478,368,582	16.2
23,044,740	76,815,800	102,785,556	632,097,145	16.3
29,617,140	98,625,076	111,171,344	678,281,951	16.4
33,097,460	99,292,380	117,747,558	695,801,395	16.9
35,131,660	116,988,420	122,395,134	730,639,513	16.8
1,612,020	8,060,100	6,822,620	34,113,100	20.0
2,193,540	10,967,700	14,838,420	74,192,100	20.0
2,147,500	10,737,500	26,910,060	134,550,300	20.0
2,555,720	12,778,600	45,098,620	225,493,100	20.0
2,292,900	11,464,500	17,328,940	86,644,700	20.0

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THE CITY OF HOOVER, ALABAMA  
Property Tax Rates - All Overlapping Governments\*  
 (Per \$100 of Assessed Value)

Jefferson County:

Fiscal Year Ended September 30	City of Hoover General Fund	Jefferson County				State of Alabama	Total Tax
		County	County Schools	County School Special	County Total		
1978 (A)	\$ .50	\$ .95	\$ .60	\$ 1.10	\$ 2.65	\$ .65	\$ 3.80
1979	.50	.95	.60	1.10	2.65	.65	3.80
1980	.65	1.35	.82	1.39	3.56	.65	4.86
1981	.65	1.35	.82	1.39	3.56	.65	4.86
1982	.65	1.35	.82	1.39	3.56	.65	4.86
1983	.65	1.35	.82	1.39	3.56	.65	4.86
1984	.65	1.35	.82	1.39	3.56	.65	4.86
1985	.65	1.35	.82	1.39	3.56	.65	4.86

Shelby County:

Fiscal Year Ended September 30	City of Hoover General Fund	Shelby County			County Total	State of Alabama	Total Tax
		County	County Schools	Hospital			
1982 (B)	\$ .65	\$ .75	\$ 1.20	\$ .40	\$ 2.35	\$ .65	\$ 3.65
1983	.65	.75	1.20	.40	2.35	.65	3.65
1984	.65	.75	1.20	.40	2.35	.65	3.65
1985	.65	.75	1.50	.40	2.65	.65	3.95

\* Unaudited

- (A) First year in which the City of Hoover imposed a property tax.  
 (B) The City of Hoover annexed an area in North Shelby County in 1980. Property taxes were collected in Shelby

THE CITY OF HOOVER, ALABAMA  
Ratio of General Obligation Debt  
to Assessed Value and General Obligation Debt Per Capita  
 1978 - 1985

<u>Fiscal Year</u>	<u>Federal Census Population</u>	<u>Assessed Value</u>	<u>General Obligation Debt</u>	<u>Ratio of Debt to Assessed Value</u>	<u>General Obligation Debt per Capita</u>
1978 (A)	3,594	\$ 42,593,931	\$ 152,122	.36%	\$ 42.33
1979	3,594	50,079,249	96,073	.19	26.72
1980	19,792	49,431,960	180,553	.37	9.12
1981	19,792	46,872,362	15,000	.03	.76
1982	19,792	84,978,804	-	-	-
1983	19,792	117,623,976	2,375,000	2.02	120.00
1984	19,792	138,081,404	10,925,000	7.91	551.99
1985	19,792	162,846,178	10,775,000	6.62	544.41

(a) First fiscal year for which property tax was assessed and paid.

Source: City annual financial reports.

THE CITY OF HOOVER, ALABAMA  
Computation of Legal Debt Margin\*  
September 30, 1985

Assessed value of property	<u>\$139,724,074</u>	(A)
Debt limit - 20 percent of total assessed value	27,944,815	
Amount of debt applicable to debt limit:		
General obligation warrants	<u>10,775,000</u>	
Legal debt margin	<u>\$ 17,169,815</u>	

\* Unaudited

(A) Source: Jefferson County Tax Assessor and Shelby County Tax Assessor.

THE CITY OF HOOVER, ALABAMA  
Computation of Overlapping Debt\*  
 September 30, 1985

	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Hoover</u>	<u>Amount Applicable To City of Hoover</u>
City of Hoover			
General obligation warrants	\$10,775,000	100.0%	\$10,775,000
Overlapping Debt			
Jefferson County	97,853,113	5.3%	5,186,215
Jefferson County Board of Education	23,890,000	5.3%	1,266,170
Shelby County	3,226,850	5.1%	164,569
Shelby County Board of Education	5,143,543	5.1%	<u>262,321</u>
			<u>\$17,654,275</u>

\* Unaudited

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

THE CITY OF HOOVER, ALABAMA  
Ratio of Annual Debt Service Expenditures For  
General Obligation Debt to General Expenditures  
 1975 - 1985

<u>Fiscal</u> <u>Year</u>	<u>Total</u> <u>Debt</u> <u>Service</u>	<u>Total</u> <u>General</u> <u>Expenditures</u> (A)	<u>Ratio of Debt</u> <u>Service to Total</u> <u>General</u> <u>Expenditures</u>
1975	\$ 15,630	\$ 803,994	1.94%
1976	25,071	1,288,793	1.95
1977	44,345	1,486,669	2.98
1978	24,826	1,354,443	1.83
1979	43,940	1,976,905	2.22
1980	44,200	2,230,227	1.98
1981	51,216	3,007,251	1.70
1982	47,351	4,050,906	1.17
1983	46,626	6,816,770	.68
1984	1,589,970	6,840,250	23.24
1985	1,103,150	9,164,646	12.04

(A) Includes General and Special Revenue Funds.

Source: City annual financial reports.

THE CITY OF HOOVER, ALABAMA  
Demographic Statistics\*

<u>Year</u>	<u>Population</u>	<u>Median Household Income</u> (A)	<u>School Age Individuals</u> (A)	<u>Unemployment Rate</u>
1968	410 (A)	**	**	**
1970	1,393 (A)	\$14,000	483	5.4% (B) (C)
1973	3,594 (A)	**	**	4.5% (B) (C)
1980	19,792 (A)	30,069	5,031	2.8% (A) (D)
1983	22,000 (E)	**	**	12.7% (B) (C)
1984	22,500 (E)	**	**	9.8% (B) (C)
1985	34,000 (E)	**	**	6.6% (B) (C)

\* Unaudited

\*\* Information not available

(A) Source: Federal census.

(B) Source: State Department of Industrial Relations.

(C) Jefferson County unemployment rate.

(D) City of Hoover unemployment rate.

(E) Estimate by City of Hoover.

THE CITY OF HOOVER, ALABAMA  
Construction, Bank Deposits and Retail Sales\*

Year	Commercial Construction (A)		Residential Construction (A)		Bank Deposits (B)	Retail Sales (A)
	Number of Units	Value	Number of Units	Value		
1975	5	\$ 184,000	199	\$ 9,323,000	**	\$ 46,700,000
1976	13	1,317,000	194	8,493,000	**	61,900,000
1977	15	2,036,000	174	9,044,000	**	79,400,000
1978	17	759,000	91	6,137,000	**	94,400,000
1979	23	1,371,000	58	4,069,000	**	106,600,000
1980	25	1,756,000	71	4,438,000	\$114,285,000	120,900,000
1981	26	20,528,000	43	2,857,000	126,848,000	173,800,000
1982	40	5,402,000	58	4,055,000	145,291,000	208,500,000
1983	26	4,874,000	692	23,951,000	**	229,000,000
1984	48	83,901,000	268	19,480,000	185,500,000	292,000,000
1985	19	22,165,000	345	23,085,000	151,291,000	328,400,000

\* Unaudited

\*\* Information not available

(A) Source: City records.

(B) Source: Various City banks.

THE CITY OF HOOVER, ALABAMA  
Principal Taxpayers\*  
 Year Ended September 30, 1985

	<u>City Ad Valorem Taxes</u>
South Central Bell	\$229,133
Blue Cross/Blue Shield	30,604
Harbert Equitable Joint Venture	30,500
Alabama Power Company	11,061
First Wisconsin Mortgage Co.	10,005
Riverchase Mall Village Co.	9,957
Fred Berman	8,631
Regal Eastbrook Properties	8,568
Riverchase Mall Associates	7,758
Regal Development Co.	6,630
Metropolitan Life Insurance Co.	5,713
Southwood Park Est., Inc.	4,854

\* Unaudited

(A) Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA  
Miscellaneous Statistical Data\*  
 September 30, 1985

Date of incorporation: May 18, 1967		Recreation:	
Form of government: Mayor-Council (5 members)		Number of parks	7 (E)
Area: 15 square miles (A)		Acres of parks and lakes	77 (E)
		Tennis courts	4 (E)
Miles of street:		Public safety:	
Paved	300 (A)	Number of fire stations	3
Unpaved	0 (A)	Number of police stations	1
Miles of sewers:		Population:	
Sanitary	96 (A)	1968 federal census	
Storm	38 (A)	(special)	410
Number of City employees:		1970 federal census	1,393
Administrative	8	1973 federal census	
Municipal garage	2	(special)	3,594
Police Department	45	1980 federal census	19,792
Fire Department	61	1983 estimate	22,000
Inspection services	6	1984 estimate	22,500
Street and sanitation	25	1985 estimate	34,000
Library	14		
Recreation	4	Number of housing units:	
Municipal court	2	Owner occupied	7,643
Total	<u>167</u> (B)	Renter occupied	4,744
		Vacant	791
Public schools:		Total	<u>13,178</u> (F)
Students attend various Jefferson			
and Shelby County elementary		Value of housing units:	
and high schools. The City		Median value	98,875 (F)
does not operate its own public			
school system.		Income:	
Education:		Per capita	13,508 (F)
Percentage of high school		Family	38,376 (F)
graduates	91% (C)	Percentage of population	
Major employers:		<u>above poverty level</u>	
The City's major employers are		in 1979	96% (C)
engaged in service,			
communications, retail sales,		Median age	30 (C)
and insurance corporations. (D)			

\* Unaudited

- (A) Source: City Engineer (Amounts are approximate).  
 (B) Source: City payroll records, September 30, 1985.  
 (C) Source: 1980 federal census.  
 (D) Source: Birmingham Regional Planning Commission.  
 (E) Source: Director of Parks and Recreation, City of Hoover.  
 (F) Source: House Consultants, Independent Consulting Firm.