

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2014

Office of the Finance Director

**Robert M. Yeager, CPA
Finance Director and Treasurer**

THE CITY OF HOOVER, ALABAMA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2014

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INTRODUCTORY SECTION

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The City of Hoover has an estimated population of 86,245 and is located in north-central Alabama within the Birmingham/Hoover metropolitan statistical area. Hoover occupies approximately 48 square miles within Jefferson and Shelby counties.

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OFFICE OF THE MAYOR
City of Hoover

Gary Ivey
Mayor

March 21, 2015

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

The comprehensive annual financial report for the City of Hoover, Alabama (the City) for the fiscal year ended September 30, 2014, is hereby submitted as mandated by Section 11-43D-17, Code of Alabama, 1975, as amended. These statutes require that the City issues an annual report on its financial position and activity, and that this report be audited by either an independent firm of certified public accountants or the State Department of Examiners of Public Accounts in accordance with generally accepted auditing standards. The accounting firm of Borland Benefield performed the audit.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To provide a reasonable assurance in making these representations, the City of Hoover operates under a comprehensive internal control framework that is designed to both protect the government's assets and to provide reliable information for the preparation of these statements. The internal control structure is designed to provide reasonable assurance, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived, and 2) the valuation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, and is reported in a manner that presents fairly the economic condition and financial position and results of operations of the City on a government-wide and fund basis. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

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

If the threshold is met, the city is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to the single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings are included in a separately issued single audit report. For fiscal year 2014, a single audit was required.

PROFILE OF THE GOVERNMENT

Government Structure

The Government has operated under the Mayor-Council form of government since incorporation. Policy making and legislative authority is vested in the City Council, which consists of seven “at large” council members. The City Council is responsible, among other things, for passing resolutions and ordinances, adopting the budget and appointing certain boards and committees. The Mayor is responsible for carrying out the policies and ordinances of the Government, and also appointing certain boards and committees. The Mayor and City Council are elected on a nonpartisan basis to concurrent four-year terms that begin in November of the election year. An election was conducted in the summer of 2012.

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

Geography, Population, and History

The Government, incorporated in 1967, is located in Jefferson and Shelby Counties in north central Alabama. In 1968, its population was estimated at 410 and has grown to 86,245 today, making it the sixth largest city in the state based on population. Along with this continued population growth, the City comprises approximately 48 square miles.

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

The City is a retail hub for the State of Alabama. The Riverchase Galleria is home to almost 200 specialty stores and is anchored by Macy’s, Belk’s, JC Penney, and Sears. In late 2013, Von Maur joined these anchor stores. The Galleria includes restaurants, a hotel, and a 17-story office tower. The City receives approximately 23% of its sales tax revenue from the Galleria.

In addition, the Galleria has spurred other retail redevelopment and commercial growth along adjoining corridors of the City, including US Highway 31, Lorna Road, and Alabama Highway 150, which includes the Patton Creek commercial development. The Inverness/280 portion of the City also contains many shopping options for people who live and work in that area and beyond, including the Village of Lee Branch commercial center. Furthermore, along the Highway I459/150 corridor, The Grove development is anchored by a Target, and includes several other businesses.

Component Units

The City has no component units included in its financial statements.

Budget Process and Controls

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

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

ECONOMIC CONDITION

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

Implementation of GASB Statement No. 34 and its government-wide statements focus on economic resources. In addition to including a government-wide outlook, the City also is striving to include information and data to shed light on current and future financial position. The result is a more broad and inclusive financial report to give the readers an accurate portrayal and outlook of the City currently and in the future.

Long-Term Financial Planning

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

In order to achieve the aforementioned funding for the capital projects fund, since fiscal year 2007, the City has transferred all excess net change in fund balance above \$100,000 from the General Fund to the Capital Projects Fund. These funds are then available to either supplement existing projects as estimated costs increase, or to fund new projects as the need arises. For fiscal year 2014, this transfer was \$15,016,003, which was an increase compared to \$7,744,460 in fiscal year 2013.

Relevant Financial Policies

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

Local Economy

The Government's overall financial condition continues to be strong. The City's total revenue for All Governmental Funds for the fiscal year ended September 30, 2014 increased by \$11,996,981, or (11.42)% from the fiscal year ended September 30, 2013. Increases in tax revenues comprised the largest part of this change as discussed below.

The following schedule presents a summary of revenues for all Governmental Funds for the fiscal year ended September 30, 2014, with the amount and percentage of increase (decrease) in relation to the fiscal year ended September 30, 2013.

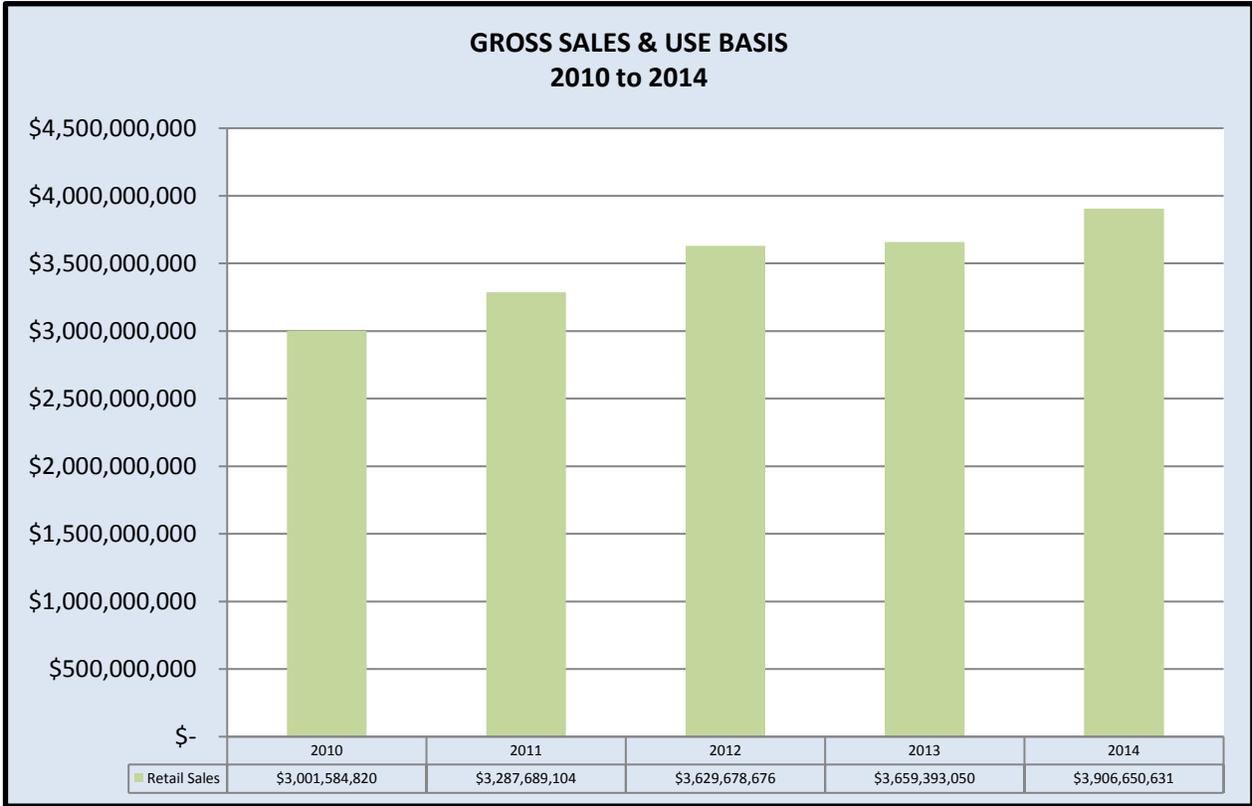
Revenues are broken down by major categories. As shown, the largest category, taxes, increased by \$7.6 million, or 9.22%. The second largest increase was in the area of investment income. In fiscal year 2013, our mark to market entry related to our investment portfolio resulted in negative investment income. For fiscal year 2014, we realized \$1,348,710 in investment income, an almost \$2.6 million increase, or over 200%.

| Revenues | FY 2014 Amount | Percent of Total | FY 2013 Amount | Increase (Decrease) From FY 2013 | Percent of Increase (Decrease) |
|----------------------------------|-----------------------|---------------------|-----------------------|--|--------------------------------------|
| Taxes | \$ 90,319,438 | 77.19 % | \$ 82,695,247 | \$ 7,624,191 | 9.22 % |
| Licenses and permits | 8,396,166 | 7.18 | 7,736,743 | 659,423 | 8.52 |
| Intergovernmental | 7,278,961 | 6.22 | 6,683,614 | 595,347 | 8.91 |
| Fines and forfeits | 2,811,396 | 2.40 | 2,520,752 | 290,644 | 11.53 |
| Investment income | 1,348,710 | 1.15 | (1,250,044) | 2,598,754 | 207.89 |
| Rents and royalties | 1,007,391 | 0.86 | 974,756 | 32,635 | 3.35 |
| Contributions and reimbursements | 1,479,866 | 1.26 | 1,331,676 | 148,190 | 11.13 |
| Charges for services | 3,887,706 | 3.32 | 3,776,945 | 110,761 | 2.93 |
| Other | 486,940 | 0.42 | 549,904 | (62,964) | (11.45) |
| Total revenues | <u>\$ 117,016,573</u> | <u>100.00 %</u> | <u>\$ 105,019,593</u> | <u>\$ 11,996,981</u> | <u>11.42 %</u> |

Overall, the City added \$100,000 to the General Fund and transferred over \$15 million to the Capital Projects Fund for future project funding.

The two largest sources of tax revenue are sales & use tax revenue and property tax revenue. As illustrated below and on the following two pages, both sales & use and property tax increased for 2014. Sales tax increased dramatically in 2014, while property tax for 2014 had a moderate growth.

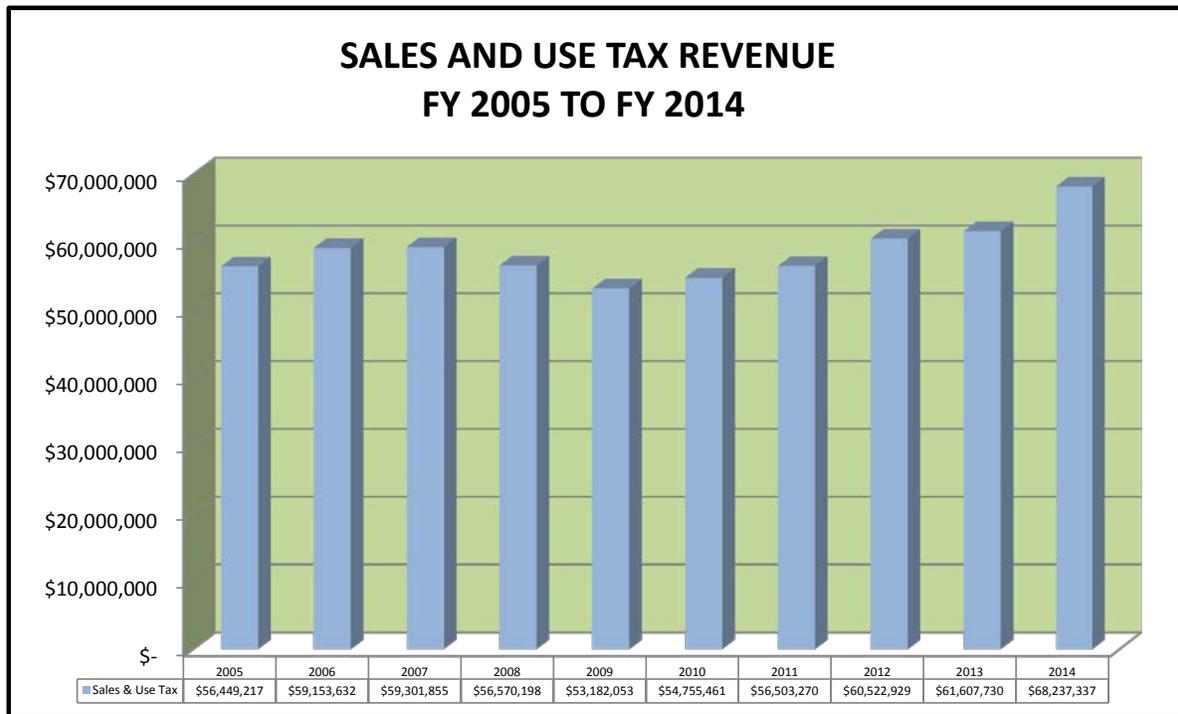
Related to sales and use taxes, the City's total gross sales and use tax basis increased by \$247,257,580 over the previous year to a total of \$3,659,393,050. This represented an increase of 6.76%. Overall, considering the recent past economic downturn, as well as the local and online sales competition, city officials are pleased with these results. The chart below depicts the gross sales for the last five years.



Fiscal year 2014 resulted in a fifth year of increases for sales and use tax revenue after the two years of decline in 2008 and 2009. Sales and use tax revenue increased by 10.76% over fiscal year 2013. The chart and table below depict the past ten years of sales and use tax revenue collected by the City. Sales and use taxes themselves realized their all time high in fiscal year 2014 by surpassing the prior year high number in fiscal year 2013.

| <u>Fiscal Year</u> | <u>Sales and Use Tax Revenue</u> | <u>Percent of Increase (Decrease) from Previous Year</u> | <u>Total All Revenue Governmental Fund Types</u> | <u>Percent of Total Revenue</u> |
|--------------------|----------------------------------|--|--|---------------------------------|
| 2005 | \$ 56,449,217 | 8.35 | \$ 92,641,156 | 60.93 |
| 2006 | 59,153,632 | 4.79 | 99,501,833 | 59.45 |
| 2007 | 59,301,855 | 0.25 | 104,222,257 | 56.90 |
| 2008 | 56,570,198 | (4.61) | 101,994,557 | 55.46 |
| 2009 | 53,182,053 | (5.99) | 97,990,456 | 54.27 |
| 2010 | 54,755,461 | 2.96 | 97,884,197 | 55.94 |
| 2011 | 56,503,270 | 3.19 | 100,020,428 | 56.49 |
| 2012 | 60,522,929 | 7.11 | 105,154,948 | 57.56 |
| 2013 | 61,607,730 | 1.79 | 105,019,593 | 58.66 |
| 2014 | 68,237,337 | 10.76 | 117,016,573 | 58.31 |

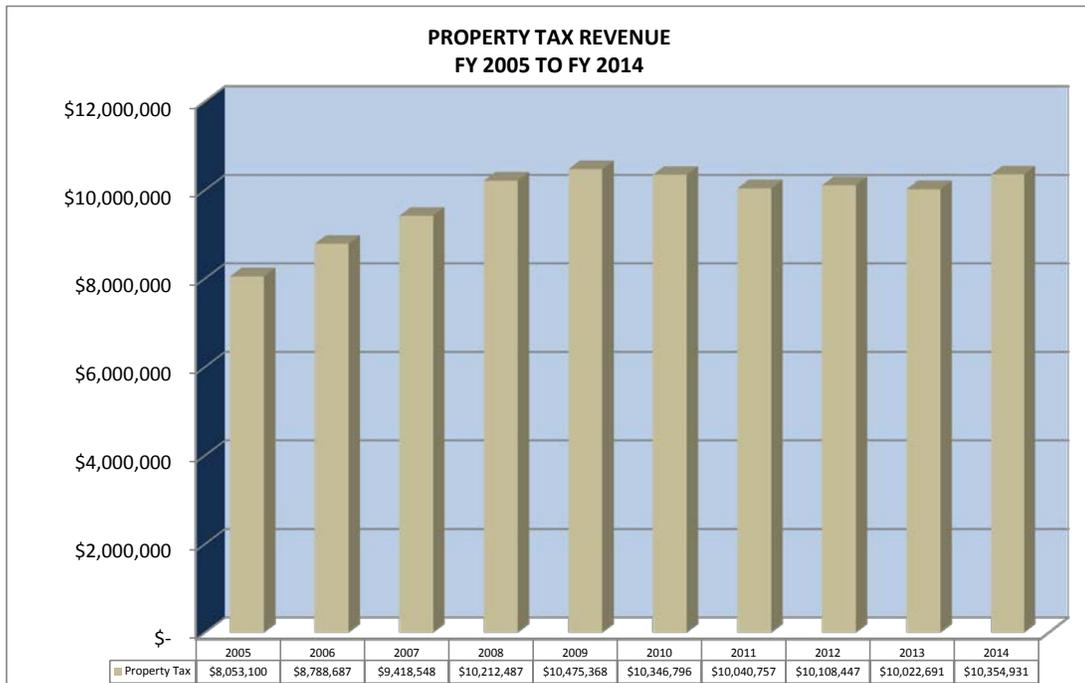
City management expects to maintain the fiscal year 2014 level of sales tax revenue receipts in the near future.



The second largest revenue source for the City is property tax, which comprises 8.85% of total revenues for governmental fund types. A 10 year summary of property tax is as follows:

| Fiscal Year | Property Tax Revenue | Percent of Increase (Decrease) from Previous Year | Total All Governmental Fund Types | Percent of Total Revenue |
|--------------------|-----------------------------|--|--|---------------------------------|
| 2005 | \$ 8,053,100 | 4.42 | \$ 92,641,156 | 8.69 |
| 2006 | 8,788,687 | 9.13 | 99,501,833 | 8.83 |
| 2007 | 9,418,548 | 7.17 | 104,222,257 | 9.04 |
| 2008 | 10,212,487 | 8.43 | 101,994,557 | 10.01 |
| 2009 | 10,475,368 | 2.57 | 97,990,456 | 10.69 |
| 2010 | 10,346,796 | (1.23) | 97,884,197 | 10.57 |
| 2011 | 10,040,757 | (2.96) | 100,020,428 | 10.04 |
| 2012 | 10,108,447 | 0.67 | 105,154,948 | 9.61 |
| 2013 | 10,022,691 | (0.85) | 105,019,593 | 9.54 |
| 2014 | 10,354,931 | 3.31 | 117,016,573 | 8.85 |

The City's property tax is 6 1/2 mills for general governmental use. Property tax revenue increased by \$332,240 from FY 2013, or 3.31%. This increase provides further evidence of the healthy economy for the City evidenced by both increases in property values and further development. Management expects overall property taxes to continue increasing slightly in the near future, as housing prices continue to rise and development continues to expand the tax base.



OTHER INFORMATION

Awards

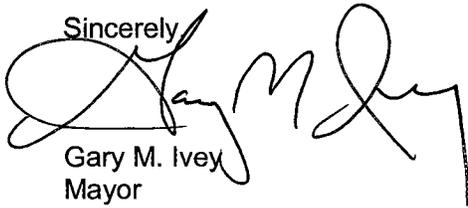
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2013. This was the thirty second consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of this comprehensive annual financial report was made possible by the dedicated service of the finance department staff and our auditors, Borland Benefield. We wish to express our appreciation to them. Further, we wish to thank the City Council for their continued support as we strive to excel in financial reporting.

Sincerely



Gary M. Ivey
Mayor



Robert M. Yeager
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Hoover
Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

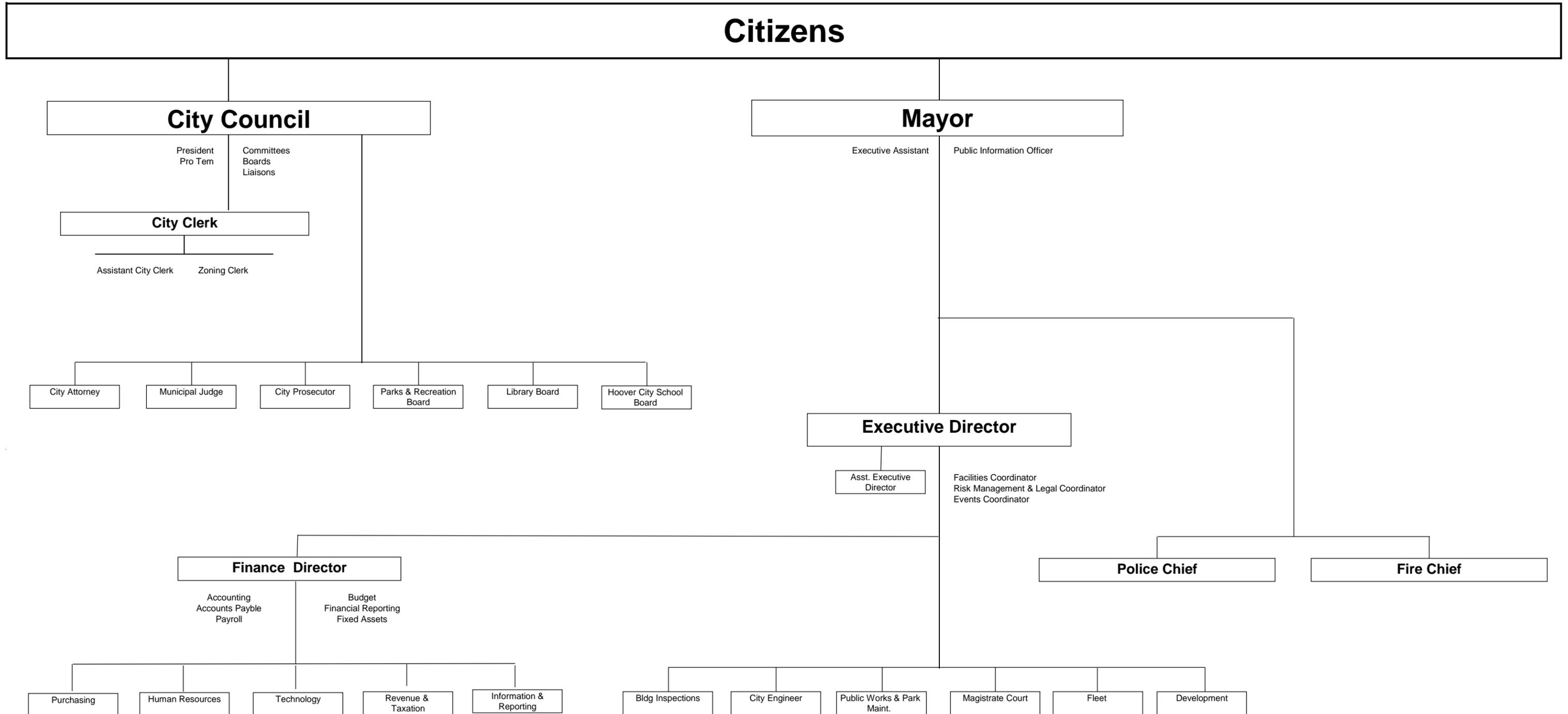
September 30, 2013

Executive Director/CEO

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THE CITY OF HOOVER, ALABAMA

Organization Chart



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OFFICIALS FOR THE CITY OF HOOVER, ALABAMA

ELECTED OFFICIALS

Mayor

Gary Ivey

Council President

Jack Wright

Council President Pro Tempore

Brian Skelton

Council Member

John Greene

Council Member

John Lyda

Council Member

Admiral Jack Natter

Council Member

Joe Rives

Council Member

Gene Smith

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hoover, Alabama (the City), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hoover, Alabama, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Borland Benefield, P.C.
Birmingham, Alabama
March 24, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Hoover's (the "City") discussion and analysis report provides an overview of the City's financial activities for the fiscal year ended September 30, 2014. The purpose of the Management's Discussion and Analysis (MD&A) is to provide a narrative about the transactions, events, and conditions that are reflected in the government's financial report and of the fiscal policies that govern its operations. Thus, both a short and long term analysis of the government's activities will be presented. Please consider the information in this MD&A in conjunction with the Transmittal Letter (beginning on page 1) and the City's financial statements (beginning on page 43).

FINANCIAL HIGHLIGHTS

- The assets of the City of Hoover exceeded its liabilities at the close of the fiscal year ended September 30, 2014, by \$397,884,333. Of this amount, \$317,912,519 is invested in capital assets – net of related debt, \$17,259,510 is restricted by enabling legislation, which by definition is legally restricted to certain uses, and \$62,712,304 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$6,716,078 or 1.72% in comparison to the net position at the beginning of the year. A detailed explanation of this increase can be viewed on page 26-27 of this MD&A.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$81,651,277, an increase of \$8,913,758 in comparison with the prior year. Approximately \$30,321,534 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- Total net position for governmental activities increased by \$7,966,854, bringing the total to \$377,624,564 for fiscal year 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 44-45) are designed to provide readers with an overview of the City's finances in a manner that resembles that of private sector businesses. In these statements, governmental activities and business activities are consolidated into two columns, which are added together for a total for the City as a whole. In order to consolidate the two types of activities, they must both utilize the same measurement focus. Thus, the government-wide statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains, and losses using the economic resources measurement focus and accrual basis of accounting. (This contrasts with the fund financial

statements, to be discussed later, which utilize the financial resources measurement focus and the modified-accrual basis of accounting.)

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Hoover that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges for services (business-type activities). The governmental activities of the City of Hoover include general government, public safety, library, municipal court, education, sanitation, highway and roadway improvements, recreation services, and health, while the business-type activities include the City of Hoover's sewer system. The City has no component units.

Fund Financial Statements

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

Governmental Funds

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

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to reconcile the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This reconciliation may allow readers to better understand the long-term impact of the government's near-term financing decisions. As a result, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in

fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (see page 46 and page 48, respectively). In addition, a more detailed explanation of the balance sheet reconciliation is given in the notes to the financial statement on page 75.

The City of Hoover maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, which are considered to be major funds. Data from the remaining eighteen non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual budgetary comparison schedules later in this report (beginning on page 77).

The City of Hoover adopts an annual appropriated budget for its general, special revenue, and capital projects funds. A budgetary comparison statement has been provided for all of the governmental funds to demonstrate compliance. The general funds' budgetary comparison schedule is shown as a basic financial statement (see page 49).

Proprietary Funds

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

Notes to the financial statements

The notes to the financial statements provide additional essential information that will facilitate understanding the data represented in the government-wide and fund financial statements (see pages 53-75).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets

The City's total assets on its Statement of Net Position for fiscal year 2014 totaled \$512,601,080, of which \$465,827,878 or 90.88% was from governmental activities. This was an increase of \$399,168 for assets in governmental activities. Even though the overall change was small, current assets did increase by over \$7.8 million, which was offset by a decrease in capital assets, net of depreciation of over \$6 million. The balance of the difference was a decrease in the actuarial receivable related to the assignment from the workers compensation and property & casualty internal service funds mainly due to settlements on some long-term cases.

Business-type activities made up \$46,773,202 or 9.12% of total assets for fiscal year 2014, which was a decrease of \$2,408,189, or 5.15% from fiscal year 2013. This change was also mostly related to the capital assets (net of depreciation), which decreased by over \$2 million.

As shown in the summary below, noncurrent assets comprise 79.35% of total assets, which is a decrease from fiscal year 2013 where the percentage was 80.89%. For fiscal 2014, current assets comprised 20.65% of all assets, an increase from fiscal year 2013 where the percentage was 19.11%. This increase in current assets is attributable to cash and investments increasing by over \$7 million, while capital assets, net of depreciation decreased noncurrent assets. Overall, the decrease in government-wide assets of \$2,009,021 was due mainly to the increase in depreciation expense that reduced the value of capital assets.

Breakdown of Assets - Statement of Net Position - Actual

| Category | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Current assets | \$ 89,352,306 | \$ 97,218,476 | \$ 8,974,906 | \$ 8,642,701 | \$ 98,327,212 | \$ 105,861,177 |
| Noncurrent assets: | | | | | | |
| Capital assets, net of depreciation | 373,664,263 | 367,470,875 | 40,206,485 | 38,130,501 | 413,870,747 | 405,601,376 |
| Actuarial receivable | 2,286,277 | 1,062,888 | - | - | 2,286,277 | 1,062,888 |
| Long-term receivables | 125,864 | 75,639 | - | - | 125,864 | 75,639 |
| Total noncurrent assets | <u>376,076,404</u> | <u>368,609,402</u> | <u>40,206,485</u> | <u>38,130,501</u> | <u>416,282,888</u> | <u>406,739,903</u> |
| Total Assets | <u>\$ 465,428,710</u> | <u>\$ 465,827,878</u> | <u>\$ 49,181,391</u> | <u>\$ 46,773,202</u> | <u>\$ 514,610,101</u> | <u>\$ 512,601,080</u> |

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

| Category | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Current assets | 19.20% | 20.87% | 18.25% | 18.48% | 19.11% | 20.65% |
| Noncurrent assets: | | | | | | |
| Capital assets, net of depreciation | 80.28% | 78.89% | 81.75% | 81.52% | 80.42% | 79.13% |
| Statutory actuarial receivable | 0.49% | 0.23% | 0.00% | 0.00% | 0.44% | 0.21% |
| Long-term receivables | 0.03% | 0.02% | 0.00% | 0.00% | 0.02% | 0.01% |
| Total noncurrent assets | <u>80.80%</u> | <u>79.13%</u> | <u>81.75%</u> | <u>81.52%</u> | <u>80.89%</u> | <u>79.35%</u> |
| Total Assets | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

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

| Category | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------|-------------------------|---------------|--------------------------|--------------|----------------|----------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Current assets | 90.87% | 91.84% | 9.13% | 8.16% | 100.00% | 100.00% |
| Noncurrent assets: | | | | | | |
| Capital assets, net of depreciation | 90.29% | 90.60% | 9.71% | 9.40% | 100.00% | 100.00% |
| Statutory actuarial receivable | 100.00% | 100.00% | 0.00% | 0.00% | 100.00% | 100.00% |
| Long-term receivables | 100.00% | 100.00% | 0.00% | 0.00% | 100.00% | 100.00% |
| Total noncurrent assets | <u>90.34%</u> | <u>90.63%</u> | <u>9.66%</u> | <u>9.37%</u> | <u>100.00%</u> | <u>100.00%</u> |
| Total Assets | <u>90.44%</u> | <u>90.88%</u> | <u>9.56%</u> | <u>9.12%</u> | <u>100.00%</u> | <u>100.00%</u> |

Deferred Outflows of Resources

In fiscal year 2013, the City implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows and Resources, Deferred Inflows of Resources, and Net Position” and Statement No. 65, “Items Previously Reported as Assets and Liabilities.” For Hoover, these deferred outflows represent the deferred loss on debt refinancing for various bond issues. Governmental activities comprise most of these deferred outflows, representing 97.93% compared to 2.07% in business-type activities for fiscal year 2014.

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

| Category | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------|-------------------------|--------------|--------------------------|-----------|--------------|--------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Deferred outflow of resources | \$ 5,018,682 | \$ 3,853,077 | \$ 93,980 | \$ 81,587 | \$ 5,112,662 | \$ 3,934,664 |
| | 98.16% | 97.93% | 1.84% | 2.07% | 100.00% | 100.00% |

Liabilities

The City’s total liabilities on its Statement of Net Position totaled \$118,651,412 of which \$92,056,391 or 77.59% was from governmental activities. This resulted in a decrease of \$8,733,291 for liabilities in governmental activities in fiscal year 2014 compared with fiscal year 2013’s liabilities of \$100,789,682. The majority of this was due to debt service payments on the principal of debt, as well as a decrease by over \$1 million in the long term claims payable for workers compensation related to settlements.

Business-type activities made up \$26,595,021, or 22.41% of total liabilities for fiscal year 2014. This represented a decrease from the previous year of \$1,169,806. This change was mostly due to the debt service payments and activity related to the sewer enterprise fund. Even though the overall dollar value of these liabilities decreased, the percentage to total liabilities increased from 21.60% to 22.41% for the government. This was due to such a large decrease on the governmental activities side.

Overall, as shown in the summary on the next page, long-term liabilities consisting of net bonds/warrants payable, compensated absences, and claims payable comprise 81.29% of total liabilities, with current liabilities comprising 18.71%. The percentage represented changed from fiscal year 2013, which was 82.44% and 17.56% respectively.

Deferred Inflows of Resources

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

Breakdown of Liabilities - Statement of Net Position - Actual

| Category | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Current liabilities: | | | | | | |
| Accounts payable and other accrued liabilities | \$ 8,344,001 | \$ 7,973,142 | \$ 259,790 | \$ 270,661 | \$ 8,603,790 | \$ 8,243,802 |
| Internal payable | 8,913 | 8,329 | (8,913) | (8,329) | - | - |
| Bonds and warrants payable, net | 7,402,467 | 7,543,251 | 1,182,561 | 1,200,298 | 8,585,028 | 8,743,549 |
| Compensated absences | 3,998,570 | 4,152,508 | 12,734 | 11,957 | 4,011,304 | 4,164,465 |
| Claims payable opeb | - | - | - | - | - | - |
| Claims payable workers compensation | 300,957 | 139,444 | - | - | 300,957 | 139,444 |
| Claims payable property and casualty | 1,068,323 | 904,085 | - | - | 1,068,323 | 904,085 |
| Total current liabilities | 21,123,232 | 20,720,759 | 1,446,171 | 1,474,586 | 22,569,403 | 22,195,345 |
| Long-term liabilities: | | | | | | |
| Bonds and warrants payable, net | 66,765,472 | 59,222,221 | 26,306,420 | 25,106,123 | 93,071,892 | 84,328,344 |
| Compensated absences | 6,845,649 | 7,243,277 | 12,235 | 14,312 | 6,857,884 | 7,257,589 |
| Claims payable opeb | 2,692,018 | 3,030,914 | - | - | 2,692,018 | 3,030,914 |
| Claims payable workers compensation | 2,040,173 | 807,568 | - | - | 2,040,173 | 807,568 |
| Claims payable property and casualty | 1,323,138 | 1,031,651 | - | - | 1,323,138 | 1,031,651 |
| Total long-term liabilities | 79,666,450 | 71,335,632 | 26,318,655 | 25,120,435 | 105,985,105 | 96,456,066 |
| Total Liabilities | <u>\$ 100,789,682</u> | <u>\$ 92,056,391</u> | <u>\$ 27,764,827</u> | <u>\$ 26,595,021</u> | <u>\$ 128,554,509</u> | <u>\$ 118,651,412</u> |

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

| Category | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Current liabilities | 20.96% | 22.51% | 5.21% | 5.54% | 17.56% | 18.71% |
| Long-term liabilities | 79.04% | 77.49% | 94.79% | 94.46% | 82.44% | 81.29% |
| Total Liabilities | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

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

| Category | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
|-----------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Current liabilities | 93.59% | 93.36% | 6.41% | 6.64% | 100.00% | 100.00% |
| Long-term liabilities | 75.17% | 73.96% | 24.83% | 26.04% | 100.00% | 100.00% |
| Total Liabilities | <u>78.40%</u> | <u>77.59%</u> | <u>21.60%</u> | <u>22.41%</u> | <u>100.00%</u> | <u>100.00%</u> |

Net Position

The City's entity-wide net position totaled \$397,884,333. Governmental activities comprised \$377,624,564 or 94.91% of the total net position for fiscal year 2014. This represented an increase of \$7,966,854, or 2.11%. In particular, net investment in capital assets decreased by only \$43,473, which was offset by an increase in net position restricted (funds that are restricted in their purpose) of \$1.7 million. The largest change was a \$6.1 million increase in the unrestricted category.

Business-type activities made up \$20,259,768, or 5.09% of total net position for fiscal year 2014. This represented a decrease of \$1,250,776, but the percentage represented was relatively the same in comparison with fiscal year 2013, which was 5.50%. Most of this decrease was due to the decrease in capital assets (net of depreciation) discussed previously.

A comparative summary of the change and composition of net position is shown on the next page.

Summary of Net Position - Primary Government - Actual

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Net investment in capital assets | \$ 304,515,007 | \$ 304,558,480 | \$ 14,548,454 | \$ 13,354,039 | \$ 319,063,461 | \$ 317,912,519 |
| Restricted for other purposes | 15,513,390 | 17,259,510 | - | - | 15,513,390 | 17,259,510 |
| Unrestricted (deficit) | <u>49,629,314</u> | <u>55,806,575</u> | <u>6,962,090</u> | <u>6,905,729</u> | <u>56,591,404</u> | <u>62,712,304</u> |
| Total net position | <u>\$ 369,657,710</u> | <u>\$ 377,624,564</u> | <u>\$ 21,510,544</u> | <u>\$ 20,259,768</u> | <u>\$ 391,168,255</u> | <u>\$ 397,884,333</u> |

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

| | 2013 | | 2014 | | 2013 | | 2014 | |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|------|--|
| | | | | | | | | |
| Net investment in capital assets | 82.38% | 80.65% | 67.63% | 65.91% | 81.57% | 79.90% | | |
| Restricted for other purposes | 4.20% | 4.57% | 0.00% | 0.00% | 3.97% | 4.34% | | |
| Unrestricted (deficit) | <u>13.43%</u> | <u>14.78%</u> | <u>32.37%</u> | <u>34.09%</u> | <u>14.47%</u> | <u>15.76%</u> | | |
| Total net position | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | | |

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

| | 2013 | | 2014 | | 2013 | | 2014 | |
|----------------------------------|---------------|---------------|---------------|---------------|----------------|----------------|------|--|
| | | | | | | | | |
| Net investment in capital assets | 95.44% | 95.80% | 4.56% | 4.20% | 100.00% | 100.00% | | |
| Restricted for other purposes | 100.00% | 100.00% | 0.00% | 0.00% | 100.00% | 100.00% | | |
| Unrestricted (deficit) | <u>87.70%</u> | <u>88.99%</u> | <u>12.30%</u> | <u>11.01%</u> | <u>100.00%</u> | <u>100.00%</u> | | |
| Total net position | <u>94.50%</u> | <u>94.91%</u> | <u>5.50%</u> | <u>5.09%</u> | <u>100.00%</u> | <u>100.00%</u> | | |

The largest portion of the City's assets is restricted or invested in capital assets. In particular, \$317,912,519, or 79.90% is invested in capital assets such as buildings, roads and bridges, less any related debt used to acquire those assets that is still outstanding, and \$17,259,510, or 4.34% is restricted for other various purposes. Thus, the total percentage of restricted assets totaled 84.24% for fiscal year 2014, as compared with fiscal year 2013 at 85.53%.

At the same time, the City has \$62,712,304 or 15.76% of assets available in unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. Overall, this increased by \$6,120,900 from fiscal year 2013 to fiscal year 2014, with governmental activities representing a \$6,177,261 increase, while the business-type activities decreased \$56,361.

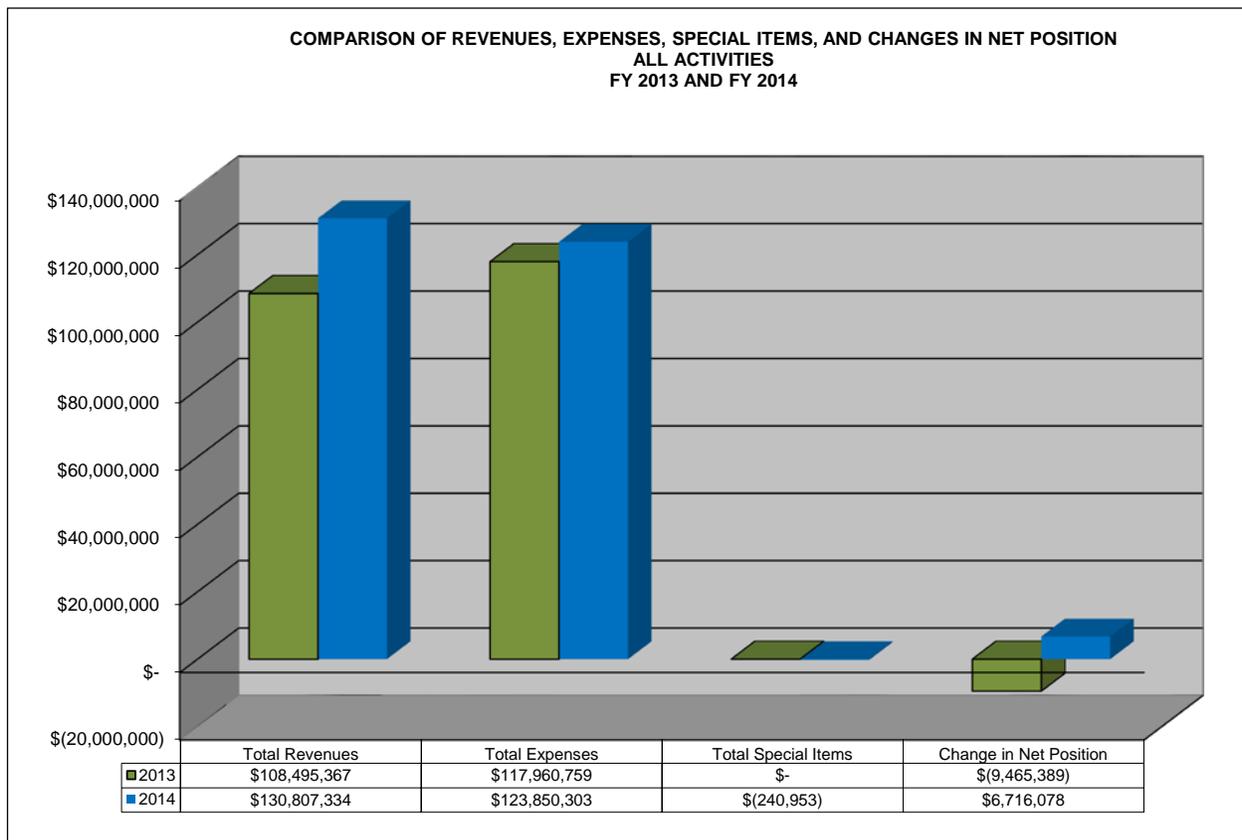
As mentioned above, the largest portion of the City's net position (79.90%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Thus, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Activities

The Statement of Activities includes governmental activities and business-type activities. The total change in net position for the fiscal year ended 2014 was an increase of \$6,716,078 compared with the fiscal year ended 2013 change in net position that had a decrease of \$9,465,389, a difference of \$16,181,467. There are several reasons for this difference that relate to both revenue and expenses.

In terms of revenues, capital grants and contributions increased by \$11.1 million, while sales & use taxes and unrestricted investment income increased by \$6.6 million and \$2.5 million, respectively. These and other revenue increases were offset somewhat with a decrease in the intergovernmental revenue not restricted category of just over \$1 million. Capital grants and contributions were mainly due to the following donated assets: land for fire station #10 (\$138,040), the state portion for road and bridge work related to the Chapel Lane extension project (\$6,641,842), and storm sewer acceptances (\$2,861,301).

Expenses increased by over \$5.8 million. Highway and roadway improvements accounted for \$3.8 million of this increase. We had the substantial completion of the Grove roadwork, a project that we assumed from an agreement with the developer. The expense of this project alone in fiscal year 2014 was more than \$3.6 million. The other large increase related to public safety with an increase of over \$1.4 million. Since public safety comprises the largest expense category, this represented only a 3.25% increase. Most of this is attributable to normal increases in salaries and benefits.



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

**CHANGE IN NET POSITION
AS OF SEPTEMBER 30**

| Category | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$ 15,014,057 | \$ 16,108,079 | \$ 3,729,376 | \$ 4,130,508 | \$ 18,743,433 | \$ 20,238,587 |
| Operating grants and contributions | 3,620,721 | 3,860,242 | - | - | 3,620,721 | 3,860,242 |
| Capital grants and contributions | 499,703 | 11,649,800 | - | - | 499,703 | 11,649,800 |
| General Revenues: | | | | | | |
| Sales and use taxes | 61,607,730 | 68,237,337 | - | - | 61,607,730 | 68,237,337 |
| Property taxes | 10,022,691 | 10,354,931 | - | - | 10,022,691 | 10,354,931 |
| Other taxes | 11,064,825 | 11,727,171 | - | - | 11,064,825 | 11,727,171 |
| Intergovernmental revenue not restricted | 3,923,181 | 2,895,221 | - | - | 3,923,181 | 2,895,221 |
| Unrestricted Investment income | (1,254,273) | 1,343,548 | 35,234 | 35,602 | (1,219,039) | 1,379,150 |
| Gain (loss) on asset disposals | 149,871 | 223,742 | (123,095) | 9,200 | 26,776 | 232,942 |
| Other revenue | 205,346 | 231,953 | - | - | 205,346 | 231,953 |
| Total Revenues | <u>\$ 104,853,855</u> | <u>\$ 126,632,027</u> | <u>\$ 3,641,515</u> | <u>\$ 4,175,310</u> | <u>\$ 108,495,367</u> | <u>\$ 130,807,334</u> |
| EXPENSES | | | | | | |
| Program Activities: | | | | | | |
| General government | \$ 12,848,852 | \$ 13,822,304 | \$ - | \$ - | \$ 12,848,852 | \$ 13,822,304 |
| Public safety | 45,105,811 | 46,571,430 | - | - | 45,105,811 | 46,571,430 |
| Library | 6,566,225 | 6,821,645 | - | - | 6,566,225 | 6,821,645 |
| Municipal court | 1,612,455 | 1,711,093 | - | - | 1,612,455 | 1,711,093 |
| Sanitation | 6,290,465 | 6,398,905 | - | - | 6,290,465 | 6,398,905 |
| Education | 2,000,000 | 2,000,000 | - | - | 2,000,000 | 2,000,000 |
| Highway and roadway improvements | 24,627,788 | 28,449,260 | - | - | 24,627,788 | 28,449,260 |
| Recreation services | 9,557,624 | 9,859,747 | - | - | 9,557,624 | 9,859,747 |
| Health | 234,855 | 69,022 | - | - | 234,855 | 69,022 |
| Interest and fiscal charges | 3,379,455 | 2,720,810 | - | - | 3,379,455 | 2,720,810 |
| Redevelopment | - | - | 9,124 | - | 9,124 | - |
| Sewer services | - | - | 5,728,105 | 5,426,087 | 5,728,105 | 5,426,087 |
| Total Expenses | <u>\$ 112,223,530</u> | <u>\$ 118,424,217</u> | <u>\$ 5,737,229</u> | <u>\$ 5,426,087</u> | <u>\$ 117,960,759</u> | <u>\$ 123,850,303</u> |
| Excess (deficiency) before transfers | (7,369,675) | 8,207,810 | (2,095,714) | (1,250,776) | (9,465,389) | 6,957,031 |
| Transfers | - | - | - | - | - | - |
| SPECIAL ITEMS | | | | | | |
| Revenue rebate to developer | - | (240,953) | - | - | - | (240,953) |
| Total special items | <u>\$ -</u> | <u>\$ (240,953)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (240,953)</u> |
| CHANGE IN NET POSITION | <u>\$ (7,369,675)</u> | <u>\$ 7,966,854</u> | <u>\$ (2,095,714)</u> | <u>\$ (1,250,776)</u> | <u>\$ (9,465,389)</u> | <u>\$ 6,716,078</u> |

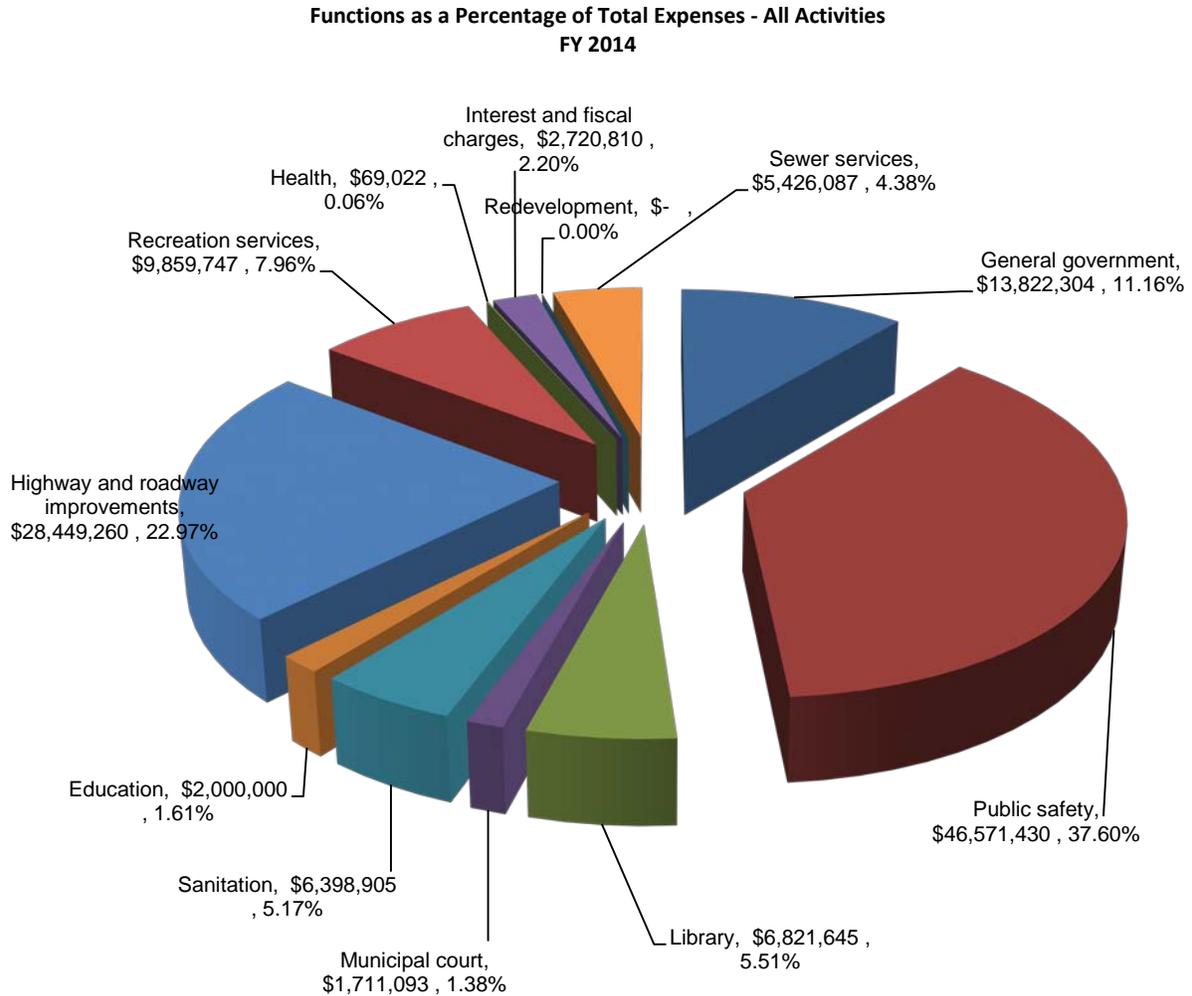
As mentioned previously, revenues and expenses both increased, which resulted in an increase in net position of \$6,716,078, a change of \$16,181,467 over fiscal year 2013. Almost all of this change was reflected in the governmental activities. Over all activities, \$22 million was due to revenues and this was reduced by \$5.8 million for the increase in expenses. The schedule below shows the % change in detail by each category.

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

| Category | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| REVENUES | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | 14.32% | 12.72% | 102.41% | 98.93% | 17.28% | 15.47% |
| Operating grants and contributions | 3.45% | 3.05% | 0.00% | 0.00% | 3.34% | 2.95% |
| Capital grants and contributions | 0.48% | 9.20% | 0.00% | 0.00% | 0.46% | 8.91% |
| General Revenues: | | | | | | |
| Sales and use taxes | 58.76% | 53.89% | 0.00% | 0.00% | 56.78% | 52.17% |
| Property taxes | 9.56% | 8.18% | 0.00% | 0.00% | 9.24% | 7.92% |
| Other taxes | 10.55% | 9.26% | 0.00% | 0.00% | 10.20% | 8.97% |
| Intergovernmental revenue not restricted | 3.74% | 2.29% | 0.00% | 0.00% | 3.62% | 2.21% |
| Unrestricted Investment income | -1.20% | 1.06% | 0.97% | 0.85% | -1.12% | 1.05% |
| Gain on sale of disposed equipment | 0.14% | 0.18% | -3.38% | 0.22% | 0.02% | 0.18% |
| Other revenue | 0.20% | 0.18% | 0.00% | 0.00% | 0.19% | 0.18% |
| Total Revenues | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |
| EXPENSES | | | | | | |
| Program Activities: | | | | | | |
| General government | 11.45% | 11.67% | 0.00% | 0.00% | 10.89% | 11.16% |
| Public safety | 40.19% | 39.33% | 0.00% | 0.00% | 38.24% | 37.60% |
| Library | 5.85% | 5.76% | 0.00% | 0.00% | 5.57% | 5.51% |
| Municipal court | 1.44% | 1.44% | 0.00% | 0.00% | 1.37% | 1.38% |
| Sanitation | 5.61% | 5.40% | 0.00% | 0.00% | 5.33% | 5.17% |
| Education | 1.78% | 1.69% | 0.00% | 0.00% | 1.70% | 1.61% |
| Highway and roadway improvements | 21.95% | 24.02% | 0.00% | 0.00% | 20.88% | 22.97% |
| Recreation services | 8.52% | 8.33% | 0.00% | 0.00% | 8.10% | 7.96% |
| Health | 0.21% | 0.06% | 0.00% | 0.00% | 0.20% | 0.06% |
| Interest and fiscal charges | 3.01% | 2.30% | 0.00% | 0.00% | 2.86% | 2.20% |
| Redevelopment | 0.00% | 0.00% | 0.16% | 0.00% | 0.01% | 0.00% |
| Sewer services | 0.00% | 0.00% | 99.84% | 100.00% | 4.86% | 4.38% |
| Total Expenses | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |
| SPECIAL ITEMS | | | | | | |
| Revenue rebate to developer | 0.00% | 100.00% | 0.00% | 0.00% | 0.00% | 100.00% |
| Total special items | <u>0.00%</u> | <u>100.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>100.00%</u> |
| CHANGE IN NET POSITION | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

Expenses

Public safety activities, which include dispatch, police, fire, and inspections, accounted for 37.60% of the total expenses on the Statement of Activities. After the highway and road improvement category that represented 22.97% of expenses, general government, recreation services (including park maintenance), and the library comprised 11.16%, 7.96%, and 5.51% of expenses, respectively. Interest and fiscal charges, which represent mandatory spending (as opposed to discretionary spending) represented only 2.20% of total expenses.



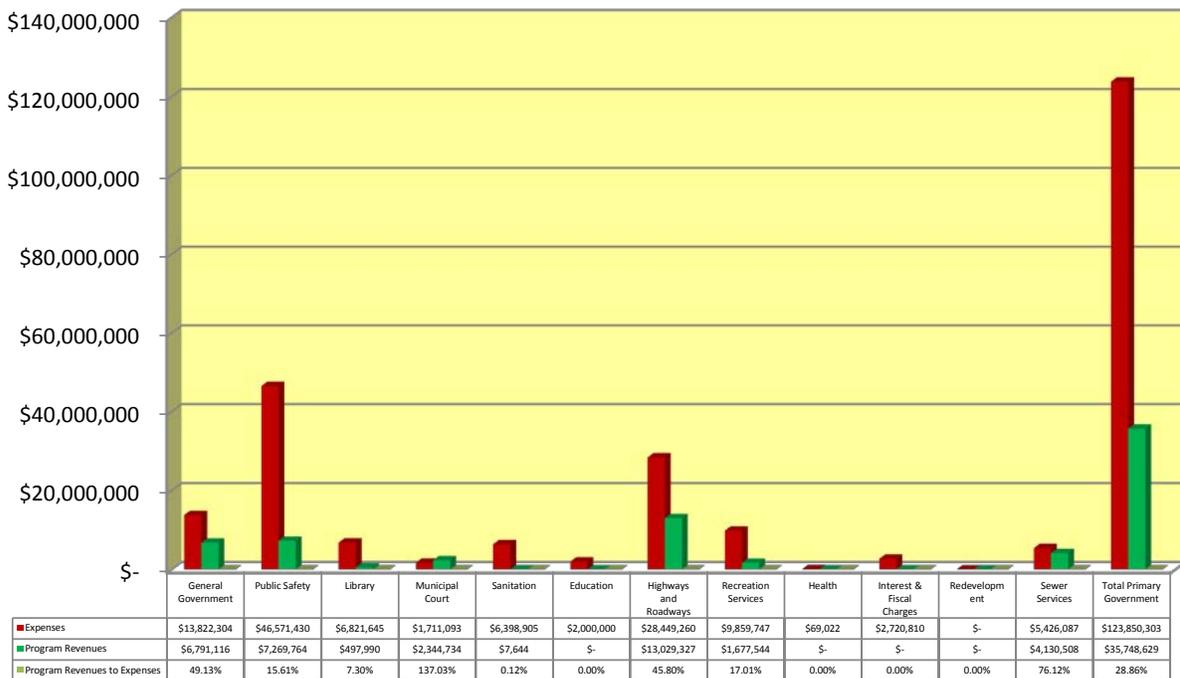
The figure above illustrates the entire expense breakdown by function and corresponding percentage for fiscal year 2014. The percentages match closely with those of fiscal year 2013. The largest change was an increase for highway and roadway improvements from 20.88% of total expenses to 22.97%.

Program Revenues

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

The figure below depicts the amount of program expenses and the offsetting program revenue by function. As illustrated, the public safety and highways & roadways categories make up the largest program income categories, comprising \$46,571,430 and \$28,449,260, respectively. The former consists of various sources related to police, fire, dispatch and inspections, including various grants and building permits, while the latter is mostly attributed to highway and roadway grants and contributions.

Expenses and Program Revenues - All Activities
FY 2014



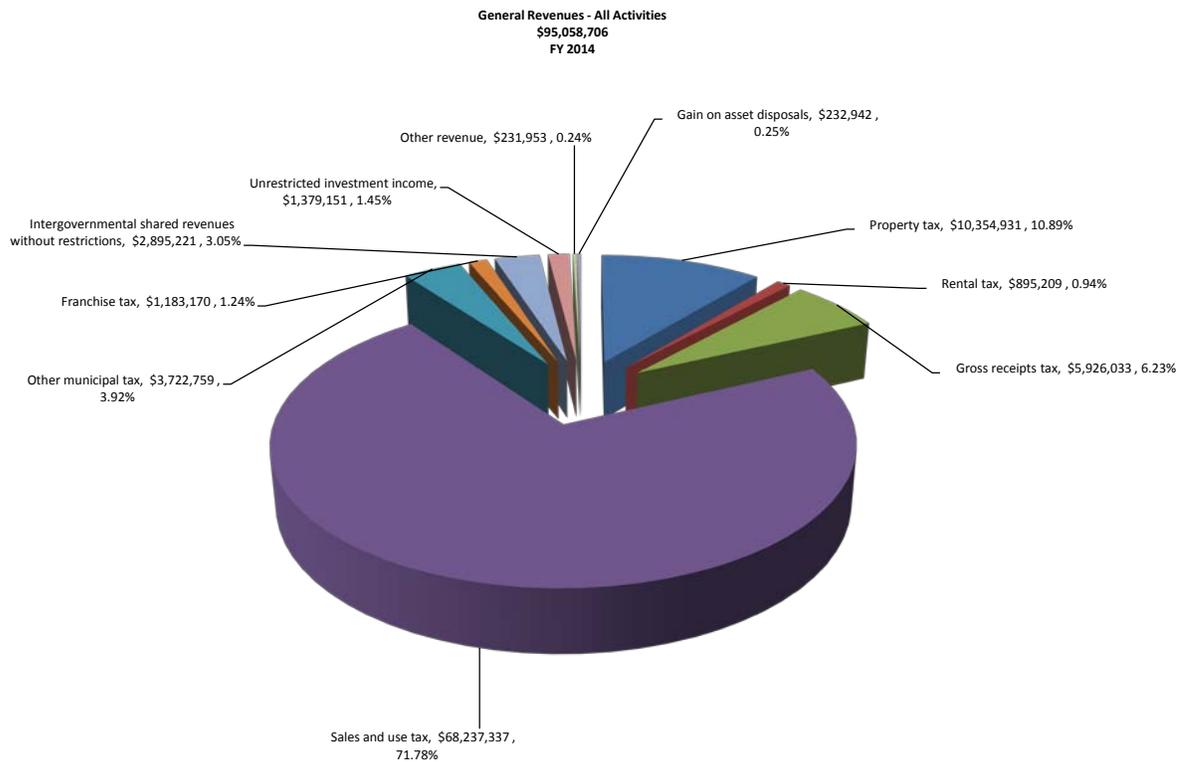
In addition, Municipal Court was the only program that took in more program revenue than they had expenses. For fiscal year 2014, Municipal Court had expenses totaling \$1,711,093 and program revenues totaling \$2,344,734, which represented 137.03% of revenues to expenses. It is important to note that by state law, some of Municipal Court's funding can be and is used to defray costs of operating the jail, which is included under the public safety category.

Sewer Service expenses for fiscal year 2014 totaled \$5,426,087 and program revenues totaled \$4,130,508, which represented 76.12% of revenues to expenses. The City is continuing to review alternatives on how to close the gap between the sewer's revenues and expenses. Improvement did occur over fiscal year 2013, where the offset was only 65.11%.

General Revenues

As a whole, primary government programs offset 19.38% of their total expenses (\$123,850,303) from program revenue (\$35,748,629). General revenues help to offset the balance of these programs by \$95,058,706.

Sales and use tax encompass the overwhelming percentage of general revenues, making up \$68,237,337 of them, which is 71.78% of total general revenues. The second largest category that contributes to general revenues is property tax, which comprised \$10,354,931 or 10.89% of total revenues. Gross receipts taxes from public utilities and insurance companies comprised the third largest source of general revenue bringing in \$5,926,033, or 6.23%.



Also in fiscal year 2014, the City rebated \$240,953 to developers, which is shown as a special item on the financial statement. In summary, after taking into account total expenses, total program revenues, total general revenues, and special items for governmental activities in the Statement of Activities, net position increased by 7,966,854 for the primary government. As a result, along with the decrease in net position for the business-type activities of \$1,250,776, the net position at the end of the year totaled \$397,884,333 for all activities.

OTHER PROPRIETARY FUNDS

Internal Service Funds

In addition to the Sewer Enterprise Fund, the City has a Redevelopment Enterprise Fund and four internal service funds. These internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements on pages 50-52. Individual fund data for these funds is provided in the form of *combining statements* on pages 82-84 of this report.

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

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

The health insurance - actives - internal service fund ended the year with \$3,445,698 in net position, while the health insurance - retirees - internal service fund ended the year with (\$2,027,341) in net position. The latter was due to the accumulated recording of the net OPEB obligation as a result of the GASB Statement No. 45 implementation mentioned above.

The workers compensation internal service fund ended the year with \$707,498 in net position, while the property and casualty internal service fund, ended the year with \$885,502 in net position, for a combined total in all internal service funds of \$3,011,358 in net position. Overall, the City is pleased with the net position of these internal service funds. However, it has reduced its charges for service budget for the workers compensation and property and casualty funds in order to use up some of the net position that has accumulated.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information not only provides more detail, but is also useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The table below illustrates the breakdown of governmental funds for fiscal year 2014.

| | 2014 | | | |
|---|-----------------------------|----------------------------------|---|---|
| | Governmental Funds | | | |
| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
| Total revenues | \$ 107,180,816 | \$ 506,562 | \$ 9,329,195 | \$ 117,016,573 |
| Total expenditures | 88,280,086 | 9,385,783 | 10,188,288 | 107,854,157 |
| Total other financing sources (uses) | <u>(18,559,776)</u> | <u>15,946,858</u> | <u>2,605,213</u> | <u>(7,705)</u> |
| Total special items | <u>(240,953)</u> | <u>-</u> | <u>-</u> | <u>(240,953)</u> |
| Net change in fund balances | 100,000 | 7,067,638 | 1,746,120 | 8,913,758 |
| Fund balances, beginning of year | <u>31,700,000</u> | <u>25,524,130</u> | <u>15,513,389</u> | <u>72,737,519</u> |
| Fund balances, end of year | <u><u>\$ 31,800,000</u></u> | <u><u>\$ 32,591,768</u></u> | <u><u>\$ 17,259,510</u></u> | <u><u>\$ 81,651,277</u></u> |
| Percent of fund balance to expenditures | 36.02% | 347.25% | 169.41% | 75.71% |

Other than the general fund, the City has only one other major fund. It is the capital projects fund. All other funds, which consist of special revenue funds and other capital project funds, are lumped into the other governmental funds column.

As of September 30, 2014, the City of Hoover's governmental funds reported combined ending fund balances of \$81,651,277. Approximately \$30,321,534 or 37.14% constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of the fund balance is non-spendable (.28%) restricted (21.14%), committed (39.92%), or assigned (1.53%). These fund balance categories are defined in the Notes to the Financial Statements.

In fiscal year 2013, the combined governmental ending fund balances were \$72,737,519. The total end of the year fund balances increased by \$8,913,758 from fiscal 2013 to fiscal 2014. This increase was actualized as follows: General Fund - \$100,000, Capital Projects Fund - \$7,067,638, and Other Governmental Funds - \$1,746,120. By resolution, the excess in the General Fund above \$100,000 is transferred to the Capital Projects Fund.

General Fund

The general fund is the chief operating fund for the City of Hoover. As of September 30, 2014, the total fund balance of the general fund was \$31,800,000 as compared with September 30, 2013 where it was \$31,700,000, an increase of \$100,000. The end of the year fund balance for fiscal year 2014 represents approximately 36.02% of total general fund expenditures, which is a very healthy fund balance.

Capital Projects Fund

The capital projects fund is the primary fund for tracking city funding for various capital projects and/or capital items. As of September 30, 2014, the total ending fund balance for the capital projects fund was \$32,591,768. For the fiscal year, a transfer from the general fund in the amount of \$15,946,858 offset the total expenditures during the year of \$9,385,783, with a net increase to the fund of \$7,067,638 including revenue.

The City does have several ongoing projects and commitments that are to be funded from this fund. These commitments represent projects that have been approved and have been started, but not completed. As of September 30, 2014, although all of the fund balance shows as committed, the total city portion of ongoing projects from this fund is estimated at \$13,655,922. The balance, \$18,935,846 is not dedicated to specific projects and is available to be allocated to future projects as needed. The fiscal year 2015 budget did dedicate some of these funds to new or existing projects as needed.

Other Governmental Funds

Other governmental funds include various special revenue funds and other capital project funds. Anything that has a legal requirement to be tracked separately and general grants that the City receives are all tracked in various special revenue funds. These funds are intended for specific uses. The other governmental funds are funds that the City uses to track outside funding, in particular, grants for capital projects. Keeping these funds separate from the main capital project fund helps the City to facilitate record keeping. In other words, the City budgets the city portion of capital projects in the capital projects fund and the outside funding portion in these other governmental funds. All projects are tracked with a project code that provides an overview of the entire project, no matter what funding sources are utilized.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund resulted in a net increase of budgetary fund balance in the amount of \$100,000. As shown below, budgeted revenues increased by \$12,479,834, or 13.17% of the original budget. This was mostly due to a tremendous increase in tax revenue over the original projection by over \$9 million.

The total expenditure budget decreased by \$4,647,146, or 5.00%. The major reason for this (and the revenue projection change) was to allow an additional transfer to the capital projects fund for future projects by using the surplus at the end of the fiscal year. Since fiscal year 2007, the City has transferred all excess in the general fund above \$100,000 to the capital projects fund each year.

General Fund Original Budget to Amended Budget

| | Original Budget | Amended Budget | Difference Between Original Budget and Amended Budget | % Difference Between Original Budget and Amended Budget |
|--|--------------------|---------------------|--|--|
| Revenues | | | | |
| Taxes | \$ 81,094,975 | \$ 90,329,945 | \$ 9,234,970 | 11.39 % |
| Licenses and permits | 7,191,600 | 8,396,214 | 1,204,614 | 16.75 |
| Intergovernmental | 1,188,500 | 1,647,252 | 458,752 | 38.60 |
| Fines and forfeits | 1,285,000 | 1,290,261 | 5,261 | 0.41 |
| Investment income | 800,100 | 1,336,312 | 536,212 | 67.02 |
| Rents and royalties | 532,692 | 894,271 | 361,579 | 67.88 |
| Contributions and reimbursements | 1,018,538 | 1,248,665 | 230,127 | 22.59 |
| Charges for services | 1,466,400 | 1,584,015 | 117,615 | 8.02 |
| Other | 174,000 | 504,704 | 330,704 | 190.06 |
| Total revenues | <u>94,751,805</u> | <u>107,231,639</u> | <u>12,479,834</u> | <u>13.17 %</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | 14,267,245 | 11,903,456 | (2,363,789) | -16.57 % |
| Public safety | 39,790,367 | 39,258,802 | (531,565) | -1.34 |
| Library | 6,532,185 | 6,455,629 | (76,556) | -1.17 |
| Municipal court | 201,495 | 160,465 | (41,030) | -20.36 |
| Sanitation | 6,526,516 | 6,398,974 | (127,542) | -1.95 |
| Education | 2,000,000 | 2,000,000 | - | 0.00 |
| Highway and roadway improvements | 4,557,471 | 4,549,518 | (7,953) | -0.17 |
| Recreation services | 8,814,623 | 8,168,894 | (645,729) | -7.33 |
| Health | 69,755 | 69,022 | (733) | -1.05 |
| Total | <u>82,759,657</u> | <u>78,964,760</u> | <u>(3,794,897)</u> | <u>-4.59 %</u> |
| Capital outlays | 713,392 | 366,643 | (346,749) | -48.61 % |
| Debt service | | | | |
| Principal | 6,595,000 | 6,595,000 | - | 0.00 % |
| Interest | 2,923,036 | 2,417,536 | (505,500) | -17.29 |
| Issuance costs | - | - | - | - |
| Fiscal agent fees | 4,050 | 4,050 | - | 0.00 |
| Total expenditures | <u>92,995,135</u> | <u>88,347,989</u> | <u>(4,647,146)</u> | <u>-5.00 %</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,756,670 | 18,883,650 | 17,126,980 | 9.75 |
| Other financing sources (uses) | | | | |
| Transfers in | 26,597,591 | 22,445,147 | (4,152,444) | -0.16 % |
| Transfers out | (28,354,261) | (40,969,797) | (12,615,536) | 0.44 |
| Payment to refund bond escrow agent | - | - | - | 0.00 |
| Total other financing sources (uses) | <u>(1,756,670)</u> | <u>(18,524,650)</u> | <u>(16,767,980)</u> | <u>9.55 %</u> |
| Special items | | | | |
| Revenue rebate to developer | - | (259,000) | (259,000) | 100.00 % |
| Total special items | <u>-</u> | <u>(259,000)</u> | <u>(259,000)</u> | <u>100.00</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 100,000</u> | <u>\$ 100,000</u> | <u>100.00 %</u> |
| Fund balances, beginning of year | 31,700,000 | 31,700,000 | - | - |
| Fund balances, end of year | 31,700,000 | 31,800,000 | 100,000 | 0.32% % |

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

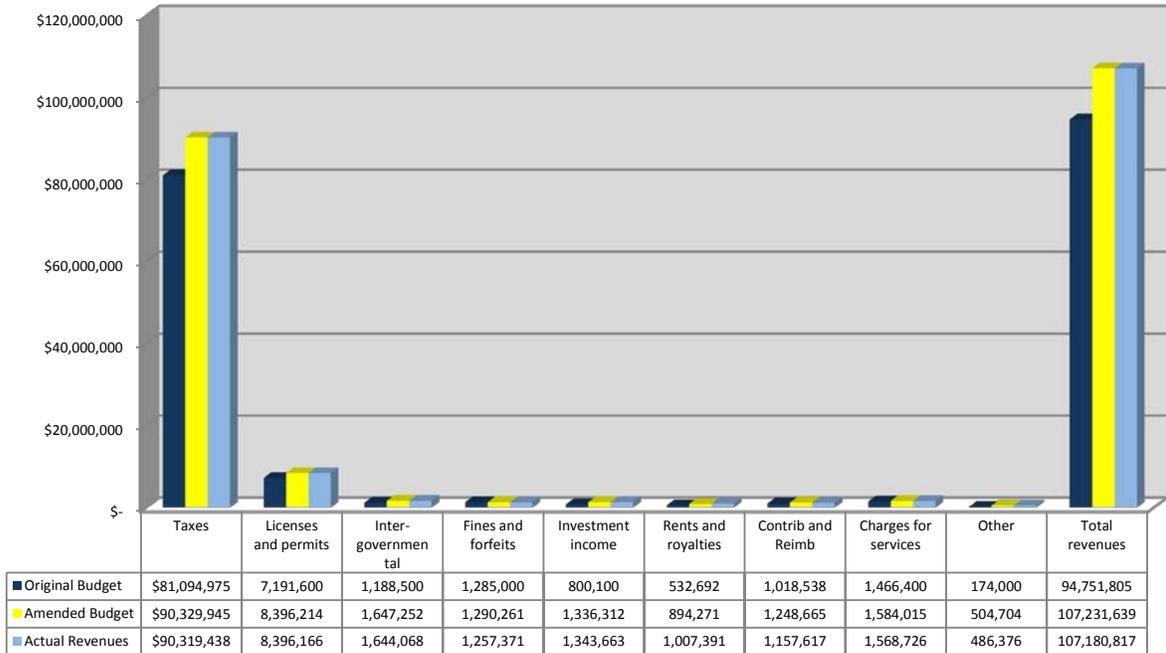
Revenues came in at \$50,822 less than the amended projection, but \$12,429,011 more than the original projection. Revenue accounts with surplus are amended to equal the actual revenues, but those accounts that did not meet projections are not affected, which is why unfavorable balance exists in certain categories. Contributions and reimbursements represented the largest portion of this shortfall.

Total expenditures were \$4.7 million less than the amended budget. Most of this was related to general government expenditures category. Interest expenditures were also \$505,501 less than the original projection due to funds in escrow from a 2013 refunding.

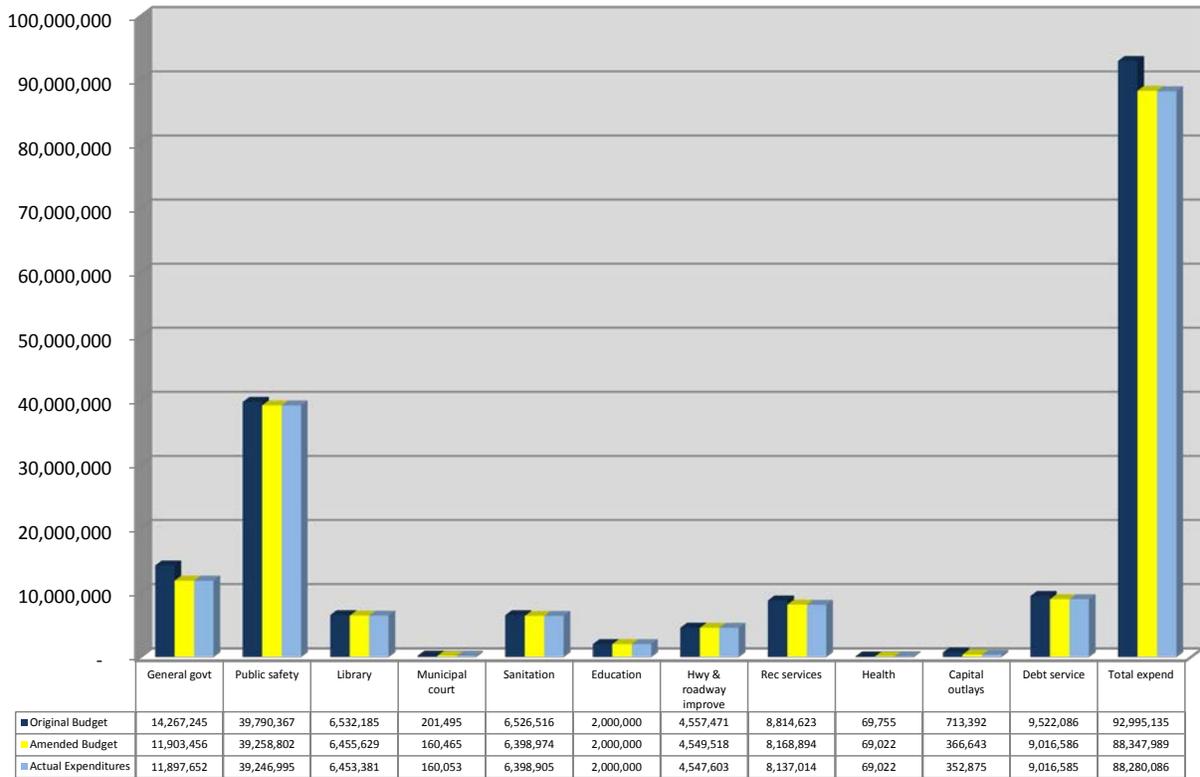
| General Fund Original Budget, and Amended Budget to Actual | | | | | |
|--|--------------------|---------------------|----------------------|---|---|
| | Original Budget | Amended Budget | Actual | Amended Variance Favorable (Unfavorable) | % Difference Between Amended Budget and Actual Expenditure |
| Revenues | | | | | |
| Taxes | \$ 81,094,975 | \$ 90,329,945 | \$ 90,319,438 | \$ (10,507) | -0.01 % |
| Licenses and permits | 7,191,600 | 8,396,214 | 8,396,166 | (48) | 0.00 |
| Intergovernmental | 1,188,500 | 1,647,252 | 1,644,068 | (3,184) | -0.19 |
| Fines and forfeits | 1,285,000 | 1,290,261 | 1,257,371 | (32,890) | -2.55 |
| Investment income | 800,100 | 1,336,312 | 1,343,663 | 7,351 | 0.55 |
| Rents and royalties | 532,692 | 894,271 | 1,007,391 | 113,120 | 12.65 |
| Contributions and reimbursements | 1,018,538 | 1,248,665 | 1,157,617 | (91,048) | -7.29 |
| Charges for services | 1,466,400 | 1,584,015 | 1,568,726 | (15,289) | -0.97 |
| Other | 174,000 | 504,704 | 486,376 | (18,328) | -3.63 |
| Total revenues | <u>94,751,805</u> | <u>107,231,639</u> | <u>107,180,816</u> | <u>(50,822)</u> | <u>-0.05</u> |
| Expenditures | | | | | |
| Current operations | | | | | |
| General government | 14,267,245 | 11,903,456 | 11,897,652 | 5,804 | 0.05 |
| Public safety | 39,790,367 | 39,258,802 | 39,246,995 | 11,807 | 0.03 |
| Library | 6,532,185 | 6,455,629 | 6,453,381 | 2,248 | 0.03 |
| Municipal court | 201,495 | 160,465 | 160,053 | 412 | 0.26 |
| Sanitation | 6,526,516 | 6,398,974 | 6,398,905 | 69 | 0.00 |
| Education | 2,000,000 | 2,000,000 | 2,000,000 | - | 0.00 |
| Highway & roadway improvements | 4,557,471 | 4,549,518 | 4,547,603 | 1,915 | 0.04 |
| Recreation services | 8,814,623 | 8,168,894 | 8,137,014 | 31,880 | 0.39 |
| Health | 69,755 | 69,022 | 69,022 | - | 0.00 |
| Total | <u>82,759,657</u> | <u>78,964,760</u> | <u>78,910,626</u> | <u>54,136</u> | <u>0.07</u> |
| Capital outlays | 713,392 | 366,643 | 352,875 | 13,768 | 3.76 |
| Debt service | | | | | |
| Principal | 6,595,000 | 6,595,000 | 6,595,000 | - | 0.00 |
| Interest | 2,923,036 | 2,417,536 | 2,417,535 | 1 | 0.00 |
| Fiscal agent fees | 4,050 | 4,050 | 4,050 | - | 0.00 |
| Total expenditures | <u>92,995,135</u> | <u>88,347,989</u> | <u>88,280,086</u> | <u>67,903</u> | <u>0.08</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,756,670 | 18,883,650 | 18,900,730 | 17,080 | 0.09 |
| Other financing sources (uses) | | | | | |
| Transfers in | 26,597,591 | 22,445,147 | 22,415,673 | (29,474) | -0.13 |
| Transfers out | (28,354,261) | (40,969,797) | (40,967,744) | 2,053 | -0.01 |
| Payment to refund bond escrow agent | - | - | (7,705) | (7,705) | 0.00 |
| Total other financing sources (uses) | <u>(1,756,670)</u> | <u>(18,524,650)</u> | <u>(18,559,776)</u> | <u>(35,125)</u> | <u>0.19</u> |
| Special items | | | | | |
| Revenue rebate to developer | - | (259,000) | (240,953) | 18,047 | -6.97 |
| Total special items | <u>-</u> | <u>(259,000)</u> | <u>(240,953)</u> | <u>18,047</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ -</u> | <u>\$ 100,000</u> | <u>\$ 100,000</u> | <u>\$ -</u> | <u>100.00 %</u> |
| Fund balances, beginning of year | | | <u>31,700,000</u> | | |
| Fund balances, end of year | | | <u>\$ 31,800,000</u> | | |

The figures below and on the next page summarize the comparison of total revenue and total expenditures by original budget, amended budget, and actual received for fiscal year 2014.

GENERAL FUND BUDGET - REVENUES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL REVENUE
FY 2014



GENERAL FUND BUDGET - EXPENDITURES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL EXPENDITURES
FY 2014



Capital Asset and Debt Administration

Capital Assets

The City of Hoover's investment in capital assets for its governmental and business-type activities as of September 30, 2014, amounts to \$405,601,376 (net of accumulated depreciation). This was an overall decrease of \$8,269,372 from fiscal year 2013 mainly due to depreciation. This investment in capital assets includes land, construction in progress, streets and bridges infrastructure, buildings and capital facilities, equipment and vehicles, improvements other than buildings, and other infrastructure.

Business-type activities decreased its net capital assets in fiscal year 2014. The Sewer Enterprise fund added \$336,350 in assets, including various sewer system improvements currently classified as construction in progress. The overall net change with accumulated depreciation for the sewer system assets was a decrease of \$2,075,984.

Please refer to the Notes to the Financial Statements section on pages 60-61 for more detail on capital asset activity.

Debt Administration

As of the fiscal year end, the City of Hoover had \$63,110,000 of governmental debt and \$25,830,000 of business-type debt outstanding for the sewer enterprise fund. The City was awarded an AAA credit rating from Standard and Poor's Corporation in 2014 and maintains an Aa1 from Moody's Investors Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to twenty percent (20%) of its total assessed valuation. The current constitutional debt limitation for the City of Hoover is \$346,517,920, which is significantly in excess of the City of Hoover's outstanding general obligation debt by \$283,407,920. Business-type debt is not calculated against this ratio.

Additional information on the City of Hoover's long-term debt can be found in note (3) beginning on page 62 of this report.

ECONOMIC FACTORS

The Government's financial condition continues to be strong. Fiscal year 2014 sustained a recovery for the City after the economic downturn that began in fiscal year 2008. During fiscal year 2014, the City easily surpassed \$100 million in general fund revenue for the first time. This was mostly attributable to the sales and use tax collections that occurred. This indicates the health of Hoover businesses overall.

The City relies on taxes (sales and use, property, gross receipts, franchise, etc.), licenses and permits, intergovernmental revenue, fines and forfeits, charges for service, investment income, rents and royalties, contributions and reimbursements, and other revenue for their governmental activities. The primary source of revenue is sales tax.

As indicated previously, sales and use tax grew by 10.76% over the prior fiscal year from \$61,607,730 in fiscal year 2013 to \$68,237,337 in fiscal year 2014. However, despite this increase, the City continues to budget conservatively by realizing that use tax collected is not always a trending revenue source, but rather may indicate one time investments in company equipment. Our unassigned fund balance remained relatively unchanged at \$30,321,534. This number substantiates the strength of the city's financial position.

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

The unemployment rate for the City of Hoover for 2014 was 4.0%, which increased slightly from 2013's number of 3.8%. This number is favorable compared to other government entities within the State of Alabama and nationally.

Overall, the City has maintained its fiscal health, and due to its conservative financial practices, management expects to continue to weather any future economic slowdown and still remain financially sound. Overall, fiscal year 2014 was a great year for the City's finances.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, contact the City's Finance Director, Robert M. Yeager, at 100 Municipal Lane, Hoover, Alabama 35216.

BASIC FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Statement of Net Position
September 30, 2014

| | Primary Government | | Total |
|---|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | |
| Assets | | | |
| Current assets | | | |
| Pooled cash and investments | \$ 87,421,435 | \$ 8,177,706 | \$ 95,599,141 |
| Receivables: | | | |
| Taxes | 6,024,806 | - | 6,024,806 |
| Accounts | 2,633,760 | 464,995 | 3,098,755 |
| Statutory actuarial receivable | 672,447 | - | 672,447 |
| Due from other governments | 136,915 | - | 136,915 |
| Inventories | 134,502 | - | 134,502 |
| Prepaid items | 194,613 | - | 194,613 |
| Total current assets | <u>97,218,476</u> | <u>8,642,701</u> | <u>105,861,177</u> |
| Noncurrent assets | | | |
| Capital assets | | | |
| Depreciable: | | | |
| Buildings/improvements to buildings | 103,042,296 | 26,626,760 | 129,669,056 |
| Storm sewer inventory/drainage improvements | 59,045,194 | - | 59,045,194 |
| Equipment and vehicles | 40,563,815 | 886,237 | 41,450,052 |
| Improvements o/t buildings | 18,380,753 | 21,409,452 | 39,790,204 |
| Streets and bridges | 246,216,205 | - | 246,216,205 |
| Other infrastructure | 7,864,527 | 24,342,368 | 32,206,895 |
| Accumulated depreciation | (149,765,507) | (36,993,828) | (186,759,335) |
| Non-depreciable: | | | |
| Land | 38,468,151 | 1,670,000 | 40,138,151 |
| Construction in progress - other | 3,655,441 | 189,513 | 3,844,954 |
| Total capital assets, net of depreciation | <u>367,470,875</u> | <u>38,130,501</u> | <u>405,601,376</u> |
| Statutory actuarial receivable | 1,062,888 | - | 1,062,888 |
| Long-term receivables | 75,639 | - | 75,639 |
| Total noncurrent assets | <u>368,609,402</u> | <u>38,130,501</u> | <u>406,739,903</u> |
| Total assets | <u>465,827,878</u> | <u>46,773,202</u> | <u>512,601,080</u> |
| Deferred outflows of resources | | | |
| Deferred amount on refunding | <u>3,853,077</u> | <u>81,587</u> | <u>3,934,664</u> |
| Liabilities | | | |
| Current liabilities payable from current assets | | | |
| Accounts payable and accrued liabilities | \$ 7,705,409 | \$ 185,475 | \$ 7,890,884 |
| Interest payable | 192,436 | 85,186 | 277,622 |
| Unearned revenue | 72,764 | - | 72,764 |
| Refundable deposits | 2,533 | - | 2,533 |
| Internal payable | 8,329 | (8,329) | - |
| Current maturities of long-term liabilities: | | | |
| Bonds and warrants payable, net | 7,543,251 | 1,200,298 | 8,743,549 |
| Compensated absences | 4,152,508 | 11,957 | 4,164,464 |
| Claims payable workers compensation | 139,444 | - | 139,444 |
| Claims payable property and casualty | 904,085 | - | 904,085 |
| Total current liabilities | <u>20,720,759</u> | <u>1,474,586</u> | <u>22,195,345</u> |
| Long-term liabilities | | | |
| Bonds and warrants payable, net | 59,222,221 | 25,106,123 | 84,328,344 |
| Compensated absences | 7,243,277 | 14,312 | 7,257,590 |
| Claims payable opeb | 3,030,914 | - | 3,030,914 |
| Claims payable workers compensation | 807,568 | - | 807,568 |
| Claims payable property and casualty | 1,031,651 | - | 1,031,651 |
| Total noncurrent liabilities | <u>71,335,632</u> | <u>25,120,435</u> | <u>96,456,066</u> |
| Total liabilities | <u>92,056,391</u> | <u>26,595,021</u> | <u>118,651,412</u> |
| Deferred inflows of resources | | | |
| Deferred amount on refunding | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Position | | | |
| Net investment in capital assets | 304,558,480 | 13,354,039 | 317,912,519 |
| Restricted for: | | | |
| Public safety | 1,993,195 | - | 1,993,195 |
| Municipal court | 2,222,716 | - | 2,222,716 |
| General government | 5,000,667 | - | 5,000,667 |
| Recreation services | 12,238 | - | 12,238 |
| Highway and roadway improvements | 8,030,694 | - | 8,030,694 |
| Unrestricted (deficit) | <u>55,806,575</u> | <u>6,905,729</u> | <u>62,712,304</u> |
| Total net position | <u>\$ 377,624,564</u> | <u>\$ 20,259,768</u> | <u>\$ 397,884,333</u> |

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

THE CITY OF HOOVER, ALABAMA
Statement of Activities
For the year ended September 30, 2014

| | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Position | | |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | |
| | | | | | Governmental Activities | Business-Type Activities | Total |
| Functions | | | | | | | |
| Primary government | | | | | | | |
| Governmental activities | | | | | | | |
| General government | \$ 13,822,304 | \$ 6,142,122 | \$ 578,974 | \$ 70,020 | \$ (7,031,188) | \$ - | \$ (7,031,188) |
| Public safety | 46,571,430 | 5,635,528 | 1,535,249 | 98,987 | (39,301,665) | - | (39,301,665) |
| Library | 6,821,645 | 376,357 | 121,633 | - | (6,323,655) | - | (6,323,655) |
| Municipal court | 1,711,093 | 2,271,471 | 73,263 | - | 633,642 | - | 633,642 |
| Sanitation | 6,398,905 | 7,644 | - | - | (6,391,261) | - | (6,391,261) |
| Education | 2,000,000 | - | - | - | (2,000,000) | - | (2,000,000) |
| Highway and roadway improvements | 28,449,260 | 152,715 | 1,395,819 | 11,480,793 | (15,419,933) | - | (15,419,933) |
| Recreation services | 9,859,747 | 1,522,240 | 155,304 | - | (8,182,202) | - | (8,182,202) |
| Health | 69,022 | - | - | - | (69,022) | - | (69,022) |
| Interest and fiscal charges | 2,720,810 | - | - | - | (2,720,810) | - | (2,720,810) |
| Total governmental activities | <u>118,424,217</u> | <u>16,108,079</u> | <u>3,860,242</u> | <u>11,649,800</u> | <u>(86,806,095)</u> | <u>-</u> | <u>(86,806,095)</u> |
| Business-type activities | | | | | | | |
| Redevelopment | - | - | - | - | - | - | - |
| Sewer services | 5,426,087 | 4,130,508 | - | - | - | (1,295,579) | (1,295,579) |
| Total business-type activities | <u>5,426,087</u> | <u>4,130,508</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,295,579)</u> | <u>(1,295,579)</u> |
| Total primary government | <u>\$ 123,850,303</u> | <u>\$ 20,238,587</u> | <u>\$ 3,860,242</u> | <u>\$ 11,649,800</u> | <u>(86,806,095)</u> | <u>(1,295,579)</u> | <u>(88,101,674)</u> |
| General revenues | | | | | | | |
| Property tax | | | | | 10,354,931 | - | 10,354,931 |
| In lieu of property tax | | | | | - | - | - |
| Rental tax | | | | | 895,209 | - | 895,209 |
| Gross receipts tax | | | | | 5,926,033 | - | 5,926,033 |
| Sales and use tax | | | | | 68,237,337 | - | 68,237,337 |
| Other municipal tax | | | | | 3,722,759 | - | 3,722,759 |
| Franchise tax | | | | | 1,183,170 | - | 1,183,170 |
| Intergovernmental shared revenues without restrictions | | | | | 2,895,221 | - | 2,895,221 |
| Unrestricted investment income | | | | | 1,343,548 | 35,602 | 1,379,151 |
| Other revenue | | | | | 231,953 | - | 231,953 |
| Gain on asset disposals | | | | | 223,742 | 9,200 | 232,942 |
| Special - rebate to developers | | | | | (240,953) | - | (240,953) |
| Total general revenues and special items | | | | | <u>94,772,950</u> | <u>44,802</u> | <u>94,817,752</u> |
| Change in net position | | | | | <u>7,966,854</u> | <u>(1,250,776)</u> | <u>6,716,078</u> |
| Net position at beginning of year | | | | | 369,657,710 | 21,510,544 | 391,168,255 |
| Net position at end of year | | | | | <u>\$ 377,624,564</u> | <u>\$ 20,259,768</u> | <u>\$ 397,884,333</u> |

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

THE CITY OF HOOVER, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2014

| | General Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Pooled cash and investments | \$ 30,186,936 | \$ 33,063,290 | \$ 16,399,092 | \$ 79,649,319 |
| Receivables | | | | |
| Taxes | 5,052,440 | - | 972,366 | 6,024,806 |
| Accounts | 1,159,356 | 204,160 | 1,255,722 | 2,619,238 |
| Due from other governments | 744 | - | 136,170 | 136,915 |
| Internal balances | 840,246 | - | - | 840,246 |
| Inventories | 134,502 | - | - | 134,502 |
| Prepaid items | 22,216 | - | - | 22,216 |
| Non-current receivable | 75,639 | - | - | 75,639 |
| | <u>\$ 37,472,078</u> | <u>\$ 33,267,450</u> | <u>\$ 18,763,350</u> | <u>\$ 89,502,879</u> |
| Total assets | | | | |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Accounts payable and accrued liabilities | \$ 5,639,601 | \$ 675,683 | \$ 620,775 | \$ 6,936,059 |
| Unearned revenue | 29,944 | - | 42,820 | 72,764 |
| Internal balances | - | - | 840,246 | 840,246 |
| Refundable deposits | 2,533 | - | - | 2,533 |
| | <u>5,672,078</u> | <u>675,683</u> | <u>1,503,841</u> | <u>7,851,602</u> |
| Total liabilities | | | | |
| Fund balances | | | | |
| Nonspendable: non-current receivable | 75,639 | - | - | 75,639 |
| Nonspendable: inventory | 134,502 | - | - | 134,502 |
| Nonspendable: prepaid items | 22,216 | - | - | 22,216 |
| Restricted | - | - | 17,259,510 | 17,259,510 |
| Committed | - | 32,591,768 | - | 32,591,768 |
| Assigned | 1,246,109 | - | - | 1,246,109 |
| Unassigned | 30,321,534 | - | - | 30,321,534 |
| | <u>31,800,000</u> | <u>32,591,768</u> | <u>17,259,510</u> | <u>81,651,277</u> |
| Total fund balances | | | | |
| Total liabilities and fund balances | | | | |
| | <u>37,472,078</u> | <u>33,267,450</u> | <u>18,763,350</u> | <u>89,502,879</u> |

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

| | |
|---|------------------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 367,470,875 |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position. | 3,003,029 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(74,500,616)</u> |
| Net position of governmental activities | <u><u>\$ 377,624,564</u></u> |

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

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended September 30, 2014

| | General Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------|--------------------------|--------------------------|
| Revenues | | | | |
| Taxes | \$ 90,319,438 | \$ - | \$ - | \$ 90,319,438 |
| Licenses and permits | 8,396,166 | - | - | 8,396,166 |
| Intergovernmental | 1,644,068 | 173,348 | 5,461,546 | 7,278,961 |
| Fines and forfeits | 1,257,371 | 37,500 | 1,516,525 | 2,811,396 |
| Investment income | 1,343,663 | - | 5,047 | 1,348,710 |
| Rents and royalties | 1,007,391 | - | - | 1,007,391 |
| Contributions and reimbursements | 1,157,617 | 295,296 | 26,953 | 1,479,866 |
| Charges for services | 1,568,726 | - | 2,318,980 | 3,887,706 |
| Other | 486,376 | 419 | 145 | 486,940 |
| Total revenues | <u>107,180,816</u> | <u>506,562</u> | <u>9,329,195</u> | <u>117,016,573</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | 11,897,652 | 92,893 | 65,564 | 12,056,108 |
| Public safety | 39,246,995 | 257,959 | 4,424,921 | 43,929,875 |
| Library | 6,453,381 | - | 32,493 | 6,485,874 |
| Municipal court | 160,053 | - | 1,523,112 | 1,683,165 |
| Sanitation | 6,398,905 | - | - | 6,398,905 |
| Education | 2,000,000 | - | - | 2,000,000 |
| Highway and roadway improvements | 4,547,603 | 22,118 | - | 4,569,721 |
| Recreation services | 8,137,014 | 118,147 | 19,653 | 8,274,814 |
| Health | 69,022 | - | - | 69,022 |
| Total | <u>78,910,626</u> | <u>491,116</u> | <u>6,065,743</u> | <u>85,467,485</u> |
| Capital outlays | 352,875 | 8,894,667 | 4,122,545 | 13,370,087 |
| Debt service: | | | | |
| Principal | 6,595,000 | - | - | 6,595,000 |
| Interest | 2,417,535 | - | - | 2,417,535 |
| Issuance costs | - | - | - | - |
| Fiscal agent fees | 4,050 | - | - | 4,050 |
| Total expenditures | <u>88,280,086</u> | <u>9,385,783</u> | <u>10,188,288</u> | <u>107,854,157</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>18,900,730</u> | <u>(8,879,221)</u> | <u>(859,092)</u> | <u>9,162,416</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 22,415,673 | 15,946,858 | 2,607,672 | 40,970,203 |
| Transfers out | (40,967,744) | - | (2,459) | (40,970,203) |
| Payment to bond refunding escrow agent | (7,705) | - | - | (7,705) |
| Total other financing sources (uses) | <u>(18,559,776)</u> | <u>15,946,858</u> | <u>2,605,213</u> | <u>(7,705)</u> |
| Special Items | | | | |
| Revenue rebate to developer | (240,953) | - | - | (240,953) |
| Total special items | <u>(240,953)</u> | <u>-</u> | <u>-</u> | <u>(240,953)</u> |
| Net change in fund balances | 100,000 | 7,067,638 | 1,746,120 | 8,913,758 |
| Fund balances, beginning of year | <u>31,700,000</u> | <u>25,524,130</u> | <u>15,513,389</u> | <u>72,737,519</u> |
| Fund balances, end of year | <u>\$ 31,800,000</u> | <u>\$ 32,591,768</u> | <u>\$ 17,259,510</u> | <u>\$ 81,651,277</u> |

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

THE CITY OF HOOVER, ALABAMA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the year ended September 30, 2014

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 8,913,758

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

| | |
|---|-----------|
| Principal debt payments | 6,595,000 |
| Amortization of debt premium on 2004 issue | 133,856 |
| Amortization of debt premium on 2010 issue | 651,887 |
| Amortization of debt premium on 2013b issue | 21,723 |
| Amortization of deferred loss 2004 issue | (484,890) |
| Amortization of deferred loss 2010 issue | (457,093) |
| Amortization of deferred loss 2013b issue | (223,623) |

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

| | |
|---------------------|--------------|
| Outlays capitalized | 7,228,844 |
| Depreciation | (23,037,683) |

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

| | |
|--|-----------|
| Contribution of capital assets (includes accepted streets and donated items) | 9,641,183 |
|--|-----------|

Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The net effect of various transactions involving capital assets is to decrease net position.

| | |
|---|-------------|
| Cost of assets disposed | (1,206,924) |
| Accumulated depreciation of assets disposed | 1,181,191 |

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

66,619

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

| | |
|------------------------------|-----------|
| Accrued compensated absences | (551,566) |
|------------------------------|-----------|

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

(505,429)

| | |
|---|----------------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 7,966,854</u></u> |
|---|----------------------------|

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
General Fund
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|----------------------|----------------------|----------------------|--|
| Revenues | | | | |
| Taxes | \$ 81,094,975 | \$ 90,329,945 | \$ 90,319,438 | \$ (10,507) |
| Licenses and permits | 7,191,600 | 8,396,214 | 8,396,166 | (48) |
| Intergovernmental | 1,188,500 | 1,647,252 | 1,644,068 | (3,184) |
| Fines and forfeits | 1,285,000 | 1,290,261 | 1,257,371 | (32,890) |
| Investment income | 800,100 | 1,336,312 | 1,343,663 | 7,351 |
| Rents and royalties | 532,692 | 894,271 | 1,007,391 | 113,120 |
| Contributions and reimbursements | 1,018,538 | 1,248,665 | 1,157,617 | (91,048) |
| Charges for services | 1,466,400 | 1,584,015 | 1,568,726 | (15,289) |
| Other | 174,000 | 504,704 | 486,376 | (18,328) |
| Total revenues | <u>94,751,805</u> | <u>107,231,639</u> | <u>107,180,816</u> | <u>(50,823)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | 14,267,245 | 11,903,456 | 11,897,652 | 5,804 |
| Public safety | 39,790,367 | 39,258,802 | 39,246,995 | 11,807 |
| Library | 6,532,185 | 6,455,629 | 6,453,381 | 2,248 |
| Municipal court | 201,495 | 160,465 | 160,053 | 412 |
| Sanitation | 6,526,516 | 6,398,974 | 6,398,905 | 69 |
| Education | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Highway and roadway improvements | 4,557,471 | 4,549,518 | 4,547,603 | 1,915 |
| Recreation services | 8,814,623 | 8,168,894 | 8,137,014 | 31,880 |
| Health | 69,755 | 69,022 | 69,022 | 0 |
| Total | <u>82,759,657</u> | <u>78,964,760</u> | <u>78,910,626</u> | <u>54,134</u> |
| Capital outlays | 713,392 | 366,643 | 352,875 | 13,768 |
| Debt service: | | | | |
| Principal | 6,595,000 | 6,595,000 | 6,595,000 | - |
| Interest | 2,923,036 | 2,417,536 | 2,417,535 | 1 |
| Issuance costs | - | - | - | - |
| Fiscal agent fees | 4,050 | 4,050 | 4,050 | - |
| Total expenditures | <u>92,995,135</u> | <u>88,347,989</u> | <u>88,280,086</u> | <u>67,903</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,756,670</u> | <u>18,883,650</u> | <u>18,900,730</u> | <u>17,080</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 26,597,591 | 22,445,147 | 22,415,673 | (29,474) |
| Transfers out | (28,354,261) | (40,969,797) | (40,967,744) | 2,053 |
| Payment to bond refunding escrow agent | - | - | (7,705) | (7,705) |
| Total other financing sources (uses) | <u>(1,756,670)</u> | <u>(18,524,650)</u> | <u>(18,559,776)</u> | <u>(35,126)</u> |
| Special items | | | | |
| Revenue rebate to developer | - | (259,000) | (240,953) | 18,047 |
| Total special items | <u>-</u> | <u>(259,000)</u> | <u>(240,953)</u> | <u>18,047</u> |
| Net change in fund balances | - | 100,000 | 100,000 | - |
| Fund balances, beginning of year | <u>31,700,000</u> | <u>31,700,000</u> | <u>31,700,000</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 31,700,000</u> | <u>\$ 31,800,000</u> | <u>\$ 31,800,000</u> | <u>\$ -</u> |

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

THE CITY OF HOOVER, ALABAMA
Statement of Fund Net Position
Proprietary Funds
September 30, 2014

| | Business-type Activities - Enterprise Funds | Business-type Activities - Enterprise Funds | Business-type Activities - Enterprise Funds | Internal Service Funds |
|---|---|---|---|------------------------------|
| | Sewer | Redevelopment | Total | |
| Assets | | | | |
| Current assets: | | | | |
| Pooled cash and investments | \$ 5,409,474 | \$ 2,768,232 | \$ 8,177,706 | \$ 7,772,116 |
| Land held for resale | - | - | - | - |
| Prepaid items | - | - | - | 172,397 |
| Internal balances | - | - | - | - |
| Accounts/stop loss receivable | 464,995 | - | 464,995 | 14,522 |
| Statutory actuarial receivable | - | - | - | 672,447 |
| Total current assets | 5,874,469 | 2,768,232 | 8,642,701 | 8,631,482 |
| Noncurrent assets: | | | | |
| Capital assets | | | | |
| Land | 1,670,000 | - | 1,670,000 | - |
| Construction in progress | 189,513 | - | 189,513 | - |
| Buildings/improvements to buildings | 26,626,760 | - | 26,626,760 | - |
| Equipment and vehicles | 886,237 | - | 886,237 | - |
| Improvements o/t buildings | 21,409,452 | - | 21,409,452 | - |
| Infrastructure improvements | 24,342,368 | - | 24,342,368 | - |
| Less accumulated depreciation | (36,993,828) | - | (36,993,828) | - |
| Total capital assets (net of accumulated depreciation) | 38,130,501 | - | 38,130,501 | - |
| Statutory actuarial receivable | - | - | - | 1,062,888 |
| Total noncurrent assets | 38,130,501 | - | 38,130,501 | 1,062,888 |
| Total assets | 44,004,970 | 2,768,232 | 46,773,202 | 9,694,370 |
| Deferred outflows of resources: | | | | |
| Deferred amount on refunding | 81,587 | - | 81,587 | - |
| Liabilities | | | | |
| Current liabilities: | | | | |
| General obligation warrants payable | \$ 1,200,298 | \$ - | \$ 1,200,298 | \$ - |
| Accounts payable | 181,069 | - | 181,069 | 43,488 |
| Retainage payable | - | - | - | - |
| Accrued salary expense | 4,406 | - | 4,406 | 725,862 |
| Interest payable | 85,186 | - | 85,186 | - |
| Claims payable | - | - | - | 1,257,618 |
| Compensated absences | 11,957 | - | 11,957 | - |
| Internal balances | - | - | - | - |
| Total current liabilities | 1,482,915 | - | 1,482,915 | 2,026,968 |
| Noncurrent liabilities: | | | | |
| Compensated absences | 14,312 | - | 14,312 | - |
| Claims payable | - | - | - | 4,656,044 |
| General obligation warrants payable | 25,106,123 | - | 25,106,123 | - |
| Total noncurrent liabilities | 25,120,435 | - | 25,120,435 | 4,656,044 |
| Total liabilities | 26,603,350 | - | 26,603,350 | 6,683,012 |
| Deferred inflows of resources: | | | | |
| Deferred amount on refunding | - | - | - | - |
| Net position | | | | |
| Net investment in capital assets | 13,354,039 | - | 13,354,039 | - |
| Unrestricted (deficit) | 4,129,168 | 2,768,232 | 6,897,400 | 3,011,358 |
| Total net position | \$ 17,483,207 | \$ 2,768,232 | \$ 20,251,439 | \$ 3,011,358 |
| Some amounts reported for <i>business-type activities</i> in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities. | | | | |
| | 8,329 | - | 8,329 | |
| Net position of business-type activities | \$ 17,491,536 | \$ 2,768,232 | \$ 20,259,768 | |

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended September 30, 2014

| | Business-type Activities - Enterprise Funds | Business-type Activities - Enterprise Funds | Business-type Activities - Enterprise Funds | Internal Service Funds |
|---|---|---|---|------------------------------|
| | Sewer | Redevelopment | Total | |
| Operating revenues | | | | |
| Charges for services | \$ 4,130,508 | \$ - | \$ 4,130,508 | \$ 6,847,399 |
| Participant premiums | - | - | - | 1,500,607 |
| Late fees | - | - | - | - |
| Stop loss reimbursements | - | - | - | 550,175 |
| Subrogation recoveries | - | - | - | 58,398 |
| Public assistance reimbursements | - | - | - | 12,400 |
| Rents | - | - | - | - |
| Forfeitures | - | - | - | - |
| Rebates or refunds | - | - | - | 210,284 |
| Other revenue | - | - | - | - |
| Total operating revenue | <u>4,130,508</u> | <u>-</u> | <u>4,130,508</u> | <u>9,179,264</u> |
| Operating expenses | | | | |
| Cost of services | - | - | - | 9,749,731 |
| Collection fees | 174,284 | - | 174,284 | - |
| Depreciation | 2,397,334 | - | 2,397,334 | - |
| Management fees | 902,272 | - | 902,272 | - |
| Personal services | 130,572 | - | 130,572 | - |
| Repairs and maintenance | 215,007 | - | 215,007 | - |
| Supplies | 186,276 | - | 186,276 | - |
| Telephone | 9,245 | - | 9,245 | - |
| Utilities | 445,974 | - | 445,974 | - |
| Total operating expenses | <u>4,460,962</u> | <u>-</u> | <u>4,460,962</u> | <u>9,749,731</u> |
| Operating income (loss) | (330,454) | - | (330,454) | (570,467) |
| Non-operating revenues (expenses) | | | | |
| Investment earnings | 35,602 | - | 35,602 | - |
| Sale of capital assets - gain (loss) | 9,200 | - | 9,200 | - |
| Actuarial adjustment | - | - | - | 64,453 |
| Interest and fiscal charges | (964,540) | - | (964,540) | - |
| Total non-operating revenues (expenses) | <u>(919,738)</u> | <u>-</u> | <u>(919,738)</u> | <u>64,453</u> |
| Transfers in (out) | - | - | - | - |
| Change in net position | (1,250,192) | - | (1,250,192) | (506,014) |
| Total net position, beginning of year | <u>18,733,399</u> | <u>2,768,232</u> | <u>21,501,631</u> | <u>3,517,372</u> |
| Total net position, end of year | <u>\$ 17,483,207</u> | <u>\$ 2,768,232</u> | <u>\$ 20,251,439</u> | <u>\$ 3,011,358</u> |
| Some amounts reported for <i>business-type activities</i> in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities. | (584) | - | (584) | |
| Change in net position of business-type activities | <u>\$ (1,250,776)</u> | <u>\$ -</u> | <u>\$ (1,250,776)</u> | |

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

THE CITY OF HOOVER, ALABAMA
Statement of Cash Flows
Proprietary Funds
For the year ended September 30, 2014

| | Business-type Activities - Enterprise Funds | Business-type Activities - Enterprise Funds | Business-type Activities - Enterprise Funds | Internal Service Funds |
|---|---|---|---|------------------------------|
| | Sewer | Redevelopment | Total | |
| Cash flows from operating activities | | | | |
| Cash received from government | \$ - | \$ - | \$ - | \$ 6,847,399 |
| Cash received from customers | 3,986,502 | - | 3,986,502 | - |
| Cash payments to suppliers | (1,018,138) | - | (1,018,138) | (9,932,147) |
| Cash received from stop loss reimbursements | - | - | - | 552,795 |
| Cash received from subrogation | - | - | - | 58,398 |
| Cash received from rebates/overpayments | - | - | - | 210,284 |
| Cash received from public assistance reimbursements | - | - | - | 1,500,607 |
| Cash received from participants | - | - | - | 12,400 |
| Cash payments to management companies | (902,272) | - | (902,272) | - |
| Cash payments to employees | (128,750) | - | (128,750) | - |
| Net cash provided (used) by operating activities | 1,937,342 | - | 1,937,342 | (750,264) |
| Cash flows from noncapital financing activities | | | | |
| Transfer to other funds | - | - | - | - |
| Transfer from other funds | - | - | - | - |
| Net cash provided (used) by noncapital financing activities | - | - | - | - |
| Cash flows from capital and related financing activities | | | | |
| Proceeds from capital debt | - | - | - | - |
| Internal transfers | - | - | - | - |
| Premium on debt | - | - | - | - |
| Debt issuance cost | - | - | - | - |
| Sale of capital assets | 9,200 | - | 9,200 | - |
| Acquisition and construction of capital assets | (321,350) | - | (321,350) | - |
| Payments of warrants | (1,085,000) | - | (1,085,000) | - |
| Cash paid for interest on debt | (1,052,006) | - | (1,052,006) | - |
| Net cash provided (used) by capital and related financing activities | (2,449,156) | - | (2,449,156) | - |
| Cash flows from investing activities | | | | |
| Interest and dividends received | 35,602 | - | 35,602 | - |
| Net cash provided (used) by investing activities | 35,602 | - | 35,602 | - |
| Net increase (decrease) in pooled cash and investments | (476,211) | - | (476,211) | (750,264) |
| Pooled cash and investments, beginning of year | 5,885,685 | 2,768,232 | 8,653,917 | 8,522,379 |
| Pooled cash and investments, end of year | \$ 5,409,474 | \$ 2,768,232 | \$ 8,177,706 | \$ 7,772,116 |
| Reconciliation of operating income to net cash provided by operating activities | | | | |
| Operating income | \$ (330,454) | \$ - | \$ (330,454) | \$ (570,467) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities | | | | |
| Depreciation expense | 2,397,334 | - | 2,397,334 | - |
| (Increase) decrease in accounts receivable | (144,006) | - | (144,006) | 2,620 |
| Increase (decrease) in accounts payable and accrued expenses | 13,169 | - | 13,169 | (158,962) |
| Increase (decrease) in compensated absences payable | 1,300 | - | 1,300 | (23,454) |
| Total adjustments | 2,267,797 | - | 2,267,797 | (179,797) |
| Net cash provided by operating activities | \$ 1,937,342 | \$ - | \$ 1,937,342 | \$ (750,264) |

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

NOTES TO THE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General Statement

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

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

B. Financial Reporting Entity

As required by the accounting principles generally accepted in the United States, these financial statements present the primary government and entities for which the government is considered to be financially accountable. Upon review it has been determined that the City has no component units.

C. Basis of Presentation

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

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

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

Governmental Funds - Restricted and Unrestricted Resources:

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

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

C. Basis of Presentation (Continued)

Major Governmental Funds:

General Fund -

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

Capital Projects Fund -

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

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

Special Revenue Funds -

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

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

Other Capital Projects Fund -

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

Proprietary Funds:

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

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

Sewer Fund -

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

Redevelopment Fund -

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

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

C. Basis of Presentation (Continued)

Internal Service Funds -

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

The Health Insurance Funds are used to account for all health and dental insurance related costs for employees and retirees, including those participating in cobra. In fiscal year 2009, with the implementation of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, we separated these into two funds, in order to separate active employees from retirees.

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

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

D. Measurement Focus/Basis of Accounting

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. In general, the City considers revenues as available, if they are collected within 60 days after year-end. However, for expenditure driven grants, a longer availability period is used for recognition of related revenues. With regard to expenditures, they are normally recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

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

D. Measurement Focus/Basis of Accounting (Continued)

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

Property values are assessed and property taxes attach as an enforceable lien on property as of October 1 of each fiscal year. The property taxes are due and payable October 1 of the subsequent fiscal year and are delinquent on January 1.

E. Budgetary Information

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

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

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

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

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

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process for the primary government during the year.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

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

F. Deposits and Investments

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

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

At year end, the bank balance of the City's operating funds was either covered by federal depository insurance or secured by collateral through the Alabama State Treasury's Security for Alabama Funds Enhancement (SAFE) Program. Under the SAFE program, the City's funds are protected through a collateral pool administered by the Alabama State Treasury. Certain banks holding deposits belonging to the state, counties, cities or agencies of any of these entities must pledge securities as collateral against these deposits. In the event of the failure of a bank, securities pledged by that bank would be liquidated by the State Treasurer to replace the public deposits. If the securities pledged failed to produce adequate funds for that purpose, every bank participating in the pool would share the liability for the remaining balance. At September 30, 2014, most all of the City's depositories are participating in the SAFE program, with a bank balance of \$33,331,282 and a carrying balance of \$32,317,775.

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

As of September 30, 2014, the City had the following investments and maturities.

| | Fair Value | Investment Maturities (in years) | | | |
|---------------------------------------|---------------|----------------------------------|--------------|---------------|------|
| | | Less Than 1 | 1-2 | 3-5 | 6-9 |
| Repurchase agreements | \$ 1,083,905 | \$ 1,083,905 | \$ - | \$ - | \$ - |
| Money market accounts | 11,078,863 | 11,078,863 | - | - | - |
| Certificates of Deposit | - | - | - | - | - |
| U.S. Government Agencies: | | | | | |
| Federal Farm Credit Bank | 14,622,293 | - | 5,016,333 | 9,605,960 | - |
| Federal Home Loan Bank | 28,985,105 | - | - | 28,985,105 | - |
| Federal Home Loan Mortgage Corp | 3,639,983 | - | - | 3,639,983 | - |
| Federal National Mortgage Association | 14,846,381 | - | - | 14,846,381 | - |
| Total U.S. government agencies | 62,093,762 | - | 5,016,333 | 57,077,429 | - |
| Grand total all investments | \$ 74,256,529 | \$ 12,162,768 | \$ 5,016,333 | \$ 57,077,429 | \$ - |

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from the rising interest rates, the City's investment policy restricts investments to not exceed 10 years, as well as restricts the average life of mortgage backed securities to not exceed 5 years.

Credit Risk. State statutes authorize the City to invest in obligations of the U.S. Treasury, U.S. Government Agencies, U.S. corporate debt, U.S. corporate equities, State of Alabama obligations, county obligations, and other municipal obligations, as well as bank certificates of deposit and bank public fund investment accounts. However, the City's investment policy prohibits investment in U.S. corporate debt and equities. All applicable investments have a AAA rating by Standard & Poor's and Aaa by Moody's Investor Service.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the investments of the City are held in safekeeping in the name of the City with the Federal Reserve Bank of Atlanta and the Depository Trust Company.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

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

F. Deposits and Investments (continued)

Repurchase Agreement. The City entered into a repurchase agreement with First National Banker's Bank (FNBB) on 9/25/2014 to purchase a Federal Farm Credit Bank (FFCB) note, maturity date 08/16/2021, face value \$1,100,000 and fair value \$1,099,175. FNBB agreed to repurchase the investment on 10/02/2014 for \$1,083,942.

G. Prepaid Items

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

H. Inventories

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

I. Interfund Balances

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

J. Accrued Compensated Leave

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

K. Net Assets

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(2) CAPITAL ASSETS

A. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (roads, bridges, sidewalks, and similar items), and other improvements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

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

Estimated useful lives are as follows:

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

Upon implementation of GASB Statement No. 34, the City elected to use the Modified Approach for infrastructure reporting of its bridges and street system. Using this approach, the City capitalized the cost of its bridges and street system but did not report depreciation expense for those assets. Instead, the City reported all street system maintenance expenditures as expenses in the period incurred unless those expenditures improve the street's original condition or add to its capacity. In fiscal year 2011, the City decided to convert from the modified approach to depreciation of its bridges and street system. As a result, the maintenance costs are now capitalized and depreciated over their useful life.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(2) CAPITAL ASSETS (CONTINUED)

| | Balance Beginning of Year | Classification Reclasses or Adjustments | Adjusted Balance Beginning of Year | Increases | Decreases | Balance End of Year |
|---|---------------------------------|---|---|-----------------------|-----------------------|------------------------|
| Governmental Activities | | | | | | |
| Capital assets not being depreciated | | | | | | |
| Land | 38,322,129 | \$ - | \$ 38,322,129 | \$ 146,022 | \$ - | \$ 38,468,151 |
| Construction in progress | 3,614,705 | - | 3,614,705 | 2,281,974 | (2,241,238) | 3,655,441 |
| Total capital assets not being depreciated | <u>41,936,834</u> | <u>-</u> | <u>41,936,834</u> | <u>2,427,996</u> | <u>(2,241,238)</u> | <u>42,123,592</u> |
| Other capital assets | | | | | | |
| Buildings/improvements to buildings | 102,169,476 | - | 102,169,476 | 872,820 | - | 103,042,296 |
| Equipment and vehicles | 39,223,284 | - | 39,223,284 | 2,547,455 | (1,206,924) | 40,563,815 |
| Improvements o/t buildings | 17,856,180 | - | 17,856,180 | 524,572 | - | 18,380,753 |
| Infrastructure: | | | | | | |
| Street system inventory | 230,121,781 | - | 230,121,781 | - | - | 230,121,781 |
| Street system improvements | 2,495,228 | - | 2,495,228 | 4,996,826 | - | 7,492,054 |
| Storm sewer inventory | 56,183,893 | - | 56,183,893.35 | 2,861,301 | - | 59,045,194 |
| Bridges inventory | 4,043,541 | - | 4,043,541 | 4,558,829 | - | 8,602,370 |
| Other infrastructure (sidewalks, traffic signals) | 7,543,062 | - | 7,543,062 | 321,465 | - | 7,864,527 |
| Total other capital assets at historical cost | <u>459,636,444</u> | <u>-</u> | <u>459,636,444</u> | <u>16,683,269</u> | <u>(1,206,924)</u> | <u>475,112,789</u> |
| Less accumulated depreciation for | | | | | | |
| Buildings/improvements to buildings | 23,955,141 | - | 23,955,141 | 2,099,915 | - | 26,055,056 |
| Equipment and vehicles | 28,720,252 | - | 28,720,252 | 2,446,282 | (1,181,191) | 29,985,343 |
| Improvements o/t buildings | 7,760,315 | - | 7,760,315 | 611,323 | - | 8,371,638 |
| Infrastructure: | | | | | | |
| Street system inventory | 38,353,630 | - | 38,353,630 | 15,341,452 | - | 53,695,082 |
| Street system improvements | 286,698 | - | 286,698 | 315,433 | - | 602,130 |
| Storm sewer inventory | 26,160,304.67 | - | 26,160,305 | 1,698,956 | - | 27,859,261 |
| Bridges inventory | 542,883 | - | 542,883 | 267,210 | - | 810,093 |
| Other infrastructure (sidewalks, traffic signals) | 2,129,792 | - | 2,129,792 | 257,112 | - | 2,386,904 |
| Total accumulated depreciation | <u>127,909,015</u> | <u>-</u> | <u>127,909,015</u> | <u>23,037,683</u> | <u>(1,181,191)</u> | <u>149,765,507</u> |
| Other capital assets, net | <u>331,727,429</u> | <u>-</u> | <u>331,727,429</u> | <u>(6,354,414)</u> | <u>(25,733)</u> | <u>325,347,282</u> |
| Governmental activities capital assets, net | <u>373,664,263</u> | <u>\$ -</u> | <u>\$ 373,664,263</u> | <u>\$ (3,926,418)</u> | <u>\$ (2,266,971)</u> | <u>\$ 367,470,875</u> |
| Business Type Activities | | | | | | |
| Capital assets not being depreciated | | | | | | |
| Land | 1,670,000 | \$ - | \$ 1,670,000 | \$ - | \$ - | \$ 1,670,000 |
| Construction in progress | 44,513 | - | 44,513 | 160,000 | (15,000) | 189,513 |
| Total capital assets not being depreciated | <u>1,714,513</u> | <u>-</u> | <u>1,714,513</u> | <u>160,000</u> | <u>(15,000)</u> | <u>1,859,513</u> |
| Other capital assets | | | | | | |
| Buildings/improvements to buildings | 26,626,760 | - | 26,626,760 | - | - | 26,626,760 |
| Equipment and vehicles | 917,808 | - | 917,808 | - | (31,571) | 886,237 |
| Improvements o/t buildings | 21,294,227 | 115,224 | 21,409,452 | - | - | 21,409,452 |
| Other Infrastructure | 24,281,242 | (115,224) | 24,166,018 | 176,350 | - | 24,342,368 |
| Total other capital assets at historical cost | <u>73,120,038</u> | <u>-</u> | <u>73,120,038</u> | <u>176,350</u> | <u>(31,571)</u> | <u>73,264,817</u> |
| Less accumulated depreciation for | | | | | | |
| Buildings/improvements to buildings | 12,073,499 | - | 12,073,499 | 517,610 | - | 12,591,109 |
| Equipment and vehicles | 802,767 | - | 802,767 | 35,710 | (31,571) | 806,905 |
| Improvements o/t buildings | 8,471,042 | - | 8,471,042 | 1,326,824 | - | 9,797,866 |
| Infrastructure improvements | 13,280,758 | - | 13,280,758 | 517,190 | - | 13,797,948 |
| Total accumulated depreciation | <u>34,628,065</u> | <u>-</u> | <u>34,628,065</u> | <u>2,397,334</u> | <u>(31,571)</u> | <u>36,993,828</u> |
| Other capital assets, net | <u>38,491,972</u> | <u>-</u> | <u>38,491,972</u> | <u>(2,220,984)</u> | <u>-</u> | <u>36,270,988</u> |
| Business-type activities capital assets, net | <u>40,206,485</u> | <u>\$ -</u> | <u>\$ 40,206,485</u> | <u>\$ (2,060,984)</u> | <u>\$ (15,000)</u> | <u>\$ 38,130,501</u> |

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

| | |
|---|----------------------|
| Governmental activities: | |
| General government and administration | \$ 1,280,292 |
| Public safety | 1,948,231 |
| Library | 302,121 |
| Municipal court | 5,213 |
| Highway and roadway improvements | 18,040,716 |
| Recreational services | 1,461,109 |
| Total depreciation expense - Governmental activities | <u>\$ 23,037,683</u> |
| Business-type activities: | |
| Sewer services | \$ 2,397,334 |
| Total depreciation expense - Business-type activities | <u>\$ 2,397,334</u> |

Depreciation is based on a 1/2 year convention for governmental and business-type activities.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(3) LONG-TERM DEBT:

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

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

At September 30, 2014, bonds payable consisted of the following individual issues:

| | <u>Governmental</u> | <u>Business-type</u> |
|---|-----------------------------|-----------------------------|
| \$29,165,000 general obligation warrants dated December 22, 2004; due \$540,000 to \$5,505,000 annually beginning March 1, 2005; interest at 3.00% to 5.00% due semiannually commencing March 1, 2005 | 4,435,000 | - |
| \$58,510,000 general obligation warrants dated November 1, 2010; due \$5,025,000 to \$8,830,000 annually beginning March 1, 2011; interest at 2.00% to 5.00% due semiannually commencing March 1, 2011 | 47,775,000 | - |
| \$11,280,000 series 2013b general obligation warrants dated May 1, 2013; due \$380,000 to \$5,610,000 annually beginning March 1, 2014; interest at .45% to 1.25% due semiannually commencing September 1, 2013 | 10,900,000 | - |
| \$18,000,000 series 2007 general obligation sewer warrant; due \$70,000 to \$1,580,000 annually beginning March 1, 2021; interest at 4.125% to 5.0% due semiannually commencing March 1, 2008 | - | 18,000,000 |
| \$8,915,000 series 2013a general obligation sewer warrant; due \$680,000 to \$1,250,000 annually beginning March 1, 2014; interest at 1.00% to 3.00% due semiannually commencing September 1, 2013 | - | 7,830,000 |
| Total Bonds Payable | <u>\$ 63,110,000</u> | <u>\$ 25,830,000</u> |
| Less deferred amounts: | | |
| For issue premiums (2004) | 20,093 | - |
| For issue premiums (2007) | - | 270,703 |
| For issue premiums (2010) | 3,595,421 | - |
| For issue premiums (2013) | 39,958 | 205,718 |
| For deferred loss on refunding (2004) | (484,890) | - |
| For deferred loss on refunding (2010) | (3,237,740) | - |
| For deferred loss on refunding (2013) | (130,446) | (81,587) |
| Total Bonds Payable, net | <u>\$ 62,912,395</u> | <u>\$ 26,224,834</u> |

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(3) LONG-TERM DEBT (CONTINUED):

Changes in Long-term Liabilities

| | Balance October 1, 2013 | Additions | Reductions | Balance September 30, 2014 | Due within one year |
|---|-------------------------------|---------------------|------------------------|----------------------------------|------------------------|
| Governmental activities | | | | | |
| Bonds payable | \$ 69,705,000 | \$ - | \$ (6,595,000) | \$ 63,110,000 | \$ 6,875,000 |
| Less deferred amounts: | | | | | |
| For issue premiums (2004) | 153,949 | - | (133,856) | 20,093 | 20,093 |
| For issue premiums (2010) | 4,247,308 | - | (651,887) | 3,595,421 | 627,373 |
| For issue premiums (2013) | 61,681 | - | (21,723) | 39,958 | 20,785 |
| Bonds and warrants payable, net | <u>74,167,939</u> | <u>-</u> | <u>(7,402,467)</u> | <u>66,765,472</u> | <u>7,543,251</u> |
| Deferred outflows of resources | | | | | |
| For deferred gain (loss) on refunding (2004) | (969,781) | - | 484,890 | (484,890) | (484,890) |
| For deferred gain (loss) on refunding (2010) | (3,694,833) | - | 457,093 | (3,237,740) | (457,093) |
| For deferred gain (loss) on refunding (2013) | (354,069) | - | 223,623 | (130,446) | (130,446) |
| Deferred gain (loss) on refundings | <u>(5,018,682)</u> | <u>-</u> | <u>1,165,606</u> | <u>(3,853,077)</u> | <u>(1,072,429)</u> |
| Compensated absences | <u>10,844,220</u> | <u>4,583,127</u> | <u>(4,031,561)</u> | <u>11,395,785</u> | <u>4,152,508</u> |
| Internal service funds | | | | | |
| Claims payable - other post employment benefits | \$ 2,692,018 | \$ 552,985 | \$ (214,089) | \$ 3,030,914 | \$ - |
| Claims payable - workers compensation | 2,341,130 | (953,622) | (440,496) | 947,012 | 139,444 |
| Claims payable - property & casualty | 2,391,461 | 330,769 | (786,494) | 1,935,736 | 904,085 |
| Total claims payable | <u>7,424,609</u> | <u>(69,868)</u> | <u>(1,441,079)</u> | <u>5,913,662</u> | <u>1,043,529</u> |
| Total governmental activities | <u>\$ 87,418,085</u> | <u>\$ 4,513,259</u> | <u>\$ (11,709,502)</u> | <u>\$ 80,221,842</u> | <u>\$ 11,666,858</u> |
| | | | | 0 | |
| Business-type activities - sewer | | | | | |
| Bonds payable | \$ 26,915,000 | \$ - | \$ (1,085,000) | \$ 25,830,000 | \$ 1,115,000 |
| Less deferred amounts: | | | | | |
| For issue premiums (2007) | 287,456 | - | (16,754) | 270,703 | 16,754 |
| For issue premiums (2013) | 286,526 | - | (80,808) | 205,718 | 68,544 |
| Bonds and warrants payable, net | <u>27,488,982</u> | <u>-</u> | <u>(1,182,561)</u> | <u>26,306,420</u> | <u>1,200,298</u> |
| For deferred gain (loss) on refunding (2013) | <u>(93,980)</u> | <u>-</u> | <u>12,393</u> | <u>(81,587)</u> | <u>(12,393)</u> |
| Compensated absences | <u>24,969</u> | <u>12,908</u> | <u>(11,608)</u> | <u>26,269</u> | <u>11,957</u> |
| Total proprietary fund types | <u>\$ 27,419,971</u> | <u>\$ 12,908</u> | <u>\$ (1,181,777)</u> | <u>\$ 26,251,102</u> | <u>\$ 1,199,861</u> |

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

Due within one year includes above FY 2014 reduction amount plus increase of 3% over previous year.

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2014 are as follows:

| Year Ending September 30 | Governmental Activities | | Business-Type Activities | | Total |
|-----------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|
| | Principal | Interest | Principal | Interest | |
| 2015 | \$ 6,875,000 | \$ 2,143,815 | \$ 1,115,000 | \$ 1,022,231 | \$ 11,156,046 |
| 2016 | 7,075,000 | 1,942,469 | 1,145,000 | 988,331 | 11,150,800 |
| 2017 | 8,880,000 | 1,799,488 | 1,180,000 | 953,456 | 12,812,944 |
| 2018 | 7,415,000 | 1,628,606 | 1,215,000 | 917,531 | 11,176,138 |
| 2019 | 7,655,000 | 1,393,575 | 1,245,000 | 893,081 | 11,186,656 |
| 2020 | 7,985,000 | 1,060,875 | 1,250,000 | 879,356 | 11,175,231 |
| 2021 | 8,395,000 | 651,375 | 750,000 | 865,626 | 10,662,001 |
| 2022 | 8,830,000 | 220,750 | 775,000 | 843,412 | 10,669,162 |
| 2023 | - | - | 810,000 | 810,215 | 1,620,215 |
| 2024 | - | - | 845,000 | 775,046 | 1,620,046 |
| 2025 | - | - | 880,000 | 738,170 | 1,618,170 |
| 2026 | - | - | 920,000 | 699,125 | 1,619,125 |
| 2027 | - | - | 960,000 | 658,000 | 1,618,000 |
| 2028 | - | - | 1,005,000 | 611,875 | 1,616,875 |
| 2029 | - | - | 1,060,000 | 560,250 | 1,620,250 |
| 2030 | - | - | 1,115,000 | 505,875 | 1,620,875 |
| 2031 | - | - | 1,170,000 | 448,750 | 1,618,750 |
| 2032 | - | - | 1,230,000 | 388,750 | 1,618,750 |
| 2033 | - | - | 1,290,000 | 325,750 | 1,615,750 |
| 2034 | - | - | 1,360,000 | 259,500 | 1,619,500 |
| 2035 | - | - | 1,430,000 | 189,750 | 1,619,750 |
| 2036 | - | - | 1,500,000 | 116,500 | 1,616,500 |
| 2037 | - | - | 1,580,000 | 39,500 | 1,619,500 |
| Total | <u>\$ 63,110,000</u> | <u>\$ 10,840,953</u> | <u>\$ 25,830,000</u> | <u>\$ 14,490,082</u> | <u>\$ 114,271,034</u> |

On November 1, 2010, the city issued warrants for the purpose of (i) advance refunding the City's General Obligation Warrants dated January 1, 2003, issued in the aggregate principal amount of \$78,330,000 and outstanding in the aggregate principal amount of \$56,645,000, (ii) providing a portion of the cost of capital improvements including the purchase of City vehicles (\$3.6 million) and (iii) paying the issuance costs of the Warrants. The 2010 warrants have a 12 year amortization and a principal amount of \$58,510,000, with a balance of \$47,775,000 at the end of fiscal year 2014. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This advanced refunding produced a cash benefit of approximately (\$7,654) and obtained an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$8,322.

On May 1, 2013, the city issued Series 2013-A warrants for the purpose of (i) refunding the City's 1999 General Obligation Sewer Warrants issued in the aggregate principal amount of \$8,505,000 and outstanding in the aggregate principal amount of \$3,670,000, (ii) refunding the City's 2000 General Obligation Sewer Warrants issued in the aggregate principal amount of \$9,565,000 and outstanding in the aggregate principal amount of \$4,725,000, (iii) financing the costs of certain miscellaneous capital improvements and, (iv) paying the issuance costs of the 2013-A Warrants. The 2013-A warrants have a 8 year amortization and a principal amount of \$8,915,000, with a balance of \$7,830,000 at the end of fiscal year 2014. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately (\$128,446) and obtained an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately (\$99,144).

On May 1, 2013, the city issued Series 2013-B warrants for the purpose of (i) advance partial refunding the City's 2004 General Obligation Warrants issued in the aggregate principal amount of \$29,165,000 and outstanding in the aggregate principal amount of \$18,800,000, (ii) financing the costs of certain miscellaneous capital improvements and, (iii) paying the issuance costs of the 2013-B Warrants. The 2013-B warrants have a 4 year amortization and a principal amount of \$11,280,000, with a balance of \$10,900,000 at the end of fiscal year 2014. The Series 2004 warrants have a balance of \$8,690,000 at the end of fiscal year 2013. The refunded bonds in the amount of \$10,110,000 are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately \$281,002 and realized an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately (\$447,245).

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(4) LEASES:

There are currently no lease arrangements to report.

(5) INTERNAL BALANCES:

Internal Balances represent short-term loans to help supplement various funds. At September 30, 2014, the outstanding internal balances were as follows:

| Fund | Internal Balances Due To | Internal Balances Due From |
|--------------------------|--------------------------------|----------------------------------|
| General Fund | \$ 840,246 | \$ - |
| Other Governmental Funds | - | 840,246 |
| Total | \$ 840,246 | \$ 840,246 |

(6) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2014 were as follows:

| (Transfers out) | Transfers in | | | | Total |
|-----------------------|--------------------------|-----------------------------------|---------------------|------|-------|
| General Fund | Capital Projects Fund | Non-Major Governmental Fund | Proprietary Fund | | |
| General Fund | \$ (18,552,071) | \$ 15,946,858 | \$ 2,605,213 | \$ - | \$ - |
| Capital Projects Fund | - | - | - | - | - |
| Non-Major Govt Funds | - | - | - | - | - |
| Proprietary Funds | - | - | - | - | - |
| Total | \$ (18,552,071) | \$ 15,946,858 | \$ 2,605,213 | \$ - | \$ - |

Transfers are primarily used to move funds from the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers for fiscal year 2014 were as follows: \$2,571,781 - Court and Corrections fund, \$33,432 - General Grants fund, and \$15,946,858 - Capital Projects fund, which totaled \$18,552,071 in transfers from the general fund.

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(7) EMPLOYEE RETIREMENT PLAN:

Plan Description:

The City's defined benefit pension plan, Employees' Retirement System of Alabama (the "System"), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System is an agent multiple-employer pension plan. The benefit provisions and all other requirements for the System are established by state statute. The Retirement Systems of Alabama issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to The Retirement Systems of Alabama, P.O. Box 302150, Montgomery, Alabama 36132-2150 or by calling 1-877-517-0020.

Funding Policy:

For the fiscal year 2015, the member contribution rate for state correctional officers, certified full-time firefighters, and certified full-time law enforcement officers was 6% of employee's compensation for Tier 1 employees and 7% for Tier 2 employees. Tier 2 employees consist of all members hired on or after January 1, 2013. Regular member contributions were 5% of employee's compensation for Tier 1 employees and 6% for Tier 2 employees. The City is required to contribute at an actuarially determined rate, which is currently 11.40% for Tier 1 and 9.10% for Tier 2 (fiscal year 2014) of annual covered payroll. This rate did not change from fiscal year 2014, which was also 11.40% for Tier 1 and 9.10% for Tier 2. The contribution requirements of plan members and the City are established and may be amended by the ERSA Board of Control.

Annual Pension Cost:

For fiscal year 2014, the City's annual pension cost of \$4,021,809 for the System was equal to the City's required and actual contributions. The required contribution was determined as part of the September 30, 2013 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on investments of 8% compounded annually, (b) projected annual salary increases of 3.75% - 7.25% per year compounded annually. Both (a) and (b) include an inflation component of 3.0%.

The actuarial value of the System assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2013 was 27 years.

Three-Year Trend Information for the System

| Fiscal Year Ending | Annual Pension Cost | Percentage of APC Contributed | Net Pension Obligation |
|-----------------------|------------------------|-------------------------------------|---------------------------|
| 9/30/2011 | \$ 4,544,523 | 100.00% | - |
| 9/30/2012 | 3,904,109 | 100.00% | - |
| 9/30/2013 | 4,021,809 | 100.00% | - |

Schedule of Funding Progress for the Pension Plan

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b-a)/c] |
|--------------------------------|-------------------------------------|---|------------------------------|-----------------------|---------------------------|---|
| 9/30/2008 | \$ 92,379,624 | \$ 129,996,614 | \$ 37,616,990 | 71.1% | \$ 39,860,394 | 94.4% |
| 9/30/2009 | 96,969,118 | 141,225,527 | 44,256,409 | 68.7% | 39,390,932 | 112.4% |
| 9/30/2010 | 100,462,510 | 148,256,959 | 47,794,449 | 67.8% | 39,633,067 | 120.6% |
| 9/30/2011 | 103,227,235 | 153,636,738 | 50,409,503 | 67.2% | 38,407,123 | 131.3% |
| 9/30/2012 | 106,036,665 | 150,758,455 | 44,721,790 | 70.3% | 36,136,898 | 123.8% |
| 9/30/2013 | 117,070,796 | 166,472,708 | 49,401,912 | 70.3% | 38,330,122 | 128.9% |

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2014

(8) POST-EMPLOYMENT BENEFITS

Plan Description. The City of Hoover's medical and dental benefits are provided through a comprehensive self-insured medical benefit plan.

Medical and dental benefits are provided to employees upon actual retirement. To qualify for retiree medical benefits, retirees must be eligible to retire under the provisions of the Retirement System of Alabama (RSA). The RSA earliest retirement eligibility provisions are as follows: 25 years of service at any age; or, age 60 and 10 years of service (called "Tier I members). Employees hired on and after January 1, 2013 (called "Tier II" members) are eligible to retire only after attainment of age 62 or later completion of 10 years of service (age 56 for Firefighters, Law Enforcement, and Correctional Officers). In addition to being RSA eligible there are two additional qualification thresholds:

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

The plan provisions are contained in the official plan documents.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until Fiscal Year Ending September 30, 2008, the City of Hoover recognized the cost of providing post-employment medical benefits (the City of Hoover's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning October 1, 2008, the City of Hoover implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In Fiscal Year Ending September 30, 2014, the City of Hoover's portion of health care funding cost for retired employees totaled \$214,089. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table on the following page.

Annual Required Contribution. The City of Hoover's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning October 1, 2013 is \$600,984, as set forth below:

| | |
|------------------------------------|-------------------|
| | Medical |
| Normal Cost | \$ 231,821 |
| 30-year UAL amortization amount | 369,163 |
| Annual required contribution (ARC) | \$ <u>600,984</u> |

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2014

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

Net Post-employment Benefit Obligation (Asset). The table below shows the City of Hoover's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending September 30, 2014:

| | |
|---|-------------|
| | Medical |
| 1. Beginning Net OPEB Obligation (Asset) 10/1/2013 | \$2,692,018 |
| 2. Annual required contribution | 600,984 |
| 3. Interest on Net OPEB Obligation (Asset): .04 X [1] | 107,681 |
| 4. ARC Adjustment: [1]/17.292 | 155,680 |
| 5. OPEB Cost: [2]+[3]-[4] | 552,985 |
| 6. Contribution | 0 |
| 7. Current year retiree premium | 214,089 |
| 8. Change in Net OPEB Obligation: [5]-[6]-[7] | 338,896 |
| 9. Ending Net OPEB Obligation: (Asset) 9/30/2014: [1]+[8] | \$3,030,914 |

The following table shows the City of Hoover's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

| Post Employment Benefit | Fiscal Year Ended | Annual OPEB Cost | Percentage of Annual Cost Contributed | Net OPEB Obligation (Asset) |
|-------------------------------|--------------------|---------------------|--|-----------------------------------|
| Medical | September 30, 2014 | \$552,985 | 38.72% | \$3,030,914 |

Funded Status and Funding Progress. In the fiscal year ending September 30, 2014, the City of Hoover made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of September 30, 2014, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$6,638,574, which is defined as that portion, as determined by a particular actuarial cost method (the City of Hoover uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2013/2014, the entire actuarial accrued liability of \$6,638,574 was unfunded.

| | |
|---|--------------|
| | Medical |
| Actuarial Accrued Liability (AAL) | \$ 6,638,574 |
| Actuarial Value of Plan Assets | 0 |
| Unfunded Act. Accrued Liability (UAAL) | 6,638,574 |
| Funded Ratio (Act. Val. Assets/AAL) | 0% |
| | |
| Covered Payroll (active plan members) | 43,035,536 |
| UAAL as a percentage of covered payroll | 15.43% |

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2014

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City of Hoover and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Hoover and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City of Hoover and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. Since the OPEB obligation has not as yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement 45 will be used.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 6%. The rates for each age are below:

| Age | Percent Turnover |
|---------|------------------|
| 18 - 25 | 12.0% |
| 26 - 40 | 6.5% |
| 41 - 54 | 5.5% |
| 55+ | 4.0% |

It has further been assumed, based on past experience, that 42% of employees decline medical coverage upon retirement because of the retiree premiums required.

Post employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence upon actual retirement, which in turn has been assumed to be at the earliest eligibility for a retiree to receive medical benefit coverage

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2014

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid.

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. After retirement, for those who qualify under the eligibility provisions described above under "Plan Terms", the retiree has a choice between one of the following:

1. Health and/or dental insurance coverage (either single or family) with the same premium rate that is in effect for current city employees.
2. A lump sum payment into a retiree-only Health Reimbursement Account (HRA) at separation equal to \$1,000 for every full year in any full-time position capacity that qualifies for a health and dental insurance benefit with the City of Hoover.

The retiree would choose between options 1 and 2 above. Those retirees who have already reached the age of Medicare eligibility (currently age 65) would only have option 2 as a choice. Once a choice is implemented, no other changes can be made.

Since the rates provided used to determine the retiree contribution as described above are "blended" between active and retired, we have estimated the "unblended" rates to actually value the cost of benefits since unblended rates are required by GASB for the OPEB valuation.

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases. This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases. The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2014

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

Below is a summary of OPEB cost and contributions for the last three fiscal years.

| | OPEB Costs and Contributions | | |
|--|------------------------------|-------------------|-------------------|
| | FY 2012 | FY 2013 | FY 2014 |
| OPEB Cost | \$ 653,529 | \$ 673,386 | \$ 552,985 |
| Contribution | - | 0 | 0 |
| Retiree premium | <u>233,374</u> | <u>93,538</u> | <u>214,089</u> |
| Total contribution and premium | <u>233,374</u> | <u>93,538</u> | <u>214,089</u> |
| Change in net OPEB obligation | \$ <u>420,155</u> | \$ <u>579,848</u> | \$ <u>338,896</u> |
| % of contribution to cost | 0.00% | 0.00% | 0.00% |
| % of contribution plus premium to cost | 35.71% | 13.89% | 38.72% |

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(9) FUND BALANCES - GOVERNMENTAL FUNDS

As of September 30, 2014, fund balances for the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

| | Fund Balances | | | |
|------------------------|----------------------|--------------------------|--------------------------------|--------------------------------|
| | General Fund | Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
| Non-spendable: | | | | |
| Non-current receivable | \$ 75,639 | - | - | 75,639 |
| Inventory | 134,502 | - | - | 134,502 |
| Prepaid items | 22,216 | - | - | 22,216 |
| Restricted for: | | | | - |
| Public safety | - | - | 1,993,195 | 1,993,195 |
| Municipal court | - | - | 2,222,716 | 2,222,716 |
| Highways and roadways | - | - | 5,000,667 | 5,000,667 |
| General government | - | - | 12,238 | 12,238 |
| Recreation services | - | - | 8,030,694 | 8,030,694 |
| Committed: | | | | - |
| Capital projects | - | 32,591,768 | - | 32,591,768 |
| Assigned: | | | | |
| Library | 240,671 | | | 240,671 |
| Recreation services | 1,005,438 | - | - | 1,005,438 |
| Unassigned: | 30,321,534 | - | - | 30,321,534 |
| Total fund balances | \$ 31,800,000 | \$ 32,591,768 | \$ 17,259,510 | \$ 81,651,277 |

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(10) OTHER INFORMATION:

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The City manages these risks under a limited risk management program, which is administered by the City through two professional claims-handling firms. The City purchases commercial insurance to cover individual workers' compensation claim in excess of \$750,00 and to cover aggregate compensation claims in excess of \$3,567,556 for a two-year policy ending 2/1/2016. The City's excess workers' compensation coverage provides statutory limits for workers' compensation, including \$1,000,000 in employer's liability, and \$10,000,000 in aircraft coverage with a \$2,000,000 maximum on any one life. The City also purchases commercial insurance for helicopter liability coverage with \$3,000,000 combined single limit and no deductible. Furthermore, the City purchases commercial insurance to cover individual property, casualty, and liability claims in excess of \$100,000. Some exclusions do apply on these excess limits. The City has not significantly reduced any of its insurance coverage from that of the prior year. All property and casualty claims, claim reserves, and administrative costs of the program are paid from the property and casualty internal service fund and all workers compensation expenses are paid from the workers compensation internal service fund.

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

Changes in the balances of claims liabilities during fiscal 2013 and 2014 are as follows:

| Workers compensation (retention) | 2013 | 2014 | Difference |
|------------------------------------|------------|------------|--------------|
| Unpaid claims, beginning | \$ 645,321 | \$ 712,699 | \$ 67,378 |
| Incurred claims, (including IBNRs) | 217,033 | (8,336) | (225,369) |
| Claim Payments | (149,655) | (214,657) | (65,002) |
| Unpaid claims, ending | \$ 712,699 | \$ 489,706 | \$ (222,993) |

| Property and casualty (retention) | 2013 | 2014 | Difference |
|------------------------------------|------------|------------|--------------|
| Unpaid claims, beginning | \$ 721,099 | \$ 838,063 | \$ 116,964 |
| Incurred claims, (including IBNRs) | 553,673 | 281,803 | (271,870) |
| Claim Payments | (436,709) | (462,159) | (25,450) |
| Unpaid claims, ending | \$ 838,063 | \$ 657,707 | \$ (180,356) |

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

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

| | FY 2012 | FY 2013 | FY 2014 |
|-----------------------|---------|---------|---------|
| Property and casualty | 1 | 0 | 1 |
| Workers compensation | 0 | 0 | 2 |
| Total | 1 | 0 | 3 |

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

(10) OTHER INFORMATION:

B. Commitments

Board of Education:

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

Construction Projects:

As of September 30, 2014, the City has approved items related to construction projects for all governmental fund types in the amount of \$73,807,219. Of this amount, \$23,103,743 has been incurred to date creating a total remaining commitment of \$50,703,476. The City is responsible for funding \$21,990,953 of this commitment with the remaining 28,712,523 to be funded by other governmental units.

Of this \$50,703,476 remaining commitment, \$17,223,550 is from the capital projects fund - a major fund, while \$0 is from the sewer proprietary fund, and \$33,479,926 is from non-major governmental funds.

Other Matters:

In September 2006, the City entered into a development agreement for the construction of a major retail center to be located in Hoover. In exchange for the construction on various public improvements to be paid for and constructed by the developer, as well as the future economic benefits to be derived from the development, the City agreed to reimburse fifty percent of the sales tax proceeds from the development for six years, beginning ninety days after the opening of the major tenant.

Subsequently, the City entered into an agreement with the Alabama Department of Transportation for roadway improvements associated with the development. In a separate agreement, the developer assumed this obligation. The major tenant opened for business October 1, 2009. However, the developer was not in compliance with all of the terms and conditions of their agreement with the City and was notified by the City of the non-compliance on October 15, 2009. The City intends to complete all of the necessary roadway improvements and deduct all of the costs of such improvements from the above mentioned reimbursement. Through fiscal year 2014, the cost of the bid and other ancillary items was \$3,918,200 .

Through fiscal year 2014, \$3,913,297 has been accumulated to offset these estimated costs.

C. Contingent Liabilities

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2014

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

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

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

| | |
|---|--------------------------|
| Bonds payable | \$ 63,110,000 |
| Less: Deferred charge on refundings - 2004, 2010, and 2013b (to be amortized as interest expense) | (3,853,077) |
| Issuance premium - 2004, 2010 and 2013 issue | 3,655,472 |
| Accrued interest payable - 2004, 2010, and 2013b | 192,436 |
| Compensated absences | 11,395,785 |
| Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i> | \$ 74,500,616 |

(12) RESTRICTED NET ASSETS

A. Explanation for restrictions on net assets

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

| | |
|----------------------------------|----------------------|
| Restricted for: | |
| Public safety | \$ 1,993,195 |
| Municipal court | 2,222,716 |
| General government | 12,238 |
| Recreation services | 8,030,694 |
| Highway and roadway improvements | 5,000,667 |
| Total restricted net assets | \$ 17,259,510 |

(13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 20, 2015, the date in which the financial statements were available to be issued.

In December 2014, the City Council refunded the series 2007 general obligation sewer warrant. The original issue principal amount was \$18,000,000 and the refunded principal amount is \$18,485,000.

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COMBINING FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2014

| | Special Revenue | | | | | | | | | |
|--|-------------------|-------------------|---|---|------------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|--|-------------------|
| | E-911 | Wireless E-911 | State Seven Cent Gasoline Tax | State Four and Five Cent Gasoline Tax | Jefferson County Road Tax | Alabama Trust Fund Interest | State Drug Enforce- ment | Federal Drug Dept of Justice | Federal Drug Dept of Treasury | CDBG |
| Assets | | | | | | | | | | |
| Pooled cash and investments | \$ 144,199 | \$ 624,651 | \$ 2,882,347 | \$ 2,616,508 | \$ 1,437,498 | \$ 5,142,382 | \$ 226,682 | \$ 328,627 | \$ 358,740 | \$ - |
| Receivables | | | | | | | | | | |
| Taxes | - | - | - | - | 972,366 | - | - | - | - | - |
| Accounts | 132,755 | 56,876 | - | - | - | - | 126 | 179 | 196 | 234,841 |
| Due from other governments | - | - | 84,746 | 51,424 | - | - | - | - | - | - |
| Inventories | - | - | - | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - | - | - | - |
| Total assets | <u>\$ 276,954</u> | <u>\$ 681,527</u> | <u>\$ 2,967,093</u> | <u>\$ 2,667,932</u> | <u>\$ 2,409,864</u> | <u>\$ 5,142,382</u> | <u>\$ 226,807</u> | <u>\$ 328,806</u> | <u>\$ 358,936</u> | <u>\$ 234,841</u> |
| Liabilities and fund balances | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 73,064 | \$ - | \$ 3,726 | \$ 4,768 | \$ 5,701 | \$ 141,715 | \$ 13,181 | \$ 17,313 | \$ - | \$ 3,080 |
| Unearned revenue | - | - | - | - | - | - | 42,820 | - | - | - |
| Internal balances | - | - | - | - | - | - | - | - | - | 231,761 |
| Refundable deposits | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | <u>73,064</u> | <u>-</u> | <u>3,726</u> | <u>4,768</u> | <u>5,701</u> | <u>141,715</u> | <u>56,001</u> | <u>17,313</u> | <u>-</u> | <u>234,841</u> |
| Fund balances | | | | | | | | | | |
| Restricted | 203,889 | 681,527 | 2,963,367 | 2,663,164 | 2,404,163 | 5,000,667 | 170,806 | 311,493 | 358,936 | - |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Total fund balances | <u>203,889</u> | <u>681,527</u> | <u>2,963,367</u> | <u>2,663,164</u> | <u>2,404,163</u> | <u>5,000,667</u> | <u>170,806</u> | <u>311,493</u> | <u>358,936</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 276,954</u> | <u>\$ 681,527</u> | <u>\$ 2,967,093</u> | <u>\$ 2,667,932</u> | <u>\$ 2,409,864</u> | <u>\$ 5,142,382</u> | <u>\$ 226,807</u> | <u>\$ 328,806</u> | <u>\$ 358,936</u> | <u>\$ 234,841</u> |

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet - Continued
Non-Major Governmental Funds
September 30, 2014

| | Special Revenue - Continued | | | | | | | Capital Projects | Total Nonmajor Governmental Funds | |
|--|-----------------------------|-----------------------------|-------------------|---|---------------------|---|-------------------|----------------------|--|--------------------------------------|
| | Court and Correction | Municipal Court Clerk | Court Training | Court Referral Officer Program | Traffic Safety | Municipal Court Judicial Admin | General Grants | Total | | Other Capital Projects Fund |
| Assets | | | | | | | | | | |
| Pooled cash and investments | \$ 131,312 | \$ 74,718 | \$ 30,114 | \$ 173,137 | \$ 1,548,327 | \$ 431,715 | \$ 248,137 | \$ 16,399,092 | \$ - | \$ 16,399,092 |
| Receivables | | | | | | | | | | |
| Taxes | - | - | - | - | - | - | - | 972,366 | - | 972,366 |
| Accounts | 2,907 | - | - | 6,559 | - | - | 32,929 | 467,366 | 788,356 | 1,255,722 |
| Due from other governments | - | - | - | - | - | - | - | 136,170 | - | 136,170 |
| Inventories | - | - | - | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - | - | - | - |
| Total assets | \$ 134,219 | \$ 74,718 | \$ 30,114 | \$ 179,696 | \$ 1,548,327 | \$ 431,715 | \$ 281,066 | \$ 17,974,995 | \$ 788,356 | \$ 18,763,350 |
| Liabilities and fund balances | | | | | | | | | | |
| Accounts payable and accrued liabilities | \$ 134,219 | \$ - | \$ 2,221 | \$ 27,746 | \$ 9,856 | \$ 2,031 | \$ 2,285 | \$ 440,904 | \$ 179,870 | \$ 620,775 |
| Unearned revenue | - | - | - | - | - | - | - | 42,820 | - | 42,820 |
| Internal balances | - | - | - | - | - | - | - | 231,761 | 608,485 | 840,246 |
| Refundable deposits | - | - | - | - | - | - | - | - | - | - |
| Total liabilities | 134,219 | - | 2,221 | 27,746 | 9,856 | 2,031 | 2,285 | 715,485 | 788,356 | 1,503,841 |
| Fund balances | | | | | | | | | | |
| Restricted | - | 74,718 | 27,893 | 151,950 | 1,538,471 | 429,684 | 278,781 | 17,259,510 | - | 17,259,510 |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Total fund balances | - | 74,718 | 27,893 | 151,950 | 1,538,471 | 429,684 | 278,781 | 17,259,510 | - | 17,259,510 |
| Total liabilities and fund balances | \$ 134,219 | \$ 74,718 | \$ 30,114 | \$ 179,696 | \$ 1,548,327 | \$ 431,715 | \$ 281,066 | \$ 17,974,995 | \$ 788,356 | \$ 18,763,350 |

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended September 30, 2014

| | Special Revenue | | | | | | | | | |
|--|-------------------|-------------------|---|---|------------------------------------|--------------------------------------|-----------------------------------|---------------------------------------|--|----------------|
| | E-911 | Wireless E-911 | State Seven Cent Gasoline Tax | State Four and Five Cent Gasoline Tax | Jefferson County Road Tax | Alabama Trust Fund Interest | State Drug Enforce- ment | Federal Drug Dept of Justice | Federal Drug Dept of Treasury | CDBG |
| Revenues | | | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - |
| Licenses and permits | - | - | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 837,289 | 555,505 | 972,366 | 693,638 | - | - | - | 475,584 |
| Fines and forfeits | - | - | - | - | - | - | 82,830 | 256,662 | 108,457 | - |
| Investment income | - | - | - | - | - | - | 1,344 | 1,761 | 1,942 | - |
| Rents and royalties | - | - | - | - | - | - | - | - | - | - |
| Contributions and reimbursements | - | - | - | - | - | - | - | - | - | - |
| Charges for services | 1,694,847 | 481,748 | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | 103 | - | - | - | - | - |
| Total revenues | <u>1,694,847</u> | <u>481,748</u> | <u>837,289</u> | <u>555,505</u> | <u>972,469</u> | <u>693,638</u> | <u>84,174</u> | <u>258,423</u> | <u>110,399</u> | <u>475,584</u> |
| Expenditures | | | | | | | | | | |
| Current operations | | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | - | 65,564 |
| Public safety | 1,490,958 | 596,652 | - | - | - | - | 58,198 | 121,183 | 38,505 | - |
| Library | - | - | - | - | - | - | - | - | - | - |
| Municipal court | - | - | - | - | - | - | - | - | - | - |
| Sanitation | - | - | - | - | - | - | - | - | - | - |
| Education | - | - | - | - | - | - | - | - | - | - |
| Highway and roadway improvements | - | - | - | - | - | - | - | - | - | - |
| Recreation services | - | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - | - | - | - |
| Total | <u>1,490,958</u> | <u>596,652</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>58,198</u> | <u>121,183</u> | <u>38,505</u> | <u>65,564</u> |
| Capital outlays | - | - | 553,995 | 45,102 | 939,961 | 515,515 | - | 4,650 | 9,999 | 410,020 |
| Total expenditures | <u>1,490,958</u> | <u>596,652</u> | <u>553,995</u> | <u>45,102</u> | <u>939,961</u> | <u>515,515</u> | <u>58,198</u> | <u>125,833</u> | <u>48,504</u> | <u>475,584</u> |
| Excess of revenues over (under) expenditures | <u>203,889</u> | <u>(114,904)</u> | <u>283,294</u> | <u>510,402</u> | <u>32,508</u> | <u>178,122</u> | <u>25,976</u> | <u>132,589</u> | <u>61,895</u> | <u>-</u> |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | - | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>203,889</u> | <u>(114,904)</u> | <u>283,294</u> | <u>510,402</u> | <u>32,508</u> | <u>178,122</u> | <u>25,976</u> | <u>132,589</u> | <u>61,895</u> | <u>-</u> |
| Fund balances, beginning of year | <u>-</u> | <u>796,431</u> | <u>2,680,073</u> | <u>2,152,762</u> | <u>2,371,655</u> | <u>4,822,545</u> | <u>144,830</u> | <u>178,904</u> | <u>297,042</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 203,889</u> | <u>\$ 681,527</u> | <u>\$ 2,963,367</u> | <u>\$ 2,663,164</u> | <u>\$ 2,404,163</u> | <u>\$ 5,000,667</u> | <u>\$ 170,806</u> | <u>\$ 311,493</u> | <u>\$ 358,936</u> | <u>-</u> |

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Continued
Non-Major Governmental Funds
For the year ended September 30, 2014

| | Special Revenue - Continued | | | | | | | Capital Projects | Total Nonmajor Governmental Funds | |
|--|-----------------------------|-----------------------------|-------------------|---|---------------------|---|-------------------|----------------------|--|--------------------------------------|
| | Court and Corrections | Municipal Court Clerk | Court Training | Court Referral Officer Program | Traffic Safety | Municipal Court Judicial Admin | General Grants | Total | | Other Capital Projects Fund |
| Revenues | | | | | | | | | | |
| Taxes | \$ - | - | \$ - | \$ - | \$ - | \$ - | - | - | \$ - | - |
| Licenses and permits | - | - | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 73,263 | - | - | 210,600 | 3,818,244 | 1,643,301 | 5,461,546 |
| Fines and forfeits | 692,403 | - | 20,385 | - | 136,400 | 219,389 | - | 1,516,525 | - | 1,516,525 |
| Investment income | - | - | - | - | - | - | - | 5,047 | - | 5,047 |
| Rents and royalties | - | - | - | - | - | - | - | - | - | - |
| Contributions and reimbursements | 2,907 | - | - | - | - | - | 24,046 | 26,953 | - | 26,953 |
| Charges for services | - | 22,993 | - | 118,855 | - | - | 536 | 2,318,980 | - | 2,318,980 |
| Other | 42 | - | - | - | - | - | - | 145 | - | 145 |
| Total revenues | <u>695,352</u> | <u>22,993</u> | <u>20,385</u> | <u>192,118</u> | <u>136,400</u> | <u>219,389</u> | <u>235,183</u> | <u>7,685,894</u> | <u>1,643,301</u> | <u>9,329,195</u> |
| Expenditures | | | | | | | | | | |
| Current operations | | | | | | | | | | |
| General government | - | - | - | - | - | - | - | 65,564 | - | 65,564 |
| Public safety | 2,039,042 | - | - | - | - | - | 80,383 | 4,424,921 | - | 4,424,921 |
| Library | - | - | - | - | - | - | 32,493 | 32,493 | - | 32,493 |
| Municipal court | 1,228,091 | - | 16,147 | 217,160 | 45,115 | 16,601 | - | 1,523,112 | - | 1,523,112 |
| Sanitation | - | - | - | - | - | - | - | - | - | - |
| Education | - | - | - | - | - | - | - | - | - | - |
| Highway and roadway improvements | - | - | - | - | - | - | - | - | - | - |
| Recreation services | - | - | - | - | - | - | 19,653 | 19,653 | - | 19,653 |
| Health | - | - | - | - | - | - | - | - | - | - |
| Total | <u>3,267,133</u> | <u>-</u> | <u>16,147</u> | <u>217,160</u> | <u>45,115</u> | <u>16,601</u> | <u>132,529</u> | <u>6,065,743</u> | <u>-</u> | <u>6,065,743</u> |
| Capital outlays | - | - | - | - | - | - | - | 2,479,243 | 1,643,301 | 4,122,545 |
| Total expenditures | <u>3,267,133</u> | <u>-</u> | <u>16,147</u> | <u>217,160</u> | <u>45,115</u> | <u>16,601</u> | <u>132,529</u> | <u>8,544,986</u> | <u>1,643,301</u> | <u>10,188,288</u> |
| Excess of revenues over (under) expenditures | <u>(2,571,781)</u> | <u>22,993</u> | <u>4,237</u> | <u>(25,042)</u> | <u>91,285</u> | <u>202,789</u> | <u>102,654</u> | <u>(859,092)</u> | <u>-</u> | <u>(859,092)</u> |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 2,571,781 | - | - | - | - | - | 35,891 | 2,607,672 | - | 2,607,672 |
| Transfers out | - | - | - | - | - | - | (2,459) | (2,459) | - | (2,459) |
| Total other financing sources (uses) | <u>2,571,781</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>33,432</u> | <u>2,605,213</u> | <u>-</u> | <u>2,605,213</u> |
| Net change in fund balances | - | 22,993 | 4,237 | (25,042) | 91,285 | 202,789 | 136,086 | 1,746,120 | - | 1,746,120 |
| Fund balances, beginning of year | - | 51,725 | 23,656 | 176,991 | 1,447,186 | 226,896 | 142,695 | 15,513,389 | - | 15,513,389 |
| Fund balances, end of year | <u>\$ -</u> | <u>74,718</u> | <u>\$ 27,893</u> | <u>\$ 151,950</u> | <u>\$ 1,538,471</u> | <u>\$ 429,684</u> | <u>278,781</u> | <u>\$ 17,259,510</u> | <u>\$ -</u> | <u>\$ 17,259,510</u> |

THE CITY OF HOOVER, ALABAMA
Combining Statement of Net Position
Internal Service Funds
September 30, 2014

| | Health Insurance Actives | Health Insurance Retirees | Workers Compensation | Property & Casualty | Total |
|--|-----------------------------|------------------------------|-------------------------|------------------------|---------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Pooled cash and investments | \$ 4,135,018 | \$ 1,040,115 | \$ 1,177,693 | \$ 1,419,290 | \$ 7,772,116 |
| Prepaid items | - | - | 33,142 | 139,255 | 172,397 |
| Internal balances | - | - | - | - | - |
| Accounts/stop loss receivable | - | - | 1,051 | 13,471 | 14,522 |
| Statutory actuarial receivable | - | - | 44,581 | 627,866 | 672,447 |
| Total current assets | 4,135,018 | 1,040,115 | 1,256,467 | 2,199,882 | 8,631,482 |
| Noncurrent assets: | | | | | |
| Capital assets | | | | | |
| Land | - | - | - | - | - |
| Construction in progress | - | - | - | - | - |
| Buildings/improvements to buildings | - | - | - | - | - |
| Equipment and vehicles | - | - | - | - | - |
| Improvements o/t buildings | - | - | - | - | - |
| Infrastructure improvements | - | - | - | - | - |
| Less accumulated depreciation | - | - | - | - | - |
| Total capital assets (net of accumulated depreciation) | - | - | - | - | - |
| Other assets | - | - | - | - | - |
| Statutory actuarial receivable | - | - | 412,725 | 650,163 | 1,062,888 |
| Total noncurrent assets | - | - | 412,725 | 650,163 | 1,062,888 |
| Total assets | \$ 4,135,018 | \$ 1,040,115 | \$ 1,669,192 | \$ 2,850,045 | \$ 9,694,370 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| General obligation warrants payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts payable | - | - | 14,682 | 28,807 | 43,488 |
| Retainage payable | - | - | - | - | - |
| Accrued expenses | 689,320 | 36,542 | - | - | 725,862 |
| Claims payable | - | 214,089 | 139,444 | 904,085 | 1,257,618 |
| Compensated absences | - | - | - | - | - |
| Internal balances | - | - | - | - | - |
| Total current liabilities | 689,320 | 250,631 | 154,126 | 932,892 | 2,026,968 |
| Noncurrent liabilities: | | | | | |
| Compensated absences | - | - | - | - | - |
| Claims payable | - | 2,816,825 | 807,568 | 1,031,651 | 4,656,044 |
| Total noncurrent liabilities | - | 2,816,825 | 807,568 | 1,031,651 | 4,656,044 |
| Total liabilities | 689,320 | 3,067,456 | 961,694 | 1,964,543 | 6,683,012 |
| Net Position | | | | | |
| Net investment in capital assets | - | - | - | - | - |
| Unrestricted (deficit) | 3,445,698 | (2,027,341) | 707,498 | 885,502 | 3,011,358 |
| Total net position | \$ 3,445,698 | \$ (2,027,341) | \$ 707,498 | \$ 885,502 | \$ 3,011,358 |

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the year ended September 30, 2014

| | Health Insurance Actives | Health Insurance Retirees | Workers Compensation | Property and Casualty | Total |
|--|-----------------------------|------------------------------|-------------------------|--------------------------|---------------------|
| Operating revenues | | | | | |
| Charges for services - internal | \$ 5,790,135 | \$ 407,692 | \$ 149,572 | \$ 500,000 | \$ 6,847,399 |
| Participant premiums | 1,336,109 | 164,499 | - | - | 1,500,607 |
| Late fees | - | - | - | - | - |
| Stop loss reimbursements | - | - | 225,839 | 324,335 | 550,175 |
| Subrogation recoveries | - | - | 2,041 | 56,357 | 58,398 |
| Public assistance/school reimbursements | - | - | - | 12,400 | 12,400 |
| Rebates or refunds | 197,908 | 10,409 | 1,967 | - | 210,284 |
| Other | - | - | - | - | - |
| Total operating revenue | <u>7,324,151</u> | <u>582,601</u> | <u>379,419</u> | <u>893,093</u> | <u>9,179,264</u> |
| Operating expenses | | | | | |
| Costs of services | 7,526,946 | 388,960 | 570,729 | 1,263,096 | 9,749,731 |
| Administration | - | - | - | - | - |
| Depreciation | - | - | - | - | - |
| Total operating expenses | <u>7,526,946</u> | <u>388,960</u> | <u>570,729</u> | <u>1,263,096</u> | <u>9,749,731</u> |
| Operating income (loss) | (202,794) | 193,641 | (191,310) | (370,003) | (570,467) |
| Non-operating revenues (expenses) | | | | | |
| Actuarial adjustment | - | (338,896) | 222,993 | 180,356 | 64,453 |
| Investment earnings | - | - | - | - | - |
| Total non-operating revenues (expenses) | <u>-</u> | <u>(338,896)</u> | <u>222,993</u> | <u>180,356</u> | <u>64,453</u> |
| Transfers in (out) | - | - | - | - | - |
| Change in net position | (202,794) | (145,255) | 31,683 | (189,647) | (506,014) |
| Total net position, beginning of year | <u>3,648,493</u> | <u>(1,882,086)</u> | <u>675,816</u> | <u>1,075,150</u> | <u>3,517,372</u> |
| Total net position, end of year | <u>\$ 3,445,698</u> | <u>\$ (2,027,341)</u> | <u>\$ 707,498</u> | <u>\$ 885,502</u> | <u>\$ 3,011,358</u> |

THE CITY OF HOOVER, ALABAMA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended September 30, 2014

| | Health Insurance Actives | Health Insurance Retirees | Workers Compensation | Property & Casualty | Total |
|---|-----------------------------|------------------------------|-------------------------|------------------------|---------------------|
| Cash flows from operating activities | | | | | |
| Cash received from government | \$ 5,790,135 | \$ 407,692 | \$ 149,572 | \$ 500,000 | \$ 6,847,399 |
| Cash received from participants | 1,336,109 | 164,499 | - | - | 1,500,607 |
| Cash received from stop loss reimbursements | 320 | - | 231,349 | 321,126 | 552,795 |
| Cash received from subrogation | - | - | 2,041 | 56,357 | 58,398 |
| Cash received from public assistance reimbursements | - | - | - | 12,400 | 12,400 |
| Cash received from rebates/overpayments | 197,908 | 10,409 | 1,967 | - | 210,284 |
| Payments to suppliers | (7,577,417) | (372,572) | (586,992) | (1,395,167) | (9,932,147) |
| Other cash receipts | - | - | - | - | - |
| Net cash provided (used) by operating activities | <u>(252,946)</u> | <u>210,028</u> | <u>(202,063)</u> | <u>(505,283)</u> | <u>(750,264)</u> |
| Cash flows from noncapital financing activities | | | | | |
| Transfer to other funds | - | - | - | - | - |
| Transfer from other funds | - | - | - | - | - |
| Net cash provided (used) by noncapital financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from capital and related financing activities | | | | | |
| Acquisition and construction of capital assets | - | - | - | - | - |
| Payments of warrants | - | - | - | - | - |
| Cash paid for interest on debt | - | - | - | - | - |
| Net cash provided (used) by capital and related financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities | | | | | |
| Interest and dividends received | - | - | - | - | - |
| Net cash provided (used) by investing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net increase (decrease) in pooled cash and investments | (252,946) | 210,028 | (202,063) | (505,283) | (750,264) |
| Pooled cash and investments, beginning of year | 4,387,964 | 830,086 | 1,379,756 | 1,924,573 | 8,522,379 |
| Pooled cash and investments, end of year | <u>\$ 4,135,018</u> | <u>\$ 1,040,115</u> | <u>\$ 1,177,693</u> | <u>\$ 1,419,290</u> | <u>\$ 7,772,116</u> |
| Reconciliation of operating income to net cash provided by operating activities | | | | | |
| Operating income | \$ (202,794) | \$ 193,641 | \$ (191,310) | \$ (370,003) | \$ (570,467) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities | | | | | |
| Depreciation expense | - | - | - | - | - |
| (Increase) decrease in accounts receivable | 320 | - | 5,510 | (3,209) | 2,620 |
| Increase (decrease) in accounts payable and accrued expenses | (50,471) | 16,387 | (14,479) | (110,400) | (158,962) |
| (Increase) decrease in prepaid items | - | - | (1,784) | (21,670) | (23,454) |
| Total adjustments | <u>(50,152)</u> | <u>16,387</u> | <u>(10,753)</u> | <u>(135,280)</u> | <u>(179,797)</u> |
| Net cash provided by operating activities | <u>\$ (252,946)</u> | <u>\$ 210,028</u> | <u>\$ (202,063)</u> | <u>\$ (505,283)</u> | <u>\$ (750,264)</u> |

OTHER SUPPLEMENTARY INFORMATION

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
E-911 Fund
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | 1,550,000 | 1,550,000 | 1,694,847 | 144,847 |
| Other | - | - | - | - |
| Total revenues | <u>1,550,000</u> | <u>1,550,000</u> | <u>1,694,847</u> | <u>144,847</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | 1,584,446 | 1,550,000 | 1,490,958 | 59,042 |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>1,584,446</u> | <u>1,550,000</u> | <u>1,490,958</u> | <u>59,042</u> |
| Capital outlays | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>1,584,446</u> | <u>1,550,000</u> | <u>1,490,958</u> | <u>59,042</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(34,446)</u> | <u>-</u> | <u>203,889</u> | <u>203,889</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 34,446 | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>34,446</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | - | 203,889 | 203,889 |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 203,889</u> | <u>\$ 203,889</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Wireless E-911 Fund
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | 450,000 | 450,000 | 481,748 | 31,748 |
| Other | - | - | - | - |
| Total revenues | <u>450,000</u> | <u>450,000</u> | <u>481,748</u> | <u>31,748</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | 600,000 | 600,000 | 596,652 | 3,348 |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>600,000</u> | <u>600,000</u> | <u>596,652</u> | <u>3,348</u> |
| Capital outlays | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>600,000</u> | <u>600,000</u> | <u>596,652</u> | <u>3,348</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(150,000)</u> | <u>(150,000)</u> | <u>(114,904)</u> | <u>35,096</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (150,000) | (150,000) | (114,904) | 35,096 |
| Fund balances, beginning of year | <u>796,431</u> | <u>796,431</u> | <u>796,431</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 646,431</u> | <u>\$ 646,431</u> | <u>\$ 681,527</u> | <u>\$ 35,096</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Seven Cent Gasoline Tax
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 801,000 | 801,000 | 837,289 | 36,289 |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>801,000</u> | <u>801,000</u> | <u>837,289</u> | <u>36,289</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital outlays | 2,180,947 | 2,180,947 | 553,995 | 1,626,952 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>2,180,947</u> | <u>2,180,947</u> | <u>553,995</u> | <u>1,626,952</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,379,947)</u> | <u>(1,379,947)</u> | <u>283,294</u> | <u>1,663,241</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (1,379,947) | (1,379,947) | 283,294 | 1,663,241 |
| Fund balances, beginning of year | <u>2,680,073</u> | <u>2,680,073</u> | <u>2,680,073</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 1,300,126</u> | <u>\$ 1,300,126</u> | <u>\$ 2,963,367</u> | <u>\$ 1,663,241</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Four and Five Cent Gasoline Tax
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 540,000 | 540,000 | 555,505 | 15,505 |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>540,000</u> | <u>540,000</u> | <u>555,505</u> | <u>15,505</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | 33,500 | - | 33,500 |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>-</u> | <u>33,500</u> | <u>-</u> | <u>33,500</u> |
| Capital outlays | 415,461 | 415,461 | 45,102 | 370,359 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>415,461</u> | <u>448,961</u> | <u>45,102</u> | <u>403,859</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>124,539</u> | <u>91,039</u> | <u>510,402</u> | <u>419,363</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 124,539 | 91,039 | 510,402 | 419,363 |
| Fund balances, beginning of year | <u>2,152,762</u> | <u>2,152,762</u> | <u>2,152,762</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 2,277,301</u> | <u>\$ 2,243,801</u> | <u>\$ 2,663,164</u> | <u>\$ 419,363</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Jefferson County Road Tax
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 975,000 | 975,000 | 972,366 | (2,634) |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | 103 | 103 |
| Total revenues | <u>975,000</u> | <u>975,000</u> | <u>972,469</u> | <u>(2,531)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital outlays | 2,278,135 | 2,278,135 | 939,961 | 1,338,174 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>2,278,135</u> | <u>2,278,135</u> | <u>939,961</u> | <u>1,338,174</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,303,135)</u> | <u>(1,303,135)</u> | <u>32,508</u> | <u>1,335,643</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (1,303,135) | (1,303,135) | 32,508 | 1,335,643 |
| Fund balances, beginning of year | <u>2,371,655</u> | <u>2,371,655</u> | <u>2,371,655</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 1,068,520</u> | <u>\$ 1,068,520</u> | <u>\$ 2,404,163</u> | <u>\$ 1,335,643</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Alabama Trust Fund Interest
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 950,000 | 950,000 | 693,638 | (256,362) |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>950,000</u> | <u>950,000</u> | <u>693,638</u> | <u>(256,362)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital outlays | 763,404 | 763,404 | 515,515 | 247,889 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>763,404</u> | <u>763,404</u> | <u>515,515</u> | <u>247,889</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>186,596</u> | <u>186,596</u> | <u>178,122</u> | <u>(8,474)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 186,596 | 186,596 | 178,122 | (8,474) |
| Fund balances, beginning of year | <u>4,822,545</u> | <u>4,822,545</u> | <u>4,822,545</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 5,009,141</u> | <u>\$ 5,009,141</u> | <u>\$ 5,000,667</u> | <u>\$ (8,474)</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Forfeiture
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|--------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | - | - | 82,830 | 82,830 |
| Investment income | - | - | 1,344 | 1,344 |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>84,174</u> | <u>84,174</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | 76,000 | 191,000 | 58,198 | 132,802 |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>76,000</u> | <u>191,000</u> | <u>58,198</u> | <u>132,802</u> |
| Capital outlays | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>76,000</u> | <u>191,000</u> | <u>58,198</u> | <u>132,802</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(76,000)</u> | <u>(191,000)</u> | <u>25,976</u> | <u>216,976</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (76,000) | (191,000) | 25,976 | 216,976 |
| Fund balances, beginning of year | <u>144,830</u> | <u>144,830</u> | <u>144,830</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 68,830</u> | <u>\$ (46,170)</u> | <u>\$ 170,806</u> | <u>\$ 216,976</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Federal Forfeiture - Department of Justice
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | - | - | 256,662 | 256,662 |
| Investment income | - | - | 1,761 | 1,761 |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>258,423</u> | <u>258,423</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | 174,000 | 174,000 | 121,183 | 52,817 |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>174,000</u> | <u>174,000</u> | <u>121,183</u> | <u>52,817</u> |
| Capital outlays | 4,650 | 10,650 | 4,650 | 6,000 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>178,650</u> | <u>184,650</u> | <u>125,833</u> | <u>58,817</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(178,650)</u> | <u>(184,650)</u> | <u>132,589</u> | <u>317,239</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (178,650) | (184,650) | 132,589 | 317,239 |
| Fund balances, beginning of year | <u>178,904</u> | <u>178,904</u> | <u>178,904</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 254</u> | <u>\$ (5,746)</u> | <u>\$ 311,493</u> | <u>\$ 317,239</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Federal Forfeiture - Department of Treasury
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | - | - | 108,457 | 108,457 |
| Investment income | - | - | 1,942 | 1,942 |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>110,399</u> | <u>110,399</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | 240,000 | 240,000 | 38,505 | 201,495 |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>240,000</u> | <u>240,000</u> | <u>38,505</u> | <u>201,495</u> |
| Capital outlays | 21,000 | 31,000 | 9,999 | 21,001 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>261,000</u> | <u>271,000</u> | <u>48,504</u> | <u>222,496</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(261,000)</u> | <u>(271,000)</u> | <u>61,895</u> | <u>332,895</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (261,000) | (271,000) | 61,895 | 332,895 |
| Fund balances, beginning of year | <u>297,042</u> | <u>297,042</u> | <u>297,042</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 36,042</u> | <u>\$ 26,042</u> | <u>\$ 358,936</u> | <u>\$ 332,895</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
CDBG
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|----------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 636,303 | 636,303 | 475,584 | (160,719) |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>636,303</u> | <u>636,303</u> | <u>475,584</u> | <u>(160,719)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | 226,283 | 210,114 | 65,564 | 144,550 |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>226,283</u> | <u>210,114</u> | <u>65,564</u> | <u>144,550</u> |
| Capital outlays | 410,020 | 426,190 | 410,020 | 16,170 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>636,303</u> | <u>636,304</u> | <u>475,584</u> | <u>160,720</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(1)</u> | <u>-</u> | <u>1</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | (1) | - | 1 |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ (1)</u> | <u>\$ -</u> | <u>\$ 1</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court and Corrections
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|--------------------|--------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | 882,000 | 882,000 | 692,403 | (189,597) |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | 2,907 | 2,907 |
| Charges for services | - | - | - | - |
| Other | - | - | 42 | 42 |
| Total revenues | <u>882,000</u> | <u>882,000</u> | <u>695,352</u> | <u>(186,648)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | 2,074,506 | 2,128,987 | 2,039,042 | 89,945 |
| Library | - | - | - | - |
| Municipal court | 1,279,490 | 1,283,699 | 1,228,091 | 55,608 |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>3,353,996</u> | <u>3,412,686</u> | <u>3,267,133</u> | <u>145,553</u> |
| Capital outlays | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>3,353,996</u> | <u>3,412,686</u> | <u>3,267,133</u> | <u>145,553</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,471,996)</u> | <u>(2,530,686)</u> | <u>(2,571,781)</u> | <u>(41,095)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 2,471,996 | 2,530,686 | 2,571,781 | 41,095 |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>2,471,996</u> | <u>2,530,686</u> | <u>2,571,781</u> | <u>41,095</u> |
| Net change in fund balances | - | - | - | - |
| Fund balances, beginning of year | - | - | - | - |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Municipal Court Clerk
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | 22,993 | 22,993 |
| Other | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>22,993</u> | <u>22,993</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital outlays | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>22,993</u> | <u>22,993</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | - | 22,993 | 22,993 |
| Fund balances, beginning of year | <u>51,725</u> | <u>51,725</u> | <u>51,725</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 51,725</u> | <u>\$ 51,725</u> | <u>\$ 74,718</u> | <u>\$ 22,993</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court Training
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | 38,000 | 38,000 | 20,385 | (17,616) |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>38,000</u> | <u>38,000</u> | <u>20,385</u> | <u>(17,616)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | 24,895 | 24,895 | 16,147 | 8,748 |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>24,895</u> | <u>24,895</u> | <u>16,147</u> | <u>8,748</u> |
| Capital outlays | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>24,895</u> | <u>24,895</u> | <u>16,147</u> | <u>8,748</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>13,105</u> | <u>13,105</u> | <u>4,237</u> | <u>(8,868)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 13,105 | 13,105 | 4,237 | (8,868) |
| Fund balances, beginning of year | <u>23,656</u> | <u>23,656</u> | <u>23,656</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 36,761</u> | <u>\$ 36,761</u> | <u>\$ 27,893</u> | <u>\$ (8,868)</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court Referral Officer Program
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 86,074 | 86,074 | 73,263 | (12,811) |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | 125,000 | 125,000 | 118,855 | (6,145) |
| Other | - | - | - | - |
| Total revenues | <u>211,074</u> | <u>211,074</u> | <u>192,118</u> | <u>(18,956)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | 304,390 | 305,012 | 217,160 | 87,852 |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>304,390</u> | <u>305,012</u> | <u>217,160</u> | <u>87,852</u> |
| Capital outlays | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>304,390</u> | <u>305,012</u> | <u>217,160</u> | <u>87,852</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(93,316)</u> | <u>(93,938)</u> | <u>(25,042)</u> | <u>68,896</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (93,316) | (93,938) | (25,042) | 68,896 |
| Fund balances, beginning of year | <u>176,991</u> | <u>176,991</u> | <u>176,991</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 83,675</u> | <u>\$ 83,053</u> | <u>\$ 151,950</u> | <u>\$ 68,896</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Traffic Safety
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|---------------------|---------------------|---------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | 200,000 | 200,000 | 136,400 | (63,600) |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>200,000</u> | <u>200,000</u> | <u>136,400</u> | <u>(63,600)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | 369,389 | 388,369 | 45,115 | 343,254 |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>369,389</u> | <u>388,369</u> | <u>45,115</u> | <u>343,254</u> |
| Capital outlays | 8,980 | 210,000 | - | 210,000 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>378,369</u> | <u>598,369</u> | <u>45,115</u> | <u>553,254</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(178,369)</u> | <u>(398,369)</u> | <u>91,285</u> | <u>489,654</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (178,369) | (398,369) | 91,285 | 489,654 |
| Fund balances, beginning of year | <u>1,447,186</u> | <u>1,447,186</u> | <u>1,447,186</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 1,268,817</u> | <u>\$ 1,048,817</u> | <u>\$ 1,538,471</u> | <u>\$ 489,654</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Municipal Court Judicial Administration
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | - | - | - | - |
| Fines and forfeits | - | - | 219,389 | 219,389 |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>-</u> | <u>-</u> | <u>219,389</u> | <u>219,389</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | 11,330 | 19,978 | 16,601 | 3,378 |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>11,330</u> | <u>19,978</u> | <u>16,601</u> | <u>3,378</u> |
| Capital outlays | - | - | - | - |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>11,330</u> | <u>19,978</u> | <u>16,601</u> | <u>3,378</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(11,330)</u> | <u>(19,978)</u> | <u>202,789</u> | <u>222,767</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (11,330) | (19,978) | 202,789 | 222,767 |
| Fund balances, beginning of year | <u>226,896</u> | <u>226,896</u> | <u>226,896</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 215,566</u> | <u>\$ 206,918</u> | <u>\$ 429,684</u> | <u>\$ 222,767</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
General Grants
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|-------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 83,000 | 107,988 | 210,600 | 102,612 |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | 14,900 | 25,181 | 24,046 | (1,135) |
| Charges for services | - | - | 536 | 536 |
| Other | - | - | - | - |
| Total revenues | <u>97,900</u> | <u>133,169</u> | <u>235,183</u> | <u>102,014</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | 98,091 | 133,360 | 80,383 | 52,977 |
| Library | 33,134 | 33,134 | 32,493 | 641 |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | - | - | - | - |
| Recreation services | 23,949 | 23,949 | 19,653 | 4,296 |
| Health | - | - | - | - |
| Total | <u>155,174</u> | <u>190,443</u> | <u>132,529</u> | <u>57,914</u> |
| Capital outlays | - | 120,000 | - | 120,000 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>155,174</u> | <u>310,443</u> | <u>132,529</u> | <u>177,914</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(57,274)</u> | <u>(177,274)</u> | <u>102,654</u> | <u>279,928</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 47,706 | 49,315 | 35,891 | (13,424) |
| Transfers out | - | (2,460) | (2,459) | 1 |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>47,706</u> | <u>46,855</u> | <u>33,432</u> | <u>(13,423)</u> |
| Net change in fund balances | (9,568) | (130,419) | 136,086 | 266,505 |
| Fund balances, beginning of year | <u>142,695</u> | <u>142,695</u> | <u>142,695</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 133,127</u> | <u>\$ 12,276</u> | <u>\$ 278,781</u> | <u>\$ 266,505</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Other Capital Projects Fund
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|--------------------|-------------------|------------------|--|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 22,389,547 | 22,389,547 | 1,643,301 | (20,746,246) |
| Fines and forfeits | - | - | - | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | - | - | - | - |
| Charges for services | - | - | - | - |
| Other | - | - | - | - |
| Total revenues | <u>22,389,547</u> | <u>22,389,547</u> | <u>1,643,301</u> | <u>(20,746,246)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | 80,000 | 80,000 | - | 80,000 |
| Recreation services | - | - | - | - |
| Health | - | - | - | - |
| Total | <u>80,000</u> | <u>80,000</u> | <u>-</u> | <u>80,000</u> |
| Capital outlays | 22,309,547 | 22,309,547 | 1,643,301 | 20,666,246 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>22,389,547</u> | <u>22,389,547</u> | <u>1,643,301</u> | <u>20,746,246</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
For the year ended September 30, 2014

| | Original Budget | Amended Budget | Actual | Variance Favorable (Unfavorable) |
|--|---------------------|----------------------|----------------------|--|
| Revenues | | | | |
| Taxes | - | - | - | \$ - |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 20,000 | 75,000 | 173,348 | 98,348 |
| Fines and forfeits | - | 37,500 | 37,500 | - |
| Investment income | - | - | - | - |
| Rents and royalties | - | - | - | - |
| Contributions and reimbursements | 2,157,250 | 2,157,250 | 295,296 | (1,861,954) |
| Charges for services | - | - | - | - |
| Other | - | - | 419 | 419 |
| Total revenues | <u>2,177,250</u> | <u>2,269,750</u> | <u>506,562</u> | <u>(1,763,188)</u> |
| Expenditures | | | | |
| Current operations | | | | |
| General government | 685,714 | 720,941 | 92,893 | 628,048 |
| Public safety | 777,808 | 793,551 | 257,959 | 535,592 |
| Library | - | - | - | - |
| Municipal court | - | - | - | - |
| Sanitation | - | - | - | - |
| Education | - | - | - | - |
| Highway and roadway improvements | 79,594 | 109,229 | 22,118 | 87,111 |
| Recreation services | 139,580 | 257,110 | 118,147 | 138,963 |
| Health | - | - | - | - |
| Total | <u>1,682,696</u> | <u>1,880,831</u> | <u>491,116</u> | <u>1,389,715</u> |
| Capital outlays | 21,254,340 | 21,552,205 | 8,894,667 | 12,657,538 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total expenditures | <u>22,937,036</u> | <u>23,433,036</u> | <u>9,385,783</u> | <u>14,047,253</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(20,759,786)</u> | <u>(21,163,286)</u> | <u>(8,879,221)</u> | <u>12,284,065</u> |
| Other financing sources (uses) | | | | |
| Transfers in | 900,000 | 15,947,109 | 15,946,858 | (251) |
| Transfers out | (1,697,478) | - | - | - |
| Proceeds from refunding bonds | - | - | - | - |
| Payment to refund bond escrow agent | - | - | - | - |
| Warrant issue discount | - | - | - | - |
| Total other financing sources (uses) | <u>(797,478)</u> | <u>15,947,109</u> | <u>15,946,858</u> | <u>(251)</u> |
| Special Items | | | | |
| Proceeds from the sale of land | - | - | - | - |
| Net change in fund balances | (21,557,264) | (5,216,177) | 7,067,638 | 12,283,814 |
| Fund balances, beginning of year | <u>25,524,130</u> | <u>25,524,130</u> | <u>25,524,130</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 3,966,866</u> | <u>\$ 20,307,953</u> | <u>\$ 32,591,768</u> | <u>\$ 12,283,815</u> |

STATISTICAL SECTION

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STATISTICAL SECTION

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

| Contents | Page |
|---|-------------|
| Financial Trends | 108 |
| <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | 113 |
| <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax. Schedules relating to property tax and sewer rates are also included.</i> | |
| Debt Capacity | 122 |
| <i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i> | |
| Demographic and Economic Information | 126 |
| <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i> | |
| Operating Information | 128 |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i> | |
| Other | 131 |
| <i>This schedule is a summary of information that is often requested by citizens and other interested individuals.</i> | |

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

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

| | Fiscal Year | | | | | | | | | |
|--|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | ¹ \$ 244,624,314 | \$ 277,008,402 | \$ 307,721,567 | \$ 299,036,189 | \$ 300,474,712 | \$ 315,155,565 | \$ 320,407,177 | \$ 315,688,443 | \$ 304,515,007 | \$ 304,558,480 |
| Restricted capital projects | 31,654,643 | 25,323,478 | 22,904,794 | 18,749,479 | 14,921,949 | 21,707,247 | - | - | - | - |
| Restricted for enabling legislation | ² - | 4,190,334 | 4,408,972 | 3,318,260 | 4,104,890 | 6,121,528 | 9,999,398 | 11,032,748 | 15,513,389 | 17,259,510 |
| Unrestricted (deficit) | 28,134,223 | 29,621,882 | 28,657,385 | 23,342,942 | 25,030,075 | 22,944,883 | 45,276,047 | 50,794,003 | 49,629,314 | 55,806,575 |
| Total governmental activities net position | \$ 304,413,180 | \$ 336,144,095 | \$ 363,692,718 | \$ 344,446,870 | \$ 344,531,626 | \$ 365,929,222 | \$ 375,682,621 | \$ 377,515,193 | \$ 369,657,710 | \$ 377,624,564 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 22,498,465 | \$ 21,852,572 | \$ 24,206,035 | \$ 22,413,719 | \$ 20,744,083 | \$ 19,258,810 | \$ 17,577,471 | \$ 16,041,550 | \$ 14,548,454 | \$ 13,354,039 |
| Restricted capital projects | - | - | - | - | - | - | - | - | - | - |
| Restricted for enabling legislation | - | - | - | - | - | - | - | - | - | - |
| Unrestricted (deficit) | 1,372,757 | 3,672,145 | 2,100,616 | 5,037,955 | 5,396,604 | 5,161,471 | 8,186,960 | 7,764,046 | 6,962,090 | 6,905,729 |
| Total business-type activities net position | \$ 23,871,222 | \$ 25,524,717 | \$ 26,306,651 | \$ 27,451,674 | \$ 26,140,686 | \$ 24,420,281 | \$ 25,764,431 | \$ 23,805,596 | \$ 21,510,544 | \$ 20,259,768 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 267,122,779 | \$ 298,860,973 | \$ 331,927,602 | \$ 321,449,908 | \$ 321,218,795 | \$ 334,414,375 | \$ 337,984,648 | \$ 331,729,993 | \$ 319,063,461 | \$ 317,912,519 |
| Restricted capital projects | 31,654,643 | 25,323,478 | 22,904,794 | 18,749,479 | 14,921,949 | 21,707,247 | - | - | - | - |
| Restricted for enabling legislation | - | 4,190,334 | 4,408,972 | 3,318,260 | 4,104,890 | 6,121,528 | 9,999,398 | 11,032,748 | 15,513,389 | 17,259,510 |
| Unrestricted (deficit) | 29,506,980 | 33,294,028 | 30,758,001 | 28,380,897 | 30,426,678 | 28,106,354 | 53,463,006 | 58,558,049 | 56,591,404 | 62,712,304 |
| Total primary government net position | \$ 328,284,401 | \$ 361,668,812 | \$ 389,999,369 | \$ 371,898,544 | \$ 370,672,312 | \$ 390,349,503 | \$ 401,447,052 | \$ 401,320,790 | \$ 391,168,255 | \$ 397,884,333 |

¹ Fiscal years 2006 and 2007 do not reflect prior period adjustments that were made in the subsequent year relating to capital assets

² Fiscal year 2006 represented the first year for application of restrictions for enabling legislation

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

| | Fiscal Year | | | | | | | | | |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 9,805,408 | \$ 11,194,315 | \$ 12,553,950 | \$ 12,159,259 | \$ 12,843,118 | \$ 12,459,943 | \$ 11,895,501 | \$ 12,404,558 | \$ 12,848,852 | \$ 13,822,304 |
| Public safety | 35,433,552 | 40,463,403 | 41,027,148 | 43,244,312 | 43,857,205 | 42,186,343 | 43,231,843 | 42,984,050 | 45,105,811 | 46,571,430 |
| Library | 4,615,218 | 5,016,881 | 5,290,808 | 5,668,188 | 6,123,208 | 6,217,356 | 6,262,401 | 6,384,696 | 6,566,225 | 6,821,645 |
| Municipal court | 930,830 | 1,188,252 | 1,331,392 | 1,479,847 | 1,617,927 | 1,560,283 | 1,738,663 | 1,709,638 | 1,612,455 | 1,711,093 |
| Sanitation | 4,530,331 | 4,803,993 | 5,100,516 | 5,478,464 | 5,658,314 | 5,843,793 | 6,075,253 | 6,222,487 | 6,290,465 | 6,398,905 |
| Education | 1,895,404 | 7,100,000 | 7,500,000 | 7,500,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Highway and roadway improvements | 5,175,085 | 5,436,669 | 7,067,730 | 9,226,304 | 12,148,929 | 7,831,687 | 14,673,216 | 22,198,428 | 24,627,788 | 28,449,260 |
| Recreation services | 6,321,075 | 7,321,789 | 7,432,739 | 8,116,588 | 9,002,873 | 8,908,303 | 8,721,903 | 8,507,207 | 9,557,624 | 9,859,747 |
| Health | 227,382 | 253,155 | 260,070 | 287,748 | 268,116 | 268,098 | 282,764 | 292,368 | 234,855 | 69,022 |
| Interest and fiscal charges | 4,227,036 | 4,764,408 | 4,639,784 | 4,475,264 | 4,282,869 | 4,118,153 | 2,823,206 | 3,093,138 | 3,379,455 | 2,720,810 |
| Total governmental activities expenses | <u>73,161,322</u> | <u>87,542,865</u> | <u>92,204,137</u> | <u>97,635,973</u> | <u>97,802,558</u> | <u>91,393,959</u> | <u>97,704,750</u> | <u>105,796,570</u> | <u>112,223,530</u> | <u>118,424,217</u> |
| Business-type activities: | | | | | | | | | | |
| Redevelopment | - | - | - | - | - | - | - | 75,557 | 9,124 | - |
| Sewer services | 3,225,498 | 3,613,950 | 3,297,871 | 3,637,809 | 5,259,834 | 5,779,443 | 5,870,227 | 5,668,850 | 5,728,105 | 5,426,087 |
| Total business-type activities expenses | <u>3,225,498</u> | <u>3,613,950</u> | <u>3,297,871</u> | <u>3,637,809</u> | <u>5,259,834</u> | <u>5,779,443</u> | <u>5,870,227</u> | <u>5,744,407</u> | <u>5,737,229</u> | <u>5,426,087</u> |
| Total primary government expenses | <u>\$ 76,386,820</u> | <u>\$ 91,156,815</u> | <u>\$ 95,502,008</u> | <u>\$ 101,273,782</u> | <u>\$ 103,062,392</u> | <u>\$ 97,173,402</u> | <u>\$ 103,574,977</u> | <u>\$ 111,540,977</u> | <u>\$ 117,960,759</u> | <u>\$ 123,850,303</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 4,685,921 | \$ 4,946,810 | \$ 5,209,005 | \$ 5,446,391 | \$ 5,220,064 | \$ 5,329,379 | \$ 5,429,872 | \$ 5,709,437 | \$ 5,818,193 | \$ 6,142,122 |
| Public safety | 5,517,548 | 6,510,590 | 7,010,384 | 5,646,968 | 2,608,890 | 4,907,942 | 4,785,120 | 5,635,298 | 4,847,602 | 5,635,528 |
| Library | 243,539 | 273,053 | 311,405 | 328,096 | 334,370 | 378,425 | 380,718 | 411,500 | 363,621 | 376,357 |
| Municipal court | 1,572,652 | 2,213,768 | 2,421,341 | 2,322,209 | 3,554,359 | 2,924,037 | 2,303,115 | 2,345,711 | 2,280,864 | 2,271,471 |
| Sanitation | 6,450 | 6,300 | 6,450 | 7,200 | 7,350 | 7,050 | 6,825 | 7,556 | 7,800 | 7,644 |
| Highway and roadway improvements | - | 40,095 | - | 170,904 | 118,153 | 150,419 | 195,188 | 144,167 | 120,796 | - |
| Recreation services | 1,194,290 | 1,356,777 | 1,537,513 | 1,508,068 | 1,512,610 | 1,546,139 | 1,587,456 | 1,419,588 | 1,571,631 | 152,715 |
| Health | - | - | - | 150 | - | 1,000 | 1,000 | 4,095 | 3,550 | 1,522,240 |
| Operating grants and contributions | 3,238,564 | 2,401,585 | 2,869,700 | 3,900,377 | 5,596,094 | 3,569,003 | 3,627,644 | 3,765,312 | 3,620,721 | 3,860,242 |
| Capital grants and contributions | 234,974 | 103,719 | 3,170,596 | 2,720,341 | 1,447,809 | 15,333,481 | 11,347,086 | 2,814,007 | 499,703 | 11,649,800 |
| Total governmental activities program revenues | <u>16,693,938</u> | <u>17,852,697</u> | <u>22,536,394</u> | <u>22,050,704</u> | <u>20,399,700</u> | <u>34,146,875</u> | <u>29,664,024</u> | <u>22,256,671</u> | <u>19,134,481</u> | <u>31,618,121</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Sewer services | 4,336,371 | 5,267,445 | 3,883,098 | 4,623,611 | 3,924,511 | 4,050,686 | 4,195,985 | 3,760,435 | 3,729,376 | 4,130,508 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Capital grants and contributions | 5,200 | - | - | - | - | - | - | - | - | - |
| Total business-type activities program revenues | <u>4,341,571</u> | <u>5,267,445</u> | <u>3,883,098</u> | <u>4,623,611</u> | <u>3,924,511</u> | <u>4,050,686</u> | <u>4,195,985</u> | <u>3,760,435</u> | <u>3,729,376</u> | <u>4,130,508</u> |
| Total primary government program revenues | <u>\$ 21,035,510</u> | <u>\$ 23,120,142</u> | <u>\$ 26,419,492</u> | <u>\$ 26,674,315</u> | <u>\$ 24,324,211</u> | <u>\$ 38,197,561</u> | <u>\$ 33,860,009</u> | <u>\$ 26,017,106</u> | <u>\$ 22,863,857</u> | <u>\$ 35,748,629</u> |

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

| | Fiscal Year | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Continued | | | | | | | | | | |
| Net (expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (56,467,384) | \$ (69,690,169) | \$ (69,667,743) | \$ (75,585,268) | \$ (77,402,858) | \$ (57,247,085) | \$ (68,040,726) | \$ (83,539,899) | \$ (93,089,048) | \$ (86,806,095) |
| Business-type activities | 1,116,073 | 1,653,495 | 585,227 | 985,802 | (1,335,323) | (1,728,757) | (1,674,241) | (1,983,973) | (2,007,853) | (1,295,579) |
| Total primary government net expense | <u>\$ (55,351,311)</u> | <u>\$ (68,036,673)</u> | <u>\$ (69,082,516)</u> | <u>\$ (74,599,467)</u> | <u>\$ (78,738,181)</u> | <u>\$ (58,975,842)</u> | <u>\$ (69,714,968)</u> | <u>\$ (85,523,872)</u> | <u>\$ (95,096,901)</u> | <u>\$ (88,101,674)</u> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Sales and use taxes | 56,449,217 | 59,153,632 | 59,301,855 | 56,570,198 | 53,182,053 | 54,755,461 | 56,503,270 | 60,522,929 | 61,607,730 | 68,237,337 |
| Property taxes | 8,053,100 | 8,788,687 | 9,418,548 | 10,212,487 | 10,475,368 | 10,346,796 | 10,040,757 | 10,108,447 | 10,022,691 | 10,354,931 |
| Franchise taxes | 665,780 | 704,528 | 759,067 | 799,548 | 845,086 | 905,611 | 956,823 | 1,049,546 | 1,130,533 | 1,183,170 |
| Gross receipts taxes | 3,026,932 | 3,425,989 | 3,793,381 | 4,548,169 | 4,364,862 | 4,592,061 | 4,749,260 | 4,695,226 | 5,601,293 | 5,926,033 |
| Other taxes | 2,949,342 | 3,550,373 | 3,608,481 | 3,602,409 | 3,343,913 | 3,575,726 | 3,992,038 | 4,106,051 | 4,332,999 | 4,617,968 |
| Intergovernmental shared revenues | 2,398,968 | 2,842,123 | 2,904,688 | 2,630,712 | 2,998,692 | 2,517,021 | 2,375,635 | 2,744,975 | 3,923,181 | 2,895,221 |
| Investment earnings | 1,971,416 | 2,484,355 | 3,629,529 | 2,876,275 | 2,218,558 | 1,776,945 | 1,602,949 | 964,364 | (1,254,273) | 1,343,548 |
| Other revenue | 321,894 | 311,014 | 394,835 | 195,698 | 145,068 | 175,059 | 573,346 | 306,235 | 205,346 | 231,953 |
| Gain (loss) on sale of assets | ¹ 4,986 | 282,527 | (128,757) | 89,151 | (85,987) | - | - | 121,729 | 149,871 | 223,742 |
| Contribution of capital assets | ² 525,535 | 20,913,209 | - | - | - | - | - | - | - | - |
| Special items | (6,656,318) | (1,035,353) | (72,877) | - | - | - | - | 752,969 | - | (240,953) |
| Total governmental activities | <u>69,710,852</u> | <u>101,421,086</u> | <u>83,608,750</u> | <u>81,524,649</u> | <u>77,487,614</u> | <u>78,644,681</u> | <u>80,794,077</u> | <u>85,372,472</u> | <u>85,719,373</u> | <u>94,772,950</u> |
| Business-type activities: | | | | | | | | | | |
| Investment earnings | - | - | 196,707 | 159,212 | 24,335 | 8,352 | 11,650 | 24,387 | 35,234 | 35,602 |
| Gain (loss) on sale of assets | ³ - | - | - | - | - | - | - | - | (123,095) | 9,200 |
| Other revenues | 21 | - | - | 10 | - | - | 6,789 | 751 | - | - |
| Total business-type activities | <u>21</u> | <u>-</u> | <u>196,707</u> | <u>159,222</u> | <u>24,335</u> | <u>8,352</u> | <u>18,439</u> | <u>25,138</u> | <u>(87,861)</u> | <u>44,802</u> |
| Transfers: | | | | | | | | | | |
| Governmental activities | - | - | - | - | - | - | (2,999,952) | - | - | - |
| Business-type activities | - | - | - | - | - | - | 2,999,952 | - | - | - |
| Total transfers | <u>-</u> |
| Total primary government | <u>\$ 69,710,873</u> | <u>\$ 101,421,086</u> | <u>\$ 83,805,457</u> | <u>\$ 81,683,871</u> | <u>\$ 77,511,949</u> | <u>\$ 78,653,033</u> | <u>\$ 80,812,517</u> | <u>\$ 85,397,610</u> | <u>\$ 85,631,513</u> | <u>\$ 94,817,752</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | 13,243,468 | 31,730,917 | 13,941,007 | 5,939,380 | 84,756 | 21,397,596 | 9,753,399 | 1,832,572 | (7,369,675) | 7,966,854 |
| Business-type activities | 1,116,093 | 1,653,495 | 781,934 | 1,145,023 | (1,310,988) | (1,720,405) | 1,344,150 | (1,958,835) | (2,095,714) | (1,250,776) |
| Total primary government | <u>14,359,562</u> | <u>33,384,413</u> | <u>14,722,941</u> | <u>7,084,403</u> | <u>(1,226,232)</u> | <u>19,677,191</u> | <u>11,097,549</u> | <u>(126,262)</u> | <u>(9,465,389)</u> | <u>6,716,078</u> |

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

² Contribution of capital assets was changed in FY 2007 and is shown with the category of program income - capital grants and contributions.

³ Loss on sale of disposed assets is reflected in business expenses beginning in FY 2014.

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

| | Fiscal Year | | | | | | | | | |
|-------------------------------------|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Pre GASB Statement No. 54: | | | | | | | | | | |
| General fund | | | | | | | | | | |
| Reserved for non-current receivable | \$ 549,980 | \$ 393,180 | \$ 324,580 | \$ 289,706 | \$ 260,306 | \$ 234,581 | | | | |
| Reserved other | 158,803 | 340,345 | 321,988 | 135,011 | 102,556 | 104,598 | | | | |
| Unreserved | ¹ 29,722,353 | 30,266,475 | 30,453,433 | 30,775,283 | 30,937,137 | 31,060,821 | | | | |
| Total general fund | <u>30,431,137</u> | <u>31,000,000</u> | <u>31,100,000</u> | <u>31,200,000</u> | <u>31,300,000</u> | <u>31,400,000</u> | | | | |
| All other governmental funds | | | | | | | | | | |
| Reserved for capital projects | ¹ \$ - | \$ 25,323,478 | \$ 22,904,794 | \$ 18,072,292 | \$ 13,439,823 | \$ 12,483,560 | | | | |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 4,434,302 | 4,190,334 | 4,408,972 | 3,995,447 | 5,587,016 | 8,016,726 | | | | |
| Capital projects funds | 31,654,643 | 8,341,289 | 7,756,861 | 1,621,564 | 3,299,444 | 7,328,489 | | | | |
| Total all other governmental funds | <u>36,088,945</u> | <u>37,855,101</u> | <u>35,070,627</u> | <u>23,689,303</u> | <u>22,326,283</u> | <u>27,828,774</u> | | | | |
| Total all governmental funds | <u>\$ 66,520,082</u> | <u>\$ 68,855,101</u> | <u>\$ 66,170,628</u> | <u>\$ 54,889,303</u> | <u>\$ 53,626,283</u> | <u>\$ 59,228,774</u> | | | | |
| Post GASB Statement No. 54: | | | | | | | | | | |
| General fund | | | | | | | | | | |
| Nonspendable | | | | | | | \$ 330,333 | \$ 334,180 | \$ 282,003 | \$ 232,357 |
| Assigned | | | | | | | 833,837 | 649,938 | 1,048,088 | 1,246,109 |
| Unassigned | | | | | | | 30,335,830 | 30,615,882 | 30,369,909 | 30,321,534 |
| Total general fund | | | | | | | <u>31,500,000</u> | <u>31,600,000</u> | <u>31,700,000</u> | <u>31,800,000</u> |
| All other governmental funds | | | | | | | | | | |
| Restricted | | | | | | | \$ 9,999,397 | \$ 11,032,748 | \$ 15,513,389 | \$ 17,259,510 |
| Committed | | | | | | | 20,705,474 | 24,975,201 | 25,524,130 | 32,591,768 |
| Total general fund | | | | | | | <u>30,704,871</u> | <u>36,007,949</u> | <u>41,037,519</u> | <u>49,851,278</u> |
| Total all governmental funds | | | | | | | <u>\$ 62,204,871</u> | <u>\$ 67,607,950</u> | <u>\$ 72,737,519</u> | <u>\$ 81,651,277</u> |

¹ Fiscal year 2006 began a reservation in fund balance for ongoing capital projects in the special revenue and capital projects funds. With the implementation of GASB Statement No. 54, capital projects were reclassified to committed.

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

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

| | Fiscal Year | | | | | | | | | |
|---|---------------------|---------------------|-----------------------|------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Revenues | | | | | | | | | | |
| Taxes | \$ 71,144,371 | \$ 75,623,209 | \$ 76,881,332 | \$ 75,732,812 | \$ 72,211,282 | \$ 74,175,655 | \$ 76,242,148 | \$ 80,482,200 | \$ 82,695,247 | \$ 90,319,438 |
| Licenses and permits | 8,498,490 | 8,987,468 | 8,753,625 | 9,046,084 | 6,229,574 | 6,875,431 | 7,069,269 | 8,247,786 | 7,736,743 | 8,396,166 |
| Intergovernmental | 5,474,758 | 4,471,897 | 5,815,390 | 6,116,648 | 6,290,266 | 5,409,712 | 5,694,091 | 5,937,256 | 6,683,614 | 7,278,961 |
| Fines and forfeits | 2,084,735 | 3,417,653 | 4,465,564 | 2,877,027 | 3,716,045 | 4,054,336 | 2,752,503 | 2,569,717 | 2,520,752 | 2,811,396 |
| Investment income | 1,980,059 | 2,540,019 | 3,728,266 | 2,929,797 | 2,222,208 | 1,778,099 | 1,604,899 | 968,319 | (1,250,044) | 1,348,710 |
| Rents and royalties | 442,924 | 517,281 | 700,954 | 867,877 | 815,932 | 879,945 | 915,600 | 1,004,765 | 974,756 | 1,007,391 |
| Contributions and reimbursements | 397,747 | 874,490 | 978,704 | 1,518,762 | 3,702,758 | 1,061,255 | 1,078,960 | 1,283,304 | 1,331,676 | 1,479,866 |
| Charges for services | 2,185,504 | 2,377,059 | 2,487,467 | 2,585,195 | 2,590,304 | 3,433,024 | 3,949,779 | 3,848,768 | 3,776,945 | 3,887,706 |
| Other | 432,568 | 692,757 | 410,956 | 320,355 | 212,088 | 216,739 | 713,180 | 812,835 | 549,904 | 486,940 |
| Total revenues | 92,641,156 | 99,501,833 | 104,222,257 | 101,994,557 | 97,990,456 | 97,884,197 | 100,020,428 | 105,154,948 | 105,019,593 | 117,016,573 |
| Expenditures | | | | | | | | | | |
| General government | \$ 8,771,404 | \$ 9,818,864 | \$ 11,158,288 | \$ 11,710,365 | \$ 11,587,522 | \$ 11,344,500 | \$ 10,742,143 | \$ 11,229,103 | \$ 11,341,615 | \$ 12,056,108 |
| Public safety | 34,307,370 | 37,496,799 | 40,173,371 | 42,161,966 | 40,873,486 | 41,051,186 | 42,623,081 | 42,230,120 | 42,276,810 | 43,929,875 |
| Library | 4,333,627 | 4,756,851 | 5,044,181 | 5,395,337 | 5,754,381 | 5,970,683 | 5,963,107 | 6,126,269 | 6,225,160 | 6,485,874 |
| Municipal court | 930,994 | 1,143,148 | 1,319,497 | 1,475,630 | 1,573,105 | 1,575,472 | 1,749,568 | 1,721,809 | 1,593,864 | 1,683,165 |
| Sanitation | 4,494,543 | 4,803,993 | 5,100,516 | 5,478,464 | 5,658,314 | 5,843,793 | 6,075,253 | 6,222,487 | 6,290,465 | 6,398,905 |
| Education | 1,895,404 | 7,100,000 | 7,500,000 | 7,500,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Highway and roadway improvements | 4,130,672 | 4,715,687 | 4,501,009 | 6,088,176 | 6,074,324 | 5,081,039 | 5,124,642 | 4,419,917 | 4,259,678 | 4,569,721 |
| Recreation services | 5,426,654 | 6,319,400 | 6,345,982 | 6,891,524 | 7,217,549 | 7,626,551 | 7,581,964 | 7,213,887 | 8,012,244 | 8,274,814 |
| Health | 220,172 | 239,925 | 252,973 | 281,702 | 256,706 | 262,444 | 279,050 | 288,451 | 272,476 | 69,022 |
| Capital outlays | 6,888,827 | 11,320,900 | 16,274,396 | 17,151,186 | 9,098,607 | 2,500,123 | 6,487,935 | 10,273,790 | 9,216,373 | 13,370,087 |
| Debt service | | | | | | | | | | |
| Principal | 4,760,000 | 4,585,000 | 4,670,000 | 4,805,000 | 5,020,000 | 5,050,000 | 5,970,000 | 5,760,000 | 5,970,000 | 6,595,000 |
| Interest | 4,366,420 | 4,613,046 | 4,488,630 | 4,331,633 | 4,134,583 | 3,971,966 | 3,072,173 | 3,263,593 | 3,087,983 | 2,417,535 |
| Issuance costs | 299,814 | - | - | - | - | - | 538,697 | - | 134,710 | - |
| Fiscal agent fees | 6,817 | 3,899 | 5,010 | 4,900 | 4,900 | 3,950 | 2,200 | 2,447 | 2,200 | 4,050 |
| Total expenditures | 80,832,716 | 96,917,512 | 106,833,852 | 113,275,882 | 99,253,477 | 92,281,706 | 98,209,812 | 100,751,870 | 100,683,579 | 107,854,157 |
| Excess of revenues over (under) expenditures | 11,808,439 | 2,584,321 | (2,611,596) | (11,281,324) | (1,263,021) | 5,602,492 | 1,810,616 | 4,403,079 | 4,336,014 | 9,162,416 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 25,603,806 | 27,902,907 | 31,159,272 | 27,599,752 | 25,383,211 | 28,097,325 | 32,356,880 | 33,666,195 | 33,684,255 | 40,970,203 |
| Transfers out | (25,603,806) | (27,902,907) | (31,159,272) | (27,599,752) | (25,383,211) | (28,097,325) | (35,356,832) | (33,666,195) | (33,684,255) | (40,970,203) |
| Refunding bonds issued | 29,165,000 | - | - | - | - | - | 58,510,000 | - | 11,280,000 | - |
| Premium on bonds issued | 1,934,793 | - | - | - | - | - | 6,276,046 | - | 70,801 | - |
| Payment to bond refunding escrow agent | (30,787,042) | - | - | - | - | - | (60,620,613) | - | (10,557,245) | (7,705) |
| Discount on refunding bonds issued | - | - | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 312,751 | - | - | - | - | - | 1,165,481 | - | 793,556 | (7,705) |
| Special items | (6,116,046) | (249,303) | (72,877) | - | - | - | - | 1,000,000 | - | (240,953) |
| Net changes in fund balances | \$ 6,005,145 | \$ 2,335,018 | \$ (2,684,473) | \$ (11,281,324) | \$ (1,263,021) | \$ 5,602,492 | \$ 2,976,097 | \$ 5,403,079 | \$ 5,129,570 | \$ 8,913,758 |
| Debt service as a percentage of noncapital expenditures | 12.24% | 10.73% | 9.97% | 9.32% | 9.64% | 9.89% | 9.82% | 9.93% | 9.58% | 8.96% |

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

| Fiscal Year | Sales and Use Taxes | Property Taxes Real/Per/Util | Property Taxes Motor Vehicles | In Lieu of Property Taxes | Rental Taxes | Gross Receipts and Franchise Taxes | Other Municipal Taxes | Total |
|--------------------|----------------------------|-------------------------------------|--------------------------------------|----------------------------------|---------------------|---|------------------------------|---------------|
| 2005 | \$ 56,449,217 | \$ 7,086,799 | \$ 966,301 | \$ 8,847 | \$ 661,148 | \$ 3,692,712 | \$ 2,279,347 | \$ 71,144,371 |
| 2006 | 59,153,632 | 7,713,133 | 1,075,554 | 8,947 | 738,330 | 4,130,516 | 2,803,096 | 75,623,209 |
| 2007 | 59,301,855 | 8,523,963 | 894,585 | - | 720,749 | 4,552,448 | 2,887,732 | 76,881,332 |
| 2008 | 56,570,198 | 9,327,227 | 885,260 | - | 778,752 | 5,347,718 | 2,823,657 | 75,732,812 |
| 2009 | 53,182,053 | 9,645,981 | 829,388 | 8,847 | 644,966 | 5,209,947 | 2,690,100 | 72,211,282 |
| 2010 | 54,755,461 | 9,537,895 | 808,901 | - | 766,826 | 5,497,673 | 2,808,900 | 74,175,655 |
| 2011 | 56,503,270 | 9,171,222 | 869,535 | - | 763,658 | 5,706,083 | 3,228,380 | 76,242,148 |
| 2012 | 60,522,929 | 9,149,342 | 959,105 | - | 800,752 | 5,744,772 | 3,305,299 | 80,482,200 |
| 2013 | 61,607,730 | 9,030,123 | 992,568 | - | 881,328 | 6,731,826 | 3,451,671 | 82,695,247 |
| 2014 | 68,237,337 | 9,355,136 | 999,795 | - | 895,209 | 7,109,203 | 3,722,759 | 90,319,438 |

THE CITY OF HOOVER, ALABAMA
Components of Sales Tax Revenue
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|-------------------------------|----------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Merchandise Retail | ¹ \$ 40,349,900 | \$ 42,283,016 | \$ 42,388,966 | \$ 40,436,378 | \$ 38,014,531 | \$ 39,139,204 | \$ 40,388,537 | \$ 43,261,790 | \$ 44,037,206 | \$ 48,776,048 |
| Auto Dealers and Supplies | ¹ 4,611,901 | 4,832,852 | 4,844,962 | 4,621,785 | 4,344,974 | 4,473,521 | 4,616,317 | 4,944,723 | 5,033,352 | 5,574,990 |
| Grocery Stores | ¹ 3,070,837 | 3,217,958 | 3,226,021 | 3,077,419 | 2,893,104 | 2,978,697 | 3,073,778 | 3,292,447 | 3,351,461 | 3,712,111 |
| Restaurants | ¹ 4,826,408 | 5,057,636 | 5,070,309 | 4,836,752 | 4,547,066 | 4,681,592 | 4,831,030 | 5,174,710 | 5,267,461 | 5,834,292 |
| Home Furnishings & Appliances | ¹ 620,941 | 650,690 | 652,320 | 622,272 | 585,003 | 602,310 | 621,536 | 665,752 | 677,685 | 750,611 |
| Pharmacy | ¹ 395,145 | 414,075 | 415,113 | 395,991 | 372,274 | 383,288 | 395,523 | 423,661 | 431,254 | 477,661 |
| Other Sales | ¹ 2,574,084 | 2,697,406 | 2,704,165 | 2,579,601 | 2,425,102 | 2,496,849 | 2,576,549 | 2,759,846 | 2,809,312 | 3,111,623 |
| Total | \$ 56,449,217 | \$ 59,153,632 | \$ 59,301,855 | \$ 56,570,198 | \$ 53,182,053 | \$ 54,755,461 | \$ 56,503,270 | \$ 60,522,929 | \$ 61,607,730 | \$ 68,237,337 |

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

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

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

| Jefferson County ¹ | <u>Fiscal Year</u> | <u>City Sales Tax Rate</u> | <u>County Sales Tax Rate</u> | <u>State Sales Tax Rate</u> | <u>Total Sales Tax Rate</u> |
|--------------------------------------|--------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|
| | 2005 | 3.0% | 2.0% | 4.0% | 9.0% |
| | 2006 | 3.0% | 2.0% | 4.0% | 9.0% |
| | 2007 | 3.0% | 2.0% | 4.0% | 9.0% |
| | 2008 | 3.0% | 2.0% | 4.0% | 9.0% |
| | 2009 | 3.0% | 2.0% | 4.0% | 9.0% |
| | 2010 | 3.0% | 2.0% | 4.0% | 9.0% |
| | 2011 | 3.0% | 2.0% | 4.0% | 9.0% |
| | 2012 | 3.0% | 2.0% | 4.0% | 9.0% |
| | 2013 | 3.0% | 2.0% | 4.0% | 9.0% |
| | 2014 | 3.0% | 2.0% | 4.0% | 9.0% |

| Shelby County | <u>Fiscal Year</u> | <u>City Sales Tax Rate</u> | <u>County Sales Tax Rate</u> | <u>State Sales Tax Rate</u> | <u>Total Sales Tax Rate</u> |
|----------------------|--------------------|----------------------------|------------------------------|-----------------------------|-----------------------------|
| | 2005 | 3.0% | 1.0% | 4.0% | 8.0% |
| | 2006 | 3.0% | 1.0% | 4.0% | 8.0% |
| | 2007 | 3.0% | 1.0% | 4.0% | 8.0% |
| | 2008 | 3.0% | 1.0% | 4.0% | 8.0% |
| | 2009 | 3.0% | 1.0% | 4.0% | 8.0% |
| | 2010 | 3.0% | 1.0% | 4.0% | 8.0% |
| | 2011 | 3.0% | 1.0% | 4.0% | 8.0% |
| | 2012 | 3.0% | 1.0% | 4.0% | 8.0% |
| | 2013 | 3.0% | 1.0% | 4.0% | 8.0% |
| | 2014 | 3.0% | 1.0% | 4.0% | 8.0% |

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

¹ Jefferson County passed a 1% sales tax increase effective January 1, 2005 that was dedicated to schools within the County.

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

| Jefferson County ¹ | <u>Fiscal Year</u> | <u>City Auto Tax Rate</u> | <u>County Auto Tax Rate</u> | <u>State Auto Tax Rate</u> | <u>Total Auto Tax Rate</u> |
|--------------------------------------|--------------------|---------------------------|-----------------------------|----------------------------|----------------------------|
| | 2005 | 1.000% | 0.750% | 2.000% | 3.750% |
| | 2006 | 1.000% | 0.750% | 2.000% | 3.750% |
| | 2007 | 1.000% | 0.750% | 2.000% | 3.750% |
| | 2008 | 1.000% | 0.750% | 2.000% | 3.750% |
| | 2009 | 1.000% | 0.750% | 2.000% | 3.750% |
| | 2010 | 1.000% | 0.750% | 2.000% | 3.750% |
| | 2011 | 1.000% | 0.750% | 2.000% | 3.750% |
| | 2012 | 1.000% | 0.750% | 2.000% | 3.750% |
| | 2013 | 1.000% | 0.750% | 2.000% | 3.750% |
| | 2014 | 1.000% | 0.750% | 2.000% | 3.750% |

| Shelby County | <u>Fiscal Year</u> | <u>City Auto Tax Rate</u> | <u>County Auto Tax Rate</u> | <u>State Auto Tax Rate</u> | <u>Total Auto Tax Rate</u> |
|----------------------|--------------------|---------------------------|-----------------------------|----------------------------|----------------------------|
| | 2005 | 1.000% | 0.375% | 2.000% | 3.375% |
| | 2006 | 1.000% | 0.375% | 2.000% | 3.375% |
| | 2007 | 1.000% | 0.375% | 2.000% | 3.375% |
| | 2008 | 1.000% | 0.375% | 2.000% | 3.375% |
| | 2009 | 1.000% | 0.375% | 2.000% | 3.375% |
| | 2010 | 1.000% | 0.375% | 2.000% | 3.375% |
| | 2011 | 1.000% | 0.375% | 2.000% | 3.375% |
| | 2012 | 1.000% | 0.375% | 2.000% | 3.375% |
| | 2013 | 1.000% | 0.375% | 2.000% | 3.375% |
| | 2014 | 1.000% | 0.375% | 2.000% | 3.375% |

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

¹ Jefferson County increased the auto sales tax rate effective January 1, 2005.

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

| | Calendar Year ¹ | |
|---|----------------------------|---------------|
| | 2014 | 2005 |
| | Rank | Rank |
| Costco | 1 | 5 |
| SBCSI Purchasing & Leasing LP | 2 | |
| Wal-mart - 280 location | 3 | 1 |
| Wal-mart - 150 location (formerly US 31 location) | 4 | 2 |
| Sam's Club | 5 | 4 |
| Belk (formerly Parisian) | 6 | 3 |
| AT&T Supply LLC | 7 | |
| Target | 8 | |
| Regions Bank | 9 | |
| Publix - Highway 280 location | 10 | |
| Home Depot (Galleria) | | 8 |
| Best Buy | | 7 |
| Macy's (Galleria/Rich's) | | 6 |
| Home Depot (Highway 280 location) | | 10 |
| Lowe's (Valleydale) | | 9 |
| Total Sales and Use Taxes - Principal Payers | 26.64% | 25.90% |

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

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

Source: The City of Hoover Revenue Department

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

Jefferson County:

| Fiscal Year | Public Utility Property Class I | | Real, Personal & Other Property Class II | | Real & Other Property Class III | | Total | | Ratio of Total Assessed to Total Estimated Actual Value |
|-------------|------------------------------------|---------------------------|---|---------------------------|------------------------------------|---------------------------|----------------|---------------------------|--|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | |
| 2005 | \$ 67,092,040 | \$ 223,640,133 | \$ 411,854,155 | \$ 2,059,270,775 | \$ 254,507,684 | \$ 2,545,076,840 | \$ 733,453,879 | \$ 4,827,987,748 | 15.19% |
| 2006 | 73,977,240 | 246,590,800 | 439,054,533 | 2,195,272,665 | 284,752,756 | 2,847,527,560 | 797,784,529 | 5,289,391,025 | 15.08% |
| 2007 | 75,822,180 | 252,740,600 | 484,173,064 | 2,420,865,320 | 313,167,371 | 3,131,673,710 | 873,162,615 | 5,805,279,630 | 15.04% |
| 2008 | 74,818,360 | 249,394,533 | 554,743,072 | 2,773,715,359 | 349,561,768 | 3,495,617,677 | 979,123,199 | 6,518,727,569 | 15.02% |
| 2009 | 69,671,380 | 232,237,933 | 578,485,790 | 2,892,428,950 | 373,587,877 | 3,735,878,770 | 1,021,745,047 | 6,860,545,653 | 14.89% |
| 2010 | 61,894,500 | 206,315,000 | 562,440,502 | 2,812,202,510 | 382,592,034 | 3,825,920,340 | 1,006,927,036 | 6,844,437,850 | 14.71% |
| 2011 | 45,858,760 | 152,862,533 | 560,438,060 | 2,802,190,300 | 379,793,300 | 3,797,933,000 | 986,090,120 | 6,752,985,833 | 14.60% |
| 2012 | 40,169,020 | 133,896,733 | 559,092,291 | 2,795,461,455 | 381,789,068 | 3,817,890,680 | 981,050,379 | 6,747,248,868 | 14.54% |
| 2013 | 38,091,900 | 126,973,000 | 547,099,437 | 2,735,497,185 | 378,255,739 | 3,782,557,390 | 963,447,076 | 6,645,027,575 | 14.50% |
| 2014 | 38,483,800 | 128,279,333 | 561,203,300 | 2,806,016,500 | 380,555,320 | 3,805,553,200 | 980,242,420 | 6,739,849,033 | 14.54% |

Shelby County:

| Fiscal Year | Public Utility Property Class I | | Real, Personal & Other Property Class II | | Real & Other Property Class III | | Total | | Ratio of Total Assessed to Total Estimated Actual Value |
|-------------|------------------------------------|---------------------------|---|---------------------------|------------------------------------|---------------------------|----------------|---------------------------|--|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | |
| 2005 | \$ 5,573,200 | \$ 18,577,333 | \$ 219,524,760 | \$ 1,097,623,800 | \$ 195,419,640 | \$ 1,954,196,400 | \$ 420,517,600 | \$ 3,070,397,533 | 13.70% |
| 2006 | 5,798,200 | 19,327,333 | 245,889,980 | 1,229,449,900 | 209,893,640 | 2,098,936,400 | 461,581,820 | 3,347,713,633 | 13.79% |
| 2007 | 5,899,780 | 19,665,933 | 258,678,680 | 1,293,393,400 | 236,560,040 | 2,365,600,400 | 501,138,500 | 3,678,659,733 | 13.62% |
| 2008 | 5,940,120 | 19,800,400 | 280,402,900 | 1,402,014,500 | 268,947,880 | 2,689,478,800 | 555,290,900 | 4,111,293,700 | 13.51% |
| 2009 | 6,194,540 | 20,648,467 | 295,043,080 | 1,475,215,400 | 280,945,540 | 2,809,455,400 | 582,183,160 | 4,305,319,267 | 13.52% |
| 2010 | 6,545,880 | 21,819,600 | 289,530,640 | 1,447,653,200 | 280,170,560 | 2,801,705,600 | 576,247,080 | 4,271,178,400 | 13.49% |
| 2011 | 6,270,580 | 20,901,933 | 289,167,680 | 1,445,838,400 | 275,155,360 | 2,751,553,600 | 570,593,620 | 4,218,293,933 | 13.53% |
| 2012 | 6,120,860 | 20,402,867 | 288,536,580 | 1,442,682,900 | 273,299,180 | 2,732,991,800 | 567,956,620 | 4,196,077,567 | 13.54% |
| 2013 | 6,346,240 | 21,154,133 | 282,215,840 | 1,411,079,200 | 272,946,360 | 2,729,463,600 | 561,508,440 | 4,161,696,933 | 13.49% |
| 2014 | 8,352,780 | 27,842,600 | 304,801,600 | 1,524,008,000 | 277,100,060 | 2,771,000,600 | 590,254,440 | 4,322,851,200 | 13.65% |

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

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

Jefferson County

| Fiscal Year Ended September 30, | City of Hoover | | | Jefferson County | | | | State of Alabama | Total Tax |
|--|-------------------------|-------------------------|-----------------------|--------------------------|---------------------------|----------------------------|-------------------------|-----------------------------|----------------------|
| | General Fund | City Schools | City Total | County County | School Schools | School District | County Total | | |
| 2005 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |
| 2006 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |
| 2007 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |
| 2008 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |
| 2009 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |
| 2010 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |
| 2011 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |
| 2012 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |
| 2013 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |
| 2014 | 0.65 | 2.40 | 3.05 | 1.35 | 0.82 | 1.39 | 3.56 | 0.65 | 7.26 |

Shelby County

| Fiscal Year Ended September 30, | City of Hoover | | | Shelby County | | | | State of Alabama | Total Tax |
|--|-------------------------|-------------------------|-----------------------|--------------------------|---------------------------|----------------------------|------------------------------|-----------------------------|----------------------|
| | General Fund | City Schools | City Total | County County | School Schools | School District | Hospital Hospital | | |
| 2005 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |
| 2006 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |
| 2007 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |
| 2008 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |
| 2009 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |
| 2010 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |
| 2011 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |
| 2012 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |
| 2013 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |
| 2014 | 0.65 | 2.40 | 3.05 | 0.75 | 1.60 | 0.60 | | 2.95 | 6.65 |

Source: Jefferson and Shelby County Tax Collectors

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

Jefferson County:

| <u>Fiscal Year</u> | <u>Estimated Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Levy Collected</u> | <u>Delinquent Tax Collections*</u> | <u>Total Fiscal Year Property Tax Collections</u> |
|--------------------|---------------------------|--------------------------------|----------------------------------|------------------------------------|---|
| 2005 | \$ 4,309,166 | \$ 4,394,795 | 101.99 | \$ 12,703 | \$ 4,407,498 |
| 2006 | 4,668,423 | 4,891,079 | 104.77 | 11,336 | 4,902,415 |
| 2007 | 5,154,237 | 5,378,437 | 104.35 | 10,291 | 5,388,727 |
| 2008 | 5,797,502 | 5,869,775 | 101.25 | 5,756 | 5,875,531 |
| 2009 | 5,995,736 | 6,031,066 | 100.59 | 8,083 | 6,039,149 |
| 2010 | 5,924,657 | 5,928,585 | 100.07 | 38,689 | 5,967,274 |
| 2011 | 5,765,254 | 5,652,653 | 98.05 | 25,094 | 5,677,747 |
| 2012 | 5,602,312 | 5,664,417 | 101.11 | 75,328 | 5,739,745 |
| 2013 | 5,626,477 | 5,657,085 | 100.54 | 6,584 | 5,663,669 |
| 2014 | 5,714,083 | 5,741,924 | 100.49 | 139,071 | 5,880,994 |

Shelby County:

| <u>Fiscal Year</u> | <u>Estimated Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Levy Collected</u> | <u>Delinquent Tax Collections*</u> | <u>Total Property Tax Collections</u> |
|--------------------|---------------------------|--------------------------------|----------------------------------|------------------------------------|---------------------------------------|
| 2005 | \$ 2,694,468 | \$ 2,678,109 | 99.39 | \$ 1,193 | \$ 2,679,302 |
| 2006 | 2,865,139 | 2,810,328 | 98.09 | 390 | 2,810,718 |
| 2007 | 3,116,525 | 3,131,794 | 100.49 | 3,441 | 3,135,235 |
| 2008 | 3,427,698 | 3,450,316 | 100.66 | 1,380 | 3,451,696 |
| 2009 | 3,600,312 | 3,605,250 | 100.14 | 1,582 | 3,606,832 |
| 2010 | 3,556,845 | 3,567,194 | 100.29 | 3,427 | 3,570,621 |
| 2011 | 3,501,064 | 3,488,426 | 99.64 | 5,049 | 3,493,476 |
| 2012 | 3,391,231 | 3,408,296 | 100.50 | 1,302 | 3,409,597 |
| 2013 | 3,353,344 | 3,362,990 | 100.29 | 3,464 | 3,366,454 |
| 2014 | 3,476,804 | 3,473,446 | 99.90 | 696 | 3,474,142 |

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

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

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

Rate Per 100 Cubic Feet of Water Consumption

| Fiscal Year ¹ | Commercial | Residential (15% Discount) |
|--------------------------|------------|----------------------------------|
| 2005 | \$ 5.39 | \$ 4.58 |
| 2006 | 5.39 | 4.58 |
| 2007 | 5.39 | 4.58 |
| 2008 | 5.39 | 4.58 |
| 2009 | 5.39 | 4.58 |
| 2010 | 5.39 | 4.58 |
| 2011 | 5.39 | 4.58 |
| 2012 | 5.39 | 4.58 |
| 2013 | 5.39 | 4.58 |
| 2014 | 5.39 | 4.58 |

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

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

| <u>Fiscal Year</u> | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total Primary Government</u> | <u>Personal Income</u> | <u>Percentage of Personal Income</u> | <u>Population</u> | <u>Per Capita</u> |
|--------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|---------------------------------|------------------------|--------------------------------------|-------------------|-------------------|
| | <u>General Obligation Warrants</u> | <u>General Obligation Warrants</u> | <u>General Obligation Warrants</u> | <u>General Obligation Warrants</u> | | | | | |
| 2005 | \$ 108,500,000 | \$ 15,090,000 | \$ 123,590,000 | \$ 2,577,231,522 | 4.80% | 71,151 | ² | 1,737 | |
| 2006 | 103,915,000 | 14,360,000 | 118,275,000 | 2,795,909,685 | 4.23% | 73,505 | ² | 1,609 | |
| 2007 | 99,245,000 | 13,600,000 | 112,845,000 | 3,088,210,911 | 3.65% | 79,041 | ² | 1,428 | |
| 2008 | 94,440,000 | 30,815,000 | 125,255,000 | 3,224,451,653 | 3.88% | 80,933 | ² | 1,548 | |
| 2009 | 89,420,000 | 29,995,000 | 119,415,000 | 3,082,881,168 | 3.87% | 81,616 | ² | 1,463 | |
| 2010 | 84,370,000 | 29,145,000 | 113,515,000 | 3,159,063,395 | 3.59% | 81,619 | ¹ | 1,391 | |
| 2011 | 80,265,000 | 28,260,000 | 108,525,000 | 3,370,134,561 | 3.22% | 83,649 | ¹ | 1,297 | |
| 2012 | 74,505,000 | 27,345,000 | 101,850,000 | 3,537,580,500 | 2.88% | 84,530 | ¹ | 1,205 | |
| 2013 | 69,705,000 | 26,915,000 | 96,620,000 | 3,567,670,650 | 2.71% | 85,249 | ¹ | 1,133 | |
| 2014 | 63,110,000 | 25,830,000 | 88,940,000 | 3,671,449,650 | 2.42% | 86,245 | ¹ | 1,031 | |

¹ Federal Census
² House Consultants

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

| <u>Fiscal Year</u> | <u>General Obligation Debt</u> | <u>Estimated Actual Value of Taxable Property</u> ³ | <u>Percentage of Estimated Actual Taxable Value of Property</u> | <u>Population</u> | <u>Per Capita</u> |
|--------------------|--------------------------------|--|---|---------------------|-------------------|
| 2005 | \$ 108,500,000 | \$ 7,898,385,282 | 1.37% | 71,151 ¹ | 1,525 |
| 2006 | 103,915,000 | 8,637,104,658 | 1.20% | 73,505 ¹ | 1,414 |
| 2007 | 99,245,000 | 9,483,939,363 | 1.05% | 79,401 ¹ | 1,250 |
| 2008 | 94,440,000 | 10,630,021,269 | 0.89% | 80,933 ¹ | 1,167 |
| 2009 | 89,420,000 | 11,165,864,920 | 0.80% | 81,616 ¹ | 1,096 |
| 2010 | 84,370,000 | 11,115,616,250 | 0.76% | 81,619 ² | 1,034 |
| 2011 | 80,265,000 | 10,971,279,767 | 0.73% | 83,649 ² | 960 |
| 2012 | 74,505,000 | 10,943,326,435 | 0.68% | 84,530 ² | 881 |
| 2013 | 69,705,000 | 10,806,724,508 | 0.65% | 85,249 ² | 818 |
| 2014 | 63,110,000 | 11,062,700,233 | 0.57% | 86,245 ² | 732 |

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

¹ House Consultants

² Federal Census

³ Jefferson and Shelby County

THE CITY OF HOOVER, ALABAMA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2014

| | <u>Total Debt Outstanding</u> | Estimated Percentage Applicable to City of Hoover ¹ | <u>Amount Applicable to City of Hoover</u> |
|-------------------------------------|-----------------------------------|--|--|
| Direct Debt: | | | |
| City of Hoover | <u>\$ 63,110,000</u> | 100.00% | <u>\$ 63,110,000</u> |
| Total direct debt | <u>63,110,000</u> | | <u>63,110,000</u> |
| Overlapping Debt: | | | |
| Hoover City Board of Education | 181,600,000 | 100.00% | 181,600,000 |
| Jefferson County | 181,855,000 | 9.74% | 17,718,866 |
| Jefferson County Board of Education | 79,811,734 | 9.74% | 7,776,379 |
| Shelby County | - | 18.80% | - |
| Shelby County Board of Education | <u>202,135,714</u> | 18.80% | <u>38,008,667</u> |
| Total overlapping debt | <u>645,402,448</u> | | <u>245,103,912</u> |
| Total direct and overlapping debt | <u><u>\$ 708,512,448</u></u> | | <u><u>\$ 308,213,912</u></u> |

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

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

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

| | Fiscal Year | | | | | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Debt limit | \$ 261,932,956 | \$ 286,585,406 | \$ 303,722,803 | \$ 334,995,532 | \$ 347,078,129 | \$ 342,577,139 | \$ 339,292,868 | \$ 340,738,908 | \$ 337,471,663 | \$ 346,517,920 |
| Total net debt applicable to limit | <u>108,500,000</u> | <u>103,915,000</u> | <u>99,245,000</u> | <u>94,440,000</u> | <u>89,420,000</u> | <u>84,370,000</u> | <u>80,265,000</u> | <u>74,505,000</u> | <u>69,705,000</u> | <u>63,110,000</u> |
| Legal debt margin | <u>\$ 153,432,956</u> | <u>\$ 182,670,406</u> | <u>\$ 204,477,803</u> | <u>\$ 240,555,532</u> | <u>\$ 257,658,129</u> | <u>\$ 258,207,139</u> | <u>\$ 259,027,868</u> | <u>\$ 266,233,908</u> | <u>\$ 267,766,663</u> | <u>\$ 283,407,920</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 41.42% | 36.26% | 32.68% | 28.19% | 25.76% | 24.63% | 23.66% | 21.87% | 20.66% | 18.21% |

Legal Debt Margin Calculation for Fiscal Year 2014

| | | |
|---|---|-----------------------|
| Assessed value of property: | 1 | |
| Jefferson County | | \$ 1,080,419,560 |
| Shelby County | | <u>652,170,040</u> |
| Total assessed value of property | | 1,732,589,600 |
| Debt limit - 20 percent of total assessed value | | 346,517,920 |
| Debt applicable to limit: | | |
| General obligation warrants | | <u>63,110,000</u> |
| Legal debt margin | | <u>\$ 283,407,920</u> |

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

¹ Includes assessed value of motor vehicles totaling \$162,092,740 (Jefferson County - \$100,177,140 and Shelby County - \$61,915,600).
Source: Jefferson County and Shelby County Tax Assessors

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

| <u>Fiscal Year</u> | <u>Population</u> | <u>Personal Income</u> | <u>Per Capita Personal Income (Birmingham-Hoover MSA)</u> ⁵ | <u>School Enrollment</u> ³ | <u>Unemployment Rate</u> ⁴ |
|--------------------|---------------------|------------------------|--|---------------------------------------|---------------------------------------|
| 2005 | 71,151 ² | 2,577,231,522 | 36,222 | 11,771 | 2.3% |
| 2006 | 73,505 ² | 2,795,909,685 | 38,037 | 12,036 | 2.1% |
| 2007 | 79,041 ² | 3,088,210,911 | 39,071 | 12,400 | 2.1% |
| 2008 | 80,933 ² | 3,224,451,653 | 39,841 | 12,538 | 2.9% |
| 2009 | 81,616 ² | 3,082,881,168 | 37,773 | 12,875 | 5.8% |
| 2010 | 81,619 ¹ | 3,159,063,395 | 38,705 | 13,099 | 5.6% |
| 2011 | 83,649 ² | 3,370,134,561 | 40,289 | 13,384 | 5.1% |
| 2012 | 84,530 ² | 3,537,580,500 | 41,850 | 13,718 | 4.2% |
| 2013 | 85,249 ² | 3,567,670,650 | 41,850 | 13,884 | 3.8% |
| 2014 | 86,245 ² | 3,671,449,650 | 42,570 | 13,907 | 4.0% |

¹ Federal Census

² House Consultants

³ Hoover City Schools

⁴ Alabama Department of Industrial Relations

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

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

| Employer | 2014 | | | 2005 | | |
|--|------------------------|------|-------------------------------------|------------------------|------|-------------------------------------|
| | Employees ¹ | Rank | Percentage of Total City Employment | Employees ¹ | Rank | Percentage of Total City Employment |
| Regions Bank | 3,431 | 1 | na | na | | |
| Blue Cross Blue Shield of Alabama | 2,858 | 2 | | | | |
| Hoover Board of Education | 1,900 | 3 | | | | |
| Bellsouth Telecommunications | 1,603 | 4 | | | | |
| Southern Company Services/Southern Nuclear | 1,595 | 5 | | | | |
| B E & K Construction/Engineering | 1,178 | 6 | | | | |
| Wal-mart - 2 locations/Sam's Club - 1 location | 970 | 7 | | | | |
| City of Hoover | 723 | 8 | | | | |
| Cahaba Government Benefit | 601 | 9 | | | | |
| Publix - 4 locations | 517 | 10 | | | | |
| Total top 10 | 15,376 | | | | | |
| Total all employees in the City | na | | | na | | |

Note: Data for nine years ago is not available

Source: The City of Hoover Revenue Department estimates

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

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

| | Fiscal Year | | | | | | | | | | | | | | | | | | | |
|----------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2005 | | 2006 | | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | | 2012 | | 2013 | | 2014 | |
| | FT | EO | FT | EO | FT | EO | FT | EO | FT | EO | FT | EO | FT | EO | FT | EO | FT | EO | FT | EO |
| General government | | | | | | | | | | | | | | | | | | | | |
| Administration | 13 | 8 | 16 | 8 | 16 | 8 | 16 | 8 | 15 | 8 | 14 | 8 | 14 | 8 | 14 | 8 | 15 | 8 | 15 | 8 |
| Building services | 11 | 0 | 12 | 0 | 12 | 0 | 14 | 0 | 16 | 0 | 15 | 0 | 15 | 0 | 15 | 0 | 14 | 0 | 14 | 0 |
| Development | 2 | 0 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Finance | 8 | 0 | 8 | 0 | 8 | 0 | 8 | 0 | 8 | 0 | 8 | 0 | 8 | 0 | 9 | 0 | 6 | 0 | 6 | 0 |
| Information & Reporting | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 0 | 6 | 0 |
| Fleet | 7 | 0 | 7 | 0 | 7 | 0 | 7 | 0 | 6 | 0 | 6 | 0 | 6 | 0 | 6 | 0 | 6 | 0 | 6 | 0 |
| Human resources | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 |
| Purchasing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 2 | 0 | 2 | 0 |
| Revenue | 9 | 0 | 10 | 0 | 10 | 0 | 10 | 0 | 10 | 0 | 9 | 0 | 9 | 0 | 8 | 0 | 8 | 0 | 8 | 0 |
| Technology | 8 | 0 | 8 | 0 | 8 | 0 | 8 | 0 | 8 | 0 | 8 | 0 | 8 | 0 | 8 | 0 | 6 | 0 | 6 | 0 |
| Total general government | 63 | 8 | 68 | 8 | 68 | 8 | 68 | 8 | 68 | 8 | 65 | 8 | 65 | 8 | 66 | 8 | 67 | 8 | 68 | 8 |
| Public safety | | | | | | | | | | | | | | | | | | | | |
| Police | | | | | | | | | | | | | | | | | | | | |
| Officers | 143 | 0 | 154 | 0 | 155 | 0 | 157 | 0 | 157 | 0 | 157 | 0 | 157 | 0 | 157 | 0 | 157 | 8 | 157 | 10 |
| Civilians | 35 | 12 | 33 | 12 | 33 | 12 | 33 | 3 | 33 | 2 | 33 | 2 | 35 | 2 | 35 | 2 | 37 | 2 | 37 | 2 |
| Fire | | | | | | | | | | | | | | | | | | | | |
| Firefighters and officers | 149 | 12 | 152 | 12 | 152 | 12 | 158 | 12 | 159 | 12 | 160 | 9 | 160 | 9 | 160 | 9 | 160 | 9 | 160 | 12 |
| Civilians | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 |
| Homeland security (officer) | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Communications/dispatch | | | | | | | | | | | | | | | | | | | | |
| Officers | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 |
| Civilians | 27 | 0 | 27 | 1 | 27 | 0 | 27 | 0 | 27 | 0 | 27 | 0 | 27 | 0 | 27 | 0 | 27 | 0 | 28 | 2 |
| Inspection services | 19 | 0 | 21 | 0 | 21 | 0 | 21 | 0 | 21 | 0 | 18 | 0 | 18 | 0 | 18 | 0 | 18 | 0 | 18 | 0 |
| Total public safety | 376 | 24 | 390 | 25 | 391 | 24 | 399 | 15 | 399 | 14 | 397 | 11 | 399 | 11 | 399 | 11 | 401 | 19 | 402 | 26 |
| Library | 42 | 53 | 44 | 56 | 43 | 60 | 44 | 59 | 44 | 59 | 44 | 59 | 44 | 59 | 44 | 59 | 43 | 64 | 43 | 65 |
| Municipal court | 12 | 1 | 14 | 0 | 14 | 0 | 14 | 0 | 14 | 0 | 14 | 0 | 14 | 0 | 14 | 0 | 15 | 1 | 16 | 0 |
| Highway and roadway | | | | | | | | | | | | | | | | | | | | |
| Engineering and horticulture | 5 | 0 | 5 | 0 | 5 | 0 | 5 | 0 | 6 | 0 | 5 | 0 | 5 | 0 | 6 | 0 | 6 | 0 | 6 | 0 |
| Public works | 34 | 0 | 35 | 0 | 35 | 0 | 33 | 0 | 31 | 0 | 30 | 0 | 30 | 0 | 30 | 0 | 30 | 0 | 30 | 0 |
| Total highway and roadway | 39 | 0 | 40 | 0 | 40 | 0 | 38 | 0 | 37 | 0 | 35 | 0 | 35 | 0 | 36 | 0 | 36 | 0 | 36 | 0 |
| Recreation services | | | | | | | | | | | | | | | | | | | | |
| Recreation & Senior center | 19 | 33 | 21 | 34 | 23 | 33 | 23 | 32 | 24 | 32 | 24 | 32 | 20 | 32 | 20 | 32 | 20 | 33 | 20 | 33 |
| Park maintenance | 36 | 6 | 36 | 6 | 36 | 6 | 36 | 6 | 36 | 6 | 37 | 6 | 37 | 6 | 37 | 6 | 39 | 6 | 39 | 6 |
| Total recreation services | 55 | 39 | 57 | 40 | 59 | 39 | 59 | 38 | 60 | 38 | 61 | 38 | 57 | 38 | 57 | 38 | 59 | 39 | 59 | 39 |
| Health | | | | | | | | | | | | | | | | | | | | |
| Animal control | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Total health | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Sewer | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 1 | 0 |
| Total approved positions | 590 | 125 | 616 | 129 | 618 | 131 | 625 | 120 | 625 | 119 | 619 | 116 | 617 | 116 | 619 | 116 | 622 | 131 | 625 | 138 |

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

¹ Changes from FY 2013 to FY 2014 are as follows:

General gov't: Deleted 1 FT GIS Manager and Added 2 FT positions: Appl Systems Spec and Adm Svc Supv (1010)

Public safety : Added 1 FT dispatcher and 2 PT dispatchers (29 hrs) (19); Added 2 Temp Police Officer Reservists (20); Added 3 PT Fire Extra Boards (21);

Municipal court: Deleted PT Admin Clerk and Added 1 FT Court Analyst (3010)

Library: Split 1 38 hr Page temp into 2 19 hr Page temps

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

| | | Fiscal Year | | | | | | | | | |
|--|---------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Function | | | | | | | | | | | |
| General Government | | | | | | | | | | | |
| Employees hired | ⁷ | 122 | 116 | 80 | 96 | 79 | 86 | 74 | 77 | 108 | 33 |
| Business licenses issued | ⁸ | 8,970 | 9,168 | 9,470 | 9,462 | 9,247 | 9,260 | 9,344 | 9,441 | 9,586 | 9,668 |
| Public safety: | | | | | | | | | | | |
| Police | | | | | | | | | | | |
| Arrests (adults only) | ³ | 3,058 | 3,118 | 3,205 | 3,507 | 4,241 | 3,976 | 3,625 | 3,329 | 3,621 | 3,386 |
| Fire | | | | | | | | | | | |
| Number of calls: | | | | | | | | | | | |
| Emergency medical services | ⁶ | 5,019 | 5,605 | 5,786 | 5,716 | 5,955 | 6,146 | 6,171 | 6,296 | 6,309 | 6,673 |
| Fire | | 1,513 | 1,436 | 1,397 | 1,527 | 1,296 | 1,480 | 1,355 | 1,407 | 1,262 | 1,337 |
| Service/other | | 1,251 | 1,226 | 1,397 | 1,450 | 1,715 | 2,034 | 2,047 | 1,690 | 1,530 | 1,901 |
| Total fire calls | | 7,783 | 8,267 | 8,580 | 8,693 | 8,966 | 9,660 | 9,573 | 9,393 | 9,101 | 9,911 |
| Inspections | | | | | | | | | | | |
| Building permits issued | | 1,873 | 1,951 | 1,754 | 1,611 | 1,368 | 1,748 | 1,832 | 1,976 | 1,698 | |
| Library | | | | | | | | | | | |
| Materials checked out | ⁹ | 1,141,311 | 1,262,067 | 1,404,302 | 1,487,497 | 1,630,981 | 1,663,743 | 1,631,044 | 1,575,465 | 1,537,483 | 1,486,501 |
| Municipal court | | | | | | | | | | | |
| Non-traffic court cases | ⁵ | 2,826 | 3,086 | 3,404 | 3,533 | 3,911 | 3,544 | 3,072 | 2,788 | 3,213 | 2,451 |
| Traffic cases | ⁵ | 12,692 | 17,566 | 16,992 | 19,429 | 25,063 | 17,583 | 13,800 | 16,995 | 13,142 | 12,943 |
| Adjudicated cases | ⁵ | 12,805 | 18,577 | 19,526 | 21,075 | 28,143 | 21,508 | 15,827 | 16,341 | 15,679 | 15,675 |
| Failure to appear warrants | ⁵ | 3,399 | 5,096 | 5,338 | 5,191 | 5,856 | 4,609 | 3,507 | 3,456 | 3,494 | 3,859 |
| Other warrants | ⁵ | 4,264 | 5,959 | 6,198 | 3,304 | 2,036 | 1,413 | 939 | 679 | 1,156 | 831 |
| Sanitation | | | | | | | | | | | |
| Single homes: | | | | | | | | | | | |
| Regular garbage service | ⁴ | 20,448 | 21,279 | 21,883 | 22,400 | 22,680 | 23,074 | 23,434 | 23,757 | 23,992 | 24,253 |
| Backdoor garbage service | | 50 | 50 | 50 | 50 | 50 | 50 | 58 | 65 | 84 | 101 |
| Recreation services | | | | | | | | | | | |
| Average daily recreation center visits | ² | 441 | 494 | 527 | 579 | 634 | 666 | 682 | 600 | 613 | 559 |
| Sewer | | | | | | | | | | | |
| Average daily flow (gallons per day): | | | | | | | | | | | |
| Inverness | ¹⁰ | 795,000 | 963,000 | 872,000 | 920,000 | 926,000 | 802,000 | 946,000 | 995,000 | 990,000 | 925,250 |
| Riverchase | ¹⁰ | 2,770,000 | 2,984,000 | 1,622,000 | 1,054,000 | 1,649,000 | 1,321,000 | 1,207,000 | 1,207,000 | 1,278,000 | 1,180,500 |

¹ Assume fiscal year unless otherwise noted

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

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

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

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

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

⁷ Source: Human Resources Department

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

⁹ Source: Library

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

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

| | Fiscal Year | | | | | | | | | |
|------------------------------|-------------|------|------|------|------|------|------|----------|----------|----------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Function | | | | | | | | | | |
| General government | | | | | | | | | | |
| Vehicles | na | 33 | 38 | 38 | 38 | 38 | 38 | 39 | 38 | 35 |
| Public safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Substations | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Vehicles | na | 196 | 211 | 211 | 211 | 211 | 215 | 256 | 260 | 246 |
| Fire: | | | | | | | | | | |
| Fire stations | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 10 |
| Vehicles | na | 50 | 49 | 49 | 51 | 52 | 53 | 65 | 61 | 63 |
| Other public safety: | | | | | | | | | | |
| Vehicles | na | 18 | 21 | 21 | 19 | 15 | 15 | 13 | 13 | 17 |
| Library | | | | | | | | | | |
| Vehicles | na | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| Municipal Court | | | | | | | | | | |
| Vehicles | na | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Highway and roadways | | | | | | | | | | |
| Streets (miles) ¹ | 307 | 334 | 323 | 293 | 293 | 306 | 306 | 306 | 306 | 306 |
| Streetlights ³ | na | 495 | 490 | 490 | 490 | 492 | 492 | 504 | 504 | 507 |
| Traffic signals & flashers: | | | | | | | | | | |
| Jefferson County | 66 | 66 | 69 | 69 | 74 | 75 | 75 | 78 | 78 | 77 |
| Shelby County | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Vehicles | na | 49 | 55 | 55 | 56 | 56 | 57 | 61 | 56 | 58 |
| Recreation services | | | | | | | | | | |
| Lakes ² | na | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 8 | 8 |
| Acres ² | na | na | na | 24 | 24 | 24 | 24 | 24.25 | 34.65 | 34.65 |
| Parks ² | 21 | 22 | 22 | 23 | 23 | 23 | 23 | 25 | 28 | 28 |
| Acres ² | na | na | na | 837 | 837 | 837 | 837 | 1,012.50 | 1,054.50 | 1,054.50 |
| Vehicles | na | 36 | 39 | 39 | 39 | 40 | 40 | 46 | 43 | 48 |
| Health | | | | | | | | | | |
| Vehicles | na | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 0 | 0 |
| Sewer | | | | | | | | | | |
| Sanitary sewer miles | 86 | 86 | 86 | 86 | 89 | 89 | 95 | 95 | 95 | 95 |
| Vehicles | na | 1 | 1 | 1 | 1 | 1 | 3 | 1 | 1 | 1 |

na - not available

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

² Source: Risk management

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 2014

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (7 members)

Population:

| | | |
|------|--------|-----|
| 1968 | 410 | (A) |
| 1970 | 1,393 | (A) |
| 1980 | 19,792 | (A) |
| 1990 | 39,788 | (A) |
| 2000 | 62,742 | (A) |
| 2010 | 81,619 | (A) |
| 2014 | 86,245 | (B) |

Estimated number of housing units:

| | | |
|--|----------------------|-----|
| Owner occupied (townhomes or single family detached) | 25,107 | (B) |
| Renter occupied (multi-family or group quarters) | <u>11,530</u> | (B) |
| Total | <u><u>36,637</u></u> | (B) |

Public Schools (Established August 29, 1988):

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

Area (Square Miles): 48.00 (D)

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