

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2015

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, 2015

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INTRODUCTORY SECTION

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The City of Hoover has an estimated population of 87,128 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 17, 2016

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, 2015, 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 2015, 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 will be conducted in the summer of 2016.

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

Geography, Population, and History

The Government, incorporated in 1967, is located in Jefferson and Shelby Counties in north central Alabama. In 1968, its population was estimated at 410 and has grown to 87,128 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, Von Maur, JC Penney, and Sears. The Galleria includes restaurants, a hotel, and a 17-story office tower. The City receives approximately 22% of its sales tax revenue from the Galleria.

In addition, 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 2015, this transfer was \$16,540,630, which was an increase compared to \$15,016,003 in fiscal year 2014.

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, 2015 increased by \$1,715,863, or (1.47)% from the fiscal year ended September 30, 2014. Increases in tax revenues comprised the largest part of this change as discussed below.

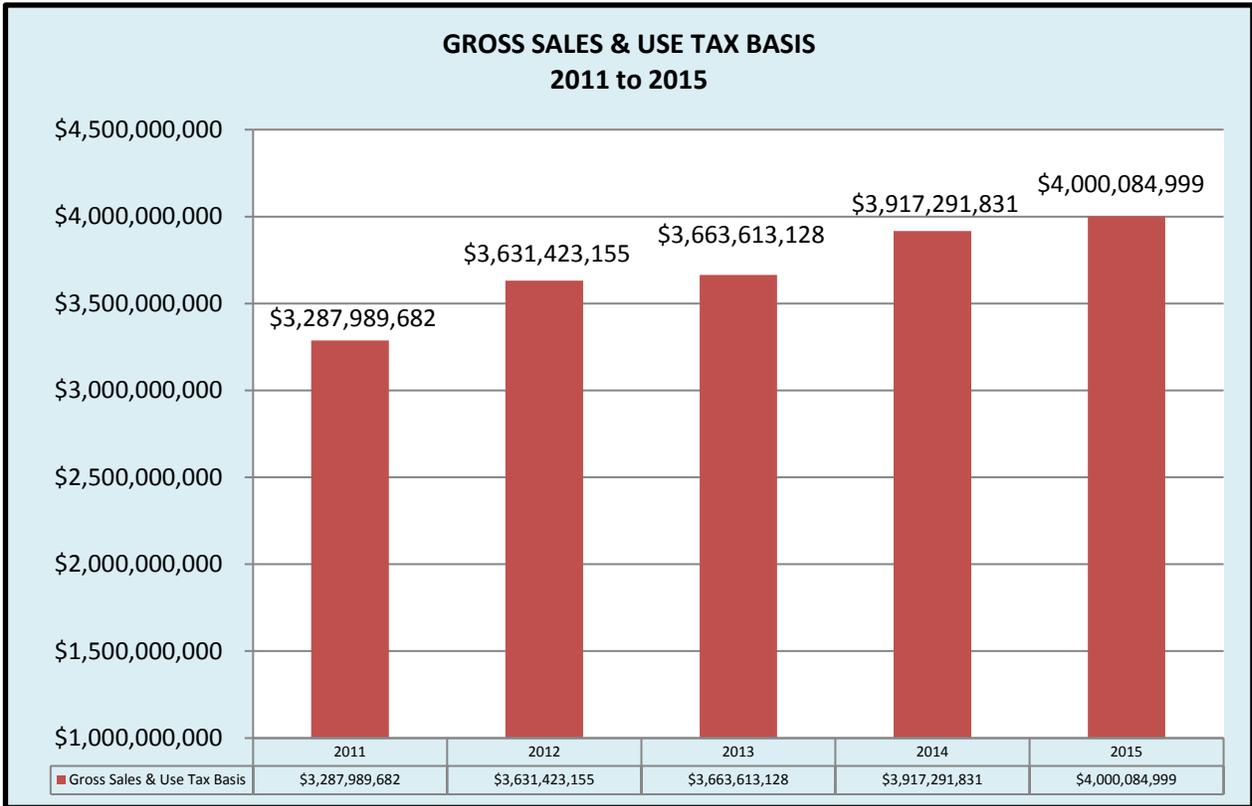
The following schedule presents a summary of revenues for all Governmental Funds for the fiscal year ended September 30, 2015, with the amount and percentage of increase (decrease) in relation to the fiscal year ended September 30, 2014.

Revenues are broken down by major categories. As shown, the largest category, taxes, increased by \$1.56 million, or 1.74%. The second largest increase was in the area of investment income. For fiscal year 2015, we realized \$2,107,769 in investment income, an increase of \$759,059, or 56.28%.

Revenues	FY 2015 Amount	Percent of Total	FY 2014 Amount	Increase (Decrease) From FY 2014	Percent of Increase (Decrease)
Taxes	\$ 91,889,155	77.39 %	\$ 90,319,438	\$ 1,569,717	1.74 %
Licenses and permits	8,340,461	7.02	8,396,166	(55,705)	(0.66)
Intergovernmental	6,089,259	5.13	7,278,961	(1,189,702)	(16.34)
Fines and forfeits	2,988,406	2.52	2,811,396	177,010	6.30
Investment income	2,107,769	1.78	1,348,710	759,059	56.28
Rents and royalties	1,223,863	1.03	1,007,391	216,472	21.49
Contributions and reimbursements	1,239,078	1.04	1,479,866	(240,788)	(16.27)
Charges for services	4,021,148	3.39	3,887,706	133,442	3.43
Other	833,298	0.70	486,940	346,358	71.13
Total revenues	<u>\$ 118,732,437</u>	<u>100.00 %</u>	<u>\$ 117,016,573</u>	<u>\$ 1,715,863</u>	<u>1.47 %</u>

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 slightly for 2015.

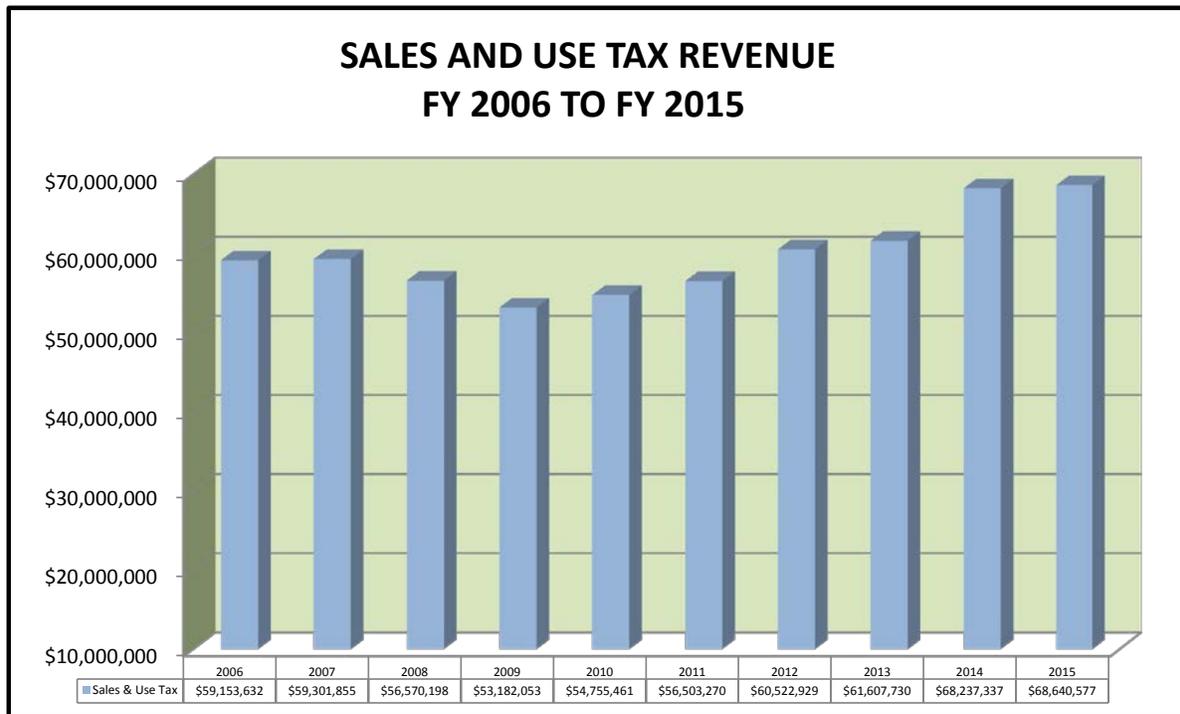
Related to sales and use taxes, the City's total gross sales and use tax basis increased by \$82,793,169 over the previous year to a total of \$4,000,084,999 in 2015. This represented an increase of 2.11%. In addition, 2015 represented the first year that the gross sales and use tax basis exceeded \$4 billion. The chart below depicts the gross sales for the last five years.



Fiscal year 2015 resulted in a sixth 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 slightly by .59% over fiscal year 2014. The chart and table below depict the past ten years of sales and use tax revenue collected by the City. Sales and use tax dollars realized their all time high in fiscal year 2015 by surpassing the prior year high number in fiscal year 2014.

<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>
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
2015	68,640,577	0.59	118,732,437	57.81

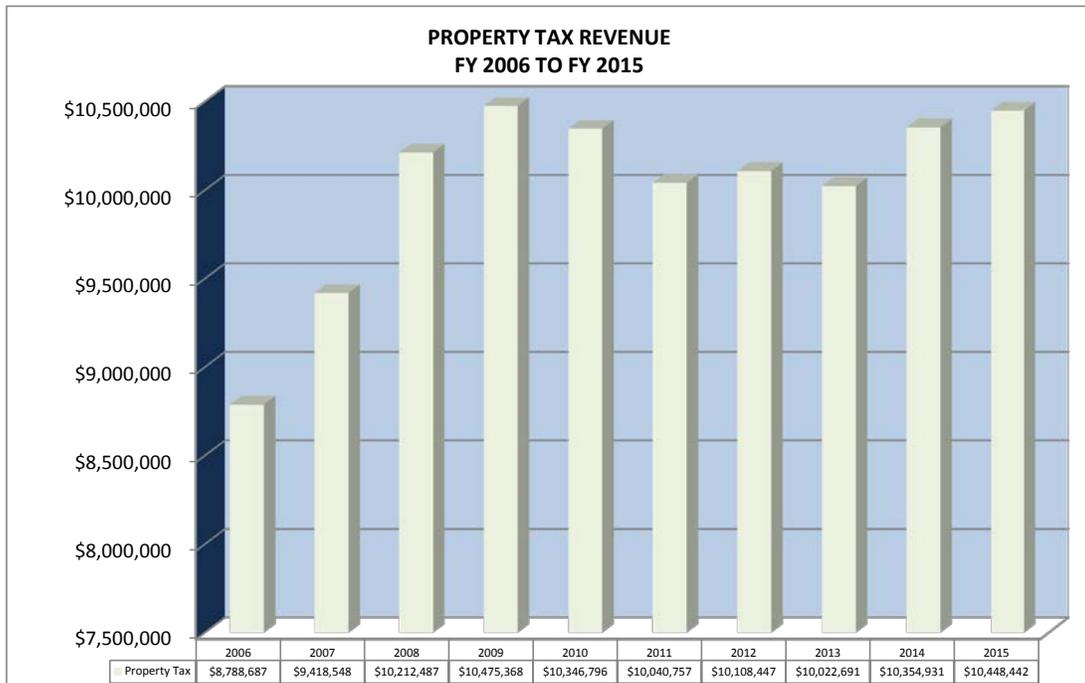
City management expects to maintain the fiscal year 2015 level of sales tax revenue receipts in the near future.



The second largest revenue source for the City is property tax, which comprises 8.80% 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
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
2015	10,448,442	0.90	118,732,437	8.80

The City's property tax is 6 1/2 mills for general governmental use. Property tax revenue increased slightly by \$93,511 from FY 2014, or .90%. This increase provides further evidence of a steady and healthy economy for the City due to both increases in property values and further development. Management expects overall property taxes to continue increasing slowly in the near future, as housing prices continue to rise and development continues to expand the tax base.



OTHER INFORMATION

Awards

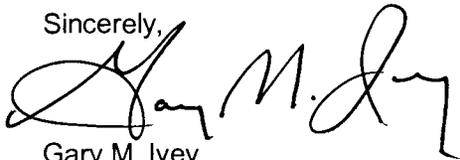
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This was the thirty third consecutive year that the City has received this 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

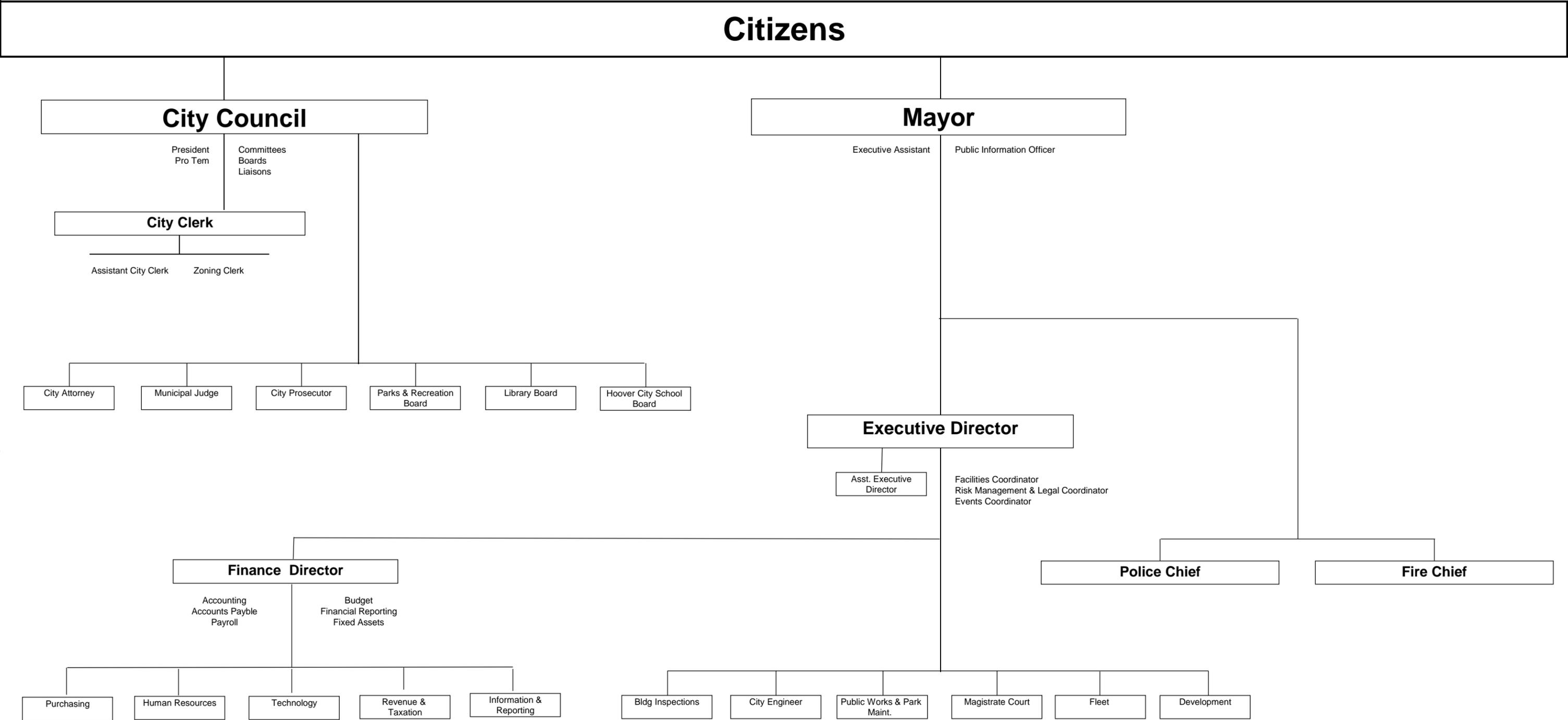
September 30, 2014

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, 2015, 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, 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, 2015, 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 required supplementary information on pages 19 through 42 and pages 83 through 86 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. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison information are 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 17, 2016, 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 17, 2016

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, 2015. 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, 2015, by \$353,079,105. Of this amount, \$312,060,628 is invested in capital assets – net of related debt, \$18,412,862 is restricted by enabling legislation, which by definition is legally restricted to certain uses, and \$22,605,615 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,371,460 or .39% in comparison to the net position at the beginning of the year restated. A detailed explanation of this increase can be viewed on page 27-28 of this MD&A.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$90,245,123, an increase of \$8,593,846 in comparison with the prior year. Approximately \$30,630,928 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- Total net position for governmental activities increased by \$2,196,491, bringing the total to \$333,644,368 for fiscal year 2015.

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 80.

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 87).

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 53-82).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets

The City's total assets on its Statement of Net Position for fiscal year 2015 totaled \$506,621,451, of which \$461,773,515 or 91.15% was from governmental activities. This was a decrease of \$4,054,363 for assets in governmental activities. Despite this overall decrease, current assets did increase by over \$7.8 million, offset by a decrease in capital assets, net of depreciation of over \$11.6 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.

Business-type activities made up \$44,847,936 or 8.85% of total assets for fiscal year 2015, which was a decrease of \$1,925,266, or 4.29% from fiscal year 2014. This change was related to both current assets, specifically a decrease in borrowed funds available, and to the capital assets (net of depreciation), whereby both decreased by over \$900,000 each.

As shown in the summary below, noncurrent assets comprise 77.74% of total assets, which is a decrease from fiscal year 2014 where the percentage was 79.35%. For fiscal 2015, current assets comprised 22.26% of all assets, an increase from fiscal year 2014 where the percentage was 20.65%. This increase in current assets is attributable to cash and investments increasing by over \$8 million, while capital assets, net of depreciation decreased noncurrent assets by over \$12 million. Overall, the decrease in government-wide assets of \$5,979,629 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	
	2014	2015	2014	2015	2014	2015
Current assets	\$ 97,218,476	\$ 105,092,064	\$ 8,642,701	\$ 7,690,468	\$ 105,861,177	\$ 112,782,532
Noncurrent assets:						
Capital assets, net of depreciation	367,470,875	355,869,448	38,130,501	37,157,468	405,601,376	393,026,916
Actuarial receivable	1,062,888	759,639	-	-	1,062,888	759,639
Long-term receivables	75,639	52,364	-	-	75,639	52,364
Total noncurrent assets	<u>368,609,402</u>	<u>356,681,451</u>	<u>38,130,501</u>	<u>37,157,468</u>	<u>406,739,903</u>	<u>393,838,919</u>
Total Assets	<u>\$ 465,827,878</u>	<u>\$ 461,773,515</u>	<u>\$ 46,773,202</u>	<u>\$ 44,847,936</u>	<u>\$ 512,601,080</u>	<u>\$ 506,621,451</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current assets	20.87%	22.76%	18.48%	17.15%	20.65%	22.26%
Noncurrent assets:						
Capital assets, net of depreciation	78.89%	77.07%	81.52%	82.85%	79.13%	77.58%
Statutory actuarial receivable	0.23%	0.16%	0.00%	0.00%	0.21%	0.15%
Long-term receivables	0.02%	0.01%	0.00%	0.00%	0.01%	0.01%
Total noncurrent assets	<u>79.13%</u>	<u>77.24%</u>	<u>81.52%</u>	<u>82.85%</u>	<u>79.35%</u>	<u>77.74%</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	
	2014	2015	2014	2015	2014	2015
Current assets	91.84%	93.18%	8.16%	6.82%	100.00%	100.00%
Noncurrent assets:						
Capital assets, net of depreciation	90.60%	90.55%	9.40%	9.45%	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>90.63%</u>	<u>90.57%</u>	<u>9.37%</u>	<u>9.43%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Assets	<u>90.88%</u>	<u>91.15%</u>	<u>9.12%</u>	<u>8.85%</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.

Likewise, in fiscal year 2015, the City implemented GASB Statement No. 68, “Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and it also implemented GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. For Hoover, these deferred outflows represent employer contributions paid by the City to the Retirement System of Alabama (RSA) subsequent to the measurement date of September 30, 2015. Below is a comparison of deferred outflows for fiscal year 2015.

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

Category	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Employer contributions subsequent to the measurement date	\$ -	\$ 4,589,405	\$ -	\$ -	\$ -	\$ 4,589,405
Deferred amount on debt refunding	<u>3,853,077</u>	<u>2,780,647</u>	<u>81,587</u>	<u>1,651,480</u>	<u>3,934,664</u>	<u>4,432,127</u>
Total deferred outflow of resources	<u>\$ 3,853,077</u>	<u>\$ 7,370,052</u>	<u>\$ 81,587</u>	<u>\$ 1,651,480</u>	<u>\$ 3,934,664</u>	<u>\$ 9,021,532</u>
	97.93%	81.69%	2.07%	18.31%	100.00%	100.00%

Governmental activities comprise most of these deferred outflows, representing 81.69% compared to 18.31% in business-type activities for fiscal year 2015. This percentage breakdown changed considerably due to a sewer debt refunding for business-type activities.

Liabilities

The City’s total liabilities on its Statement of Net Position totaled \$158,674,745 of which \$131,610,068 or 82.94% was from governmental activities. This resulted in an increase of \$39,553,677 for liabilities in governmental activities in fiscal year 2015 compared with fiscal year 2014’s liabilities of \$92,056,391. The majority of this was due to the aforementioned implementation of GASB Statement No. 68 and the net pension liability that was added in excess of \$50 million. Most of the other difference was due to debt service payments on the principal of debt.

Business-type activities made up \$27,064,679, or 17.06% of total liabilities for fiscal year 2015. This represented an increase from the previous year of \$469,658. This change was mostly due to the debt service payments and refinancing activity related to the sewer enterprise fund. Even though the overall dollar value of these liabilities increased, the percentage to total liabilities decreased from 22.41% to 17.06% for the government. This was due to the addition of the net pension liability 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, net pension liability and claims payable comprise 85.66% of total liabilities, with current liabilities comprising 14.34%. The percentage represented changed from fiscal year 2014, which was 81.29% and 18.71% respectively.

Breakdown of Liabilities - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current liabilities:						
Accounts payable and other accrued liabilities	\$ 7,973,142	\$ 8,691,188	\$ 270,661	\$ 422,069	\$ 8,243,802	\$ 9,113,256
Internal payable	8,329	6,430	(8,329)	(6,430)	-	-
Bonds and warrants payable, net	7,543,251	7,691,244	1,200,298	1,332,070	8,743,549	9,023,314
Compensated absences	4,152,508	3,967,755	11,957	13,268	4,164,465	3,981,023
Net opeb obligation	-	-	-	-	-	-
Claims payable workers compensation	139,444	76,973	-	-	139,444	76,973
Claims payable property and casualty	904,085	560,584	-	-	904,085	560,584
Total current liabilities	20,720,759	20,994,175	1,474,586	1,760,977	22,195,345	22,755,152
Long-term liabilities:						
Bonds and warrants payable, net	59,222,221	51,530,977	25,106,123	25,290,055	84,328,344	76,821,032
Compensated absences	7,243,277	8,177,214	14,312	13,646	7,257,589	8,190,860
Net pension liability	-	46,292,192	-	-	-	46,292,192
Net opeb obligation	3,030,914	3,223,088	-	-	3,030,914	3,223,088
Claims payable workers compensation	807,568	565,022	-	-	807,568	565,022
Claims payable property and casualty	1,031,651	827,399	-	-	1,031,651	827,399
Total long-term liabilities	71,335,632	110,615,893	25,120,435	25,303,701	96,456,066	135,919,592
Total Liabilities	\$ 92,056,391	\$ 131,610,068	\$ 26,595,021	\$ 27,064,679	\$ 118,651,412	\$ 158,674,745

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

Category	2014	2015	2014	2015	2014	2015
Current liabilities	22.51%	15.95%	5.54%	6.51%	18.71%	14.34%
Long-term liabilities	77.49%	84.05%	94.46%	93.49%	81.29%	85.66%
Total Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Category	2014	2015	2014	2015	2014	2015
Current liabilities	93.36%	92.26%	6.64%	7.74%	100.00%	100.00%
Long-term liabilities	73.96%	71.77%	26.04%	28.23%	100.00%	100.00%
Total Liabilities	77.59%	82.94%	22.41%	17.06%	100.00%	100.00%

Deferred Inflows of Resources

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

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

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

Category	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 3,889,133	\$ -	\$ -	\$ -	\$ 3,889,133
Total deferred inflow of resources	\$ -	\$ 3,889,133	\$ -	\$ -	\$ -	\$ 3,889,133

Net Position

The City's entity-wide net position totaled \$353,079,105. Governmental activities comprised \$333,644,368 or 94.50% of the total net position for fiscal year 2015. This represented a decrease of \$43,980,196, or 13.18%, prior to the restatement of net position due to the addition of the \$46.1 million net pension liability. In addition, net investment in capital assets decreased by over \$5 million, which was offset by an increase in net position restricted for other purposes (funds that are restricted in their purpose) of \$1.1 million. With the restatement, net position increased by \$2.2 million in fiscal year 2015 compared with fiscal year 2014 (restated).

Business-type activities made up \$19,434,737, or 5.50% of total net position for fiscal year 2015. This represented a decrease of \$825,031, but the percentage represented was relatively the same in comparison with fiscal year 2014, which was 5.09%. Most of this decrease was due to the decrease in capital assets (net of depreciation) discussed previously.

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

Summary of Net Position - Primary Government - Actual

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Net investment in capital assets	\$ 304,558,480	\$ 299,427,874	\$ 13,354,039	\$ 12,632,753	\$ 317,912,519	\$ 312,060,628
Restricted for other purposes	17,259,510	18,412,864	-	-	17,259,510	18,412,864
Unrestricted (deficit)	<u>55,806,575</u>	<u>15,803,631</u>	<u>6,905,729</u>	<u>6,801,984</u>	<u>62,712,304</u>	<u>22,605,615</u>
Total net position	377,624,564	333,644,368	20,259,768	19,434,737	397,884,333	353,079,105
Prior period adjustment (Note #14)	<u>(46,176,687)</u>	-	-	-	<u>(46,176,687)</u>	-
Net position at end of year restated	<u>\$ 331,447,877</u>	<u>\$ 333,644,368</u>	<u>\$ 20,259,768</u>	<u>\$ 19,434,737</u>	<u>\$ 351,707,646</u>	<u>\$ 353,079,105</u>

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

	2014	2015	2014	2015	2014	2015
Net investment in capital assets	80.65%	89.74%	65.91%	65.00%	79.90%	88.38%
Restricted for other purposes	4.57%	5.52%	0.00%	0.00%	4.34%	5.21%
Unrestricted (deficit)	<u>14.78%</u>	<u>4.74%</u>	<u>34.09%</u>	<u>35.00%</u>	<u>15.76%</u>	<u>6.40%</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

	2014	2015	2014	2015	2014	2015
Net investment in capital assets	95.80%	95.95%	4.20%	4.05%	100.00%	100.00%
Restricted for other purposes	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Unrestricted (deficit)	<u>88.99%</u>	<u>69.91%</u>	<u>11.01%</u>	<u>30.09%</u>	<u>100.00%</u>	<u>100.00%</u>
Total net position	<u>94.91%</u>	<u>94.50%</u>	<u>5.09%</u>	<u>5.50%</u>	<u>100.00%</u>	<u>100.00%</u>

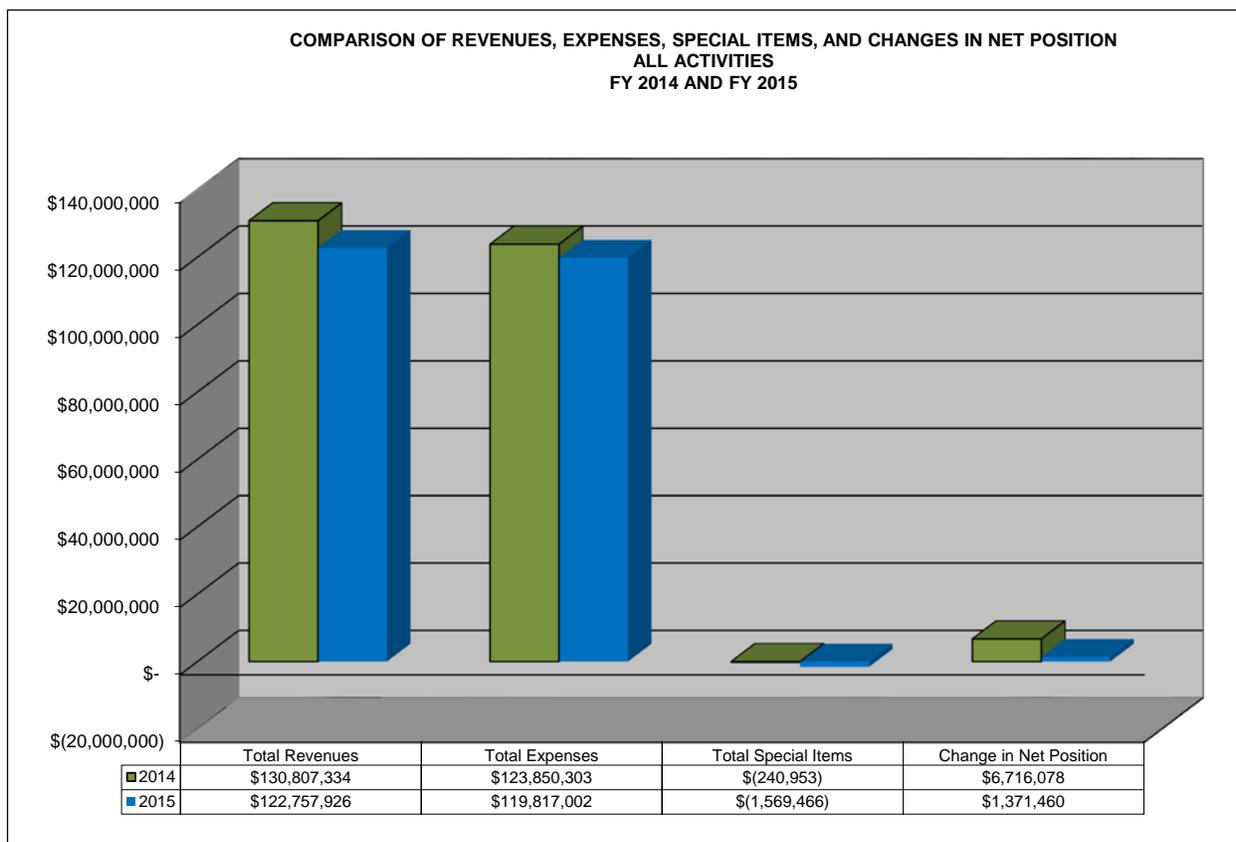
The largest portion of the City's assets is restricted or invested in capital assets. In particular, \$312,060,628, or 88.38% is invested in capital assets such as buildings, roads and bridges, less any related debt used to acquire those assets that is still outstanding, and \$18,412,864, or 5.21% is restricted for other various purposes. Thus, the total percentage of restricted assets totaled 93.60% for fiscal year 2015, as compared with fiscal year 2014 at 84.24%.

At the same time, the City has \$22,605,615 or 6.40% of assets available in unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. Overall, this decreased by \$40,106,689 from fiscal year 2014 to fiscal year 2015, with governmental activities representing a \$40,002,944 decrease, while the business-type activities decreased \$103,745.

As mentioned above, the largest portion of the City's net position (88.38%) 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 2015 was an increase of \$1,371,460 compared with the fiscal year ended 2014 change in net position that had an increase of \$6,716,078, a difference of \$5,344,618. There are several reasons for this difference that relate to both revenue and expenses.



In terms of revenues, overall revenues decreased by over \$8 million. Capital grants and contributions decreased by \$10.4 million, while other taxes and unrestricted investment income

increased by \$1 million and \$767,371, respectively. Capital grants and contributions decreased because in fiscal year 2014 some assets were donated, including 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). Fiscal year 2015 did not have similar valued assets donated and thus, the large decrease in this category of revenues.

Expenses decreased by over \$4 million. Highway and roadway improvements accounted for \$4.8 million of this decrease, offset by smaller increases in other categories. In fiscal year 2014, 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. Public safety comprises the largest expense category, but represented only a .54% increase, or \$253,432. 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	
	2014	2015	2014	2015	2014	2015
REVENUES						
Program Revenues:						
Charges for services	\$ 16,108,079	\$ 16,582,985	\$ 4,130,508	\$ 4,139,558	\$ 20,238,587	\$ 20,722,543
Operating grants and contributions	3,860,242	3,497,085	-	-	3,860,242	3,497,085
Capital grants and contributions	11,649,800	1,207,074	-	-	11,649,800	1,207,074
General Revenues:						
Sales and use taxes	68,237,337	68,640,577	-	-	68,237,337	68,640,577
Property taxes	10,354,931	10,448,442	-	-	10,354,931	10,448,442
Other taxes	11,727,171	12,800,135	-	-	11,727,171	12,800,135
Intergovernmental revenue not restricted	2,895,221	2,918,648	-	-	2,895,221	2,918,648
Unrestricted Investment income	1,343,548	2,099,396	35,602	47,125	1,379,150	2,146,521
Gain (loss) on asset disposals	223,742	51,946	9,200	-	232,942	51,946
Other revenue	231,953	324,955	-	-	231,953	324,955
Total Revenues	<u>\$ 126,632,027</u>	<u>\$ 118,571,243</u>	<u>\$ 4,175,310</u>	<u>\$ 4,186,683</u>	<u>\$ 130,807,334</u>	<u>\$ 122,757,926</u>
EXPENSES						
Program Activities:						
General government	\$ 13,822,304	\$ 13,788,965	\$ -	\$ -	\$ 13,822,304	\$ 13,788,965
Public safety	46,571,430	46,824,862	-	-	46,571,430	46,824,862
Library	6,821,645	7,097,783	-	-	6,821,645	7,097,783
Municipal court	1,711,093	1,827,071	-	-	1,711,093	1,827,071
Sanitation	6,398,905	6,523,566	-	-	6,398,905	6,523,566
Education	2,000,000	2,345,881	-	-	2,000,000	2,345,881
Highway and roadway improvements	28,449,260	23,596,944	-	-	28,449,260	23,596,944
Recreation services	9,859,747	10,201,973	-	-	9,859,747	10,201,973
Health	69,022	71,658	-	-	69,022	71,658
Interest and fiscal charges	2,720,810	2,526,584	-	-	2,720,810	2,526,584
Redevelopment	-	-	-	-	-	-
Sewer services	-	-	5,426,087	5,011,715	5,426,087	5,011,715
Total Expenses	<u>\$ 118,424,217</u>	<u>\$ 114,805,288</u>	<u>\$ 5,426,087</u>	<u>\$ 5,011,715</u>	<u>\$ 123,850,303</u>	<u>\$ 119,817,002</u>
Excess (deficiency) before transfers	8,207,810	3,765,955	(1,250,776)	(825,031)	6,957,031	2,940,924
Transfers	-	-	-	-	-	-
SPECIAL ITEMS						
Revenue rebate to developer	(240,953)	(1,569,466)	-	-	(240,953)	(1,569,466)
Total special items	<u>\$ (240,953)</u>	<u>\$ (1,569,466)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (240,953)</u>	<u>\$ (1,569,466)</u>
CHANGE IN NET POSITION	7,966,854	2,196,491	(1,250,776)	(825,031)	6,716,078	1,371,460
NET POSITION, BEGINNING OF YEAR	369,657,710	331,447,877	21,510,544	20,259,768	391,168,255	351,707,646
NET POSITION AT END OF YEAR	377,624,564	333,644,368	20,259,768	19,434,737	397,884,333	353,079,106
PRIOR PERIOD ADJUSTMENT	(46,176,687)	-	-	-	(46,176,687)	-
NET POSITION AT END OF YEAR RESTATED	<u>\$ 331,447,877</u>	<u>\$ 333,644,368</u>	<u>\$ 20,259,768</u>	<u>\$ 19,434,737</u>	<u>\$ 351,707,646</u>	<u>\$ 353,079,106</u>

As mentioned previously, revenues and expenses both decreased, but still resulted in an overall increase in net position of \$1,317,460, which was a decrease of \$5,344,618 over fiscal year 2014. Almost all of this change was reflected in the governmental activities.

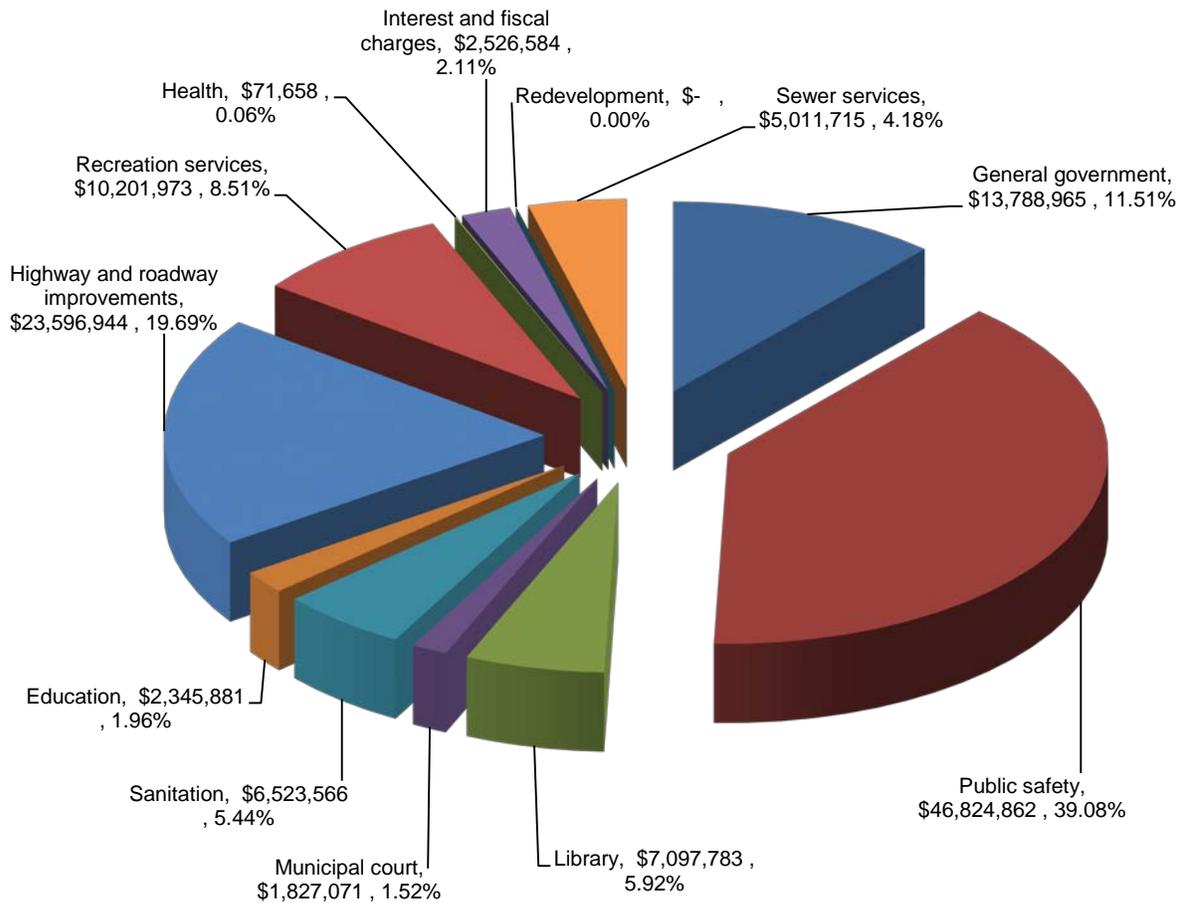
The schedule below shows the % change in detail by each category.

Category	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
REVENUES						
Program Revenues:						
Charges for services	12.72%	13.99%	98.93%	98.87%	15.47%	16.88%
Operating grants and contributions	3.05%	2.95%	0.00%	0.00%	2.95%	2.85%
Capital grants and contributions	9.20%	1.02%	0.00%	0.00%	8.91%	0.98%
General Revenues:						
Sales and use taxes	53.89%	57.89%	0.00%	0.00%	52.17%	55.92%
Property taxes	8.18%	8.81%	0.00%	0.00%	7.92%	8.51%
Other taxes	9.26%	10.80%	0.00%	0.00%	8.97%	10.43%
Intergovernmental revenue not restricted	2.29%	2.46%	0.00%	0.00%	2.21%	2.38%
Unrestricted Investment income	1.06%	1.77%	0.85%	1.13%	1.05%	1.75%
Gain on sale of disposed equipment	0.18%	0.04%	0.22%	0.00%	0.18%	0.04%
Other revenue	0.18%	0.27%	0.00%	0.00%	0.18%	0.26%
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	11.67%	12.01%	0.00%	0.00%	11.16%	11.51%
Public safety	39.33%	40.79%	0.00%	0.00%	37.60%	39.08%
Library	5.76%	6.18%	0.00%	0.00%	5.51%	5.92%
Municipal court	1.44%	1.59%	0.00%	0.00%	1.38%	1.52%
Sanitation	5.40%	5.68%	0.00%	0.00%	5.17%	5.44%
Education	1.69%	2.04%	0.00%	0.00%	1.61%	1.96%
Highway and roadway improvements	24.02%	20.55%	0.00%	0.00%	22.97%	19.69%
Recreation services	8.33%	8.89%	0.00%	0.00%	7.96%	8.51%
Health	0.06%	0.06%	0.00%	0.00%	0.06%	0.06%
Interest and fiscal charges	2.30%	2.20%	0.00%	0.00%	2.20%	2.11%
Redevelopment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sewer services	0.00%	0.00%	100.00%	100.00%	4.38%	4.18%
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 39.08% of the total expenses on the Statement of Activities. After the highway and road improvement category that represented 19.69% of expenses, general government, recreation services (including park maintenance), and the library comprised 11.51%, 8.51%, and 5.92% of expenses, respectively. Interest and fiscal charges, which represent mandatory spending (as opposed to discretionary spending) represented only 2.11% of total expenses.

**Functions as a Percentage of Total Expenses - All Activities
FY 2015**



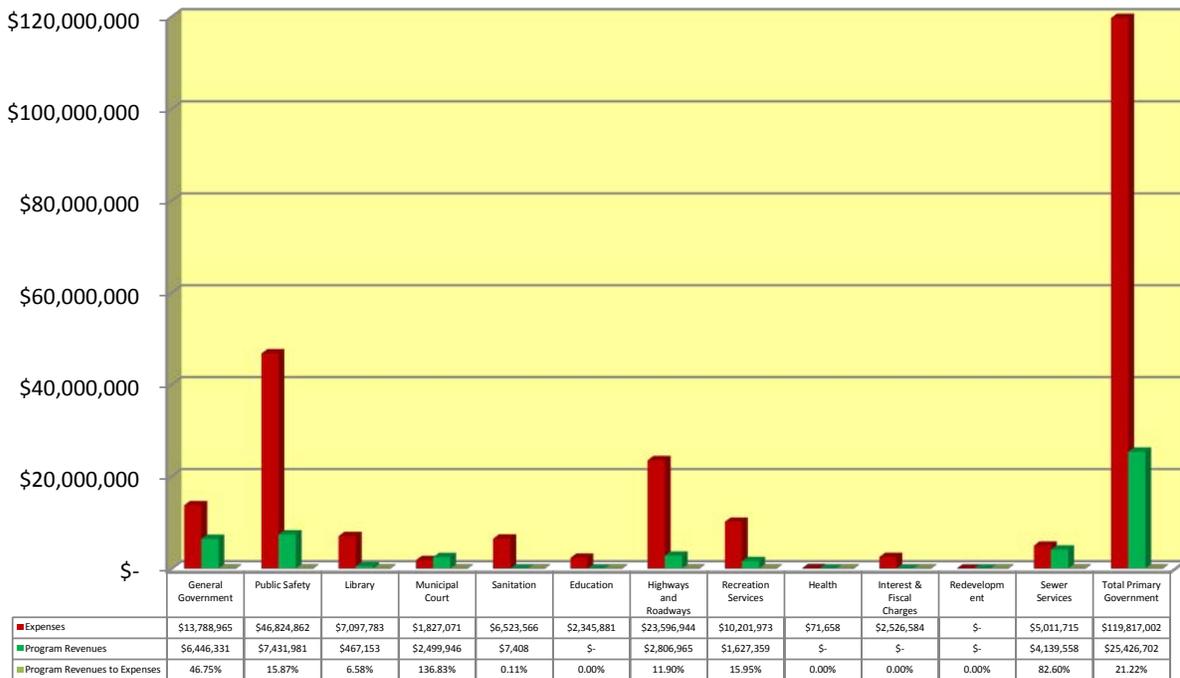
The chart above illustrates the entire expense breakdown by function and corresponding percentage for fiscal year 2015. The percentages match closely with those of fiscal year 2014 except for highway and roadway improvements, which decreased from 22.97% in 2014 to 19.69% in 2015 due to a lower amount of non-capitalized outlays for road projects in fiscal year 2015. The City may expend funds to improve roadways in its city limits, but are owned/maintained by other entities, and are thus not capitalized.

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 function makes up the largest program income category, comprising \$7,431,981. Public safety consists of various sources related to police, fire, dispatch and inspections, including various grants and building permits.

Expenses and Program Revenues - All Activities
FY 2015



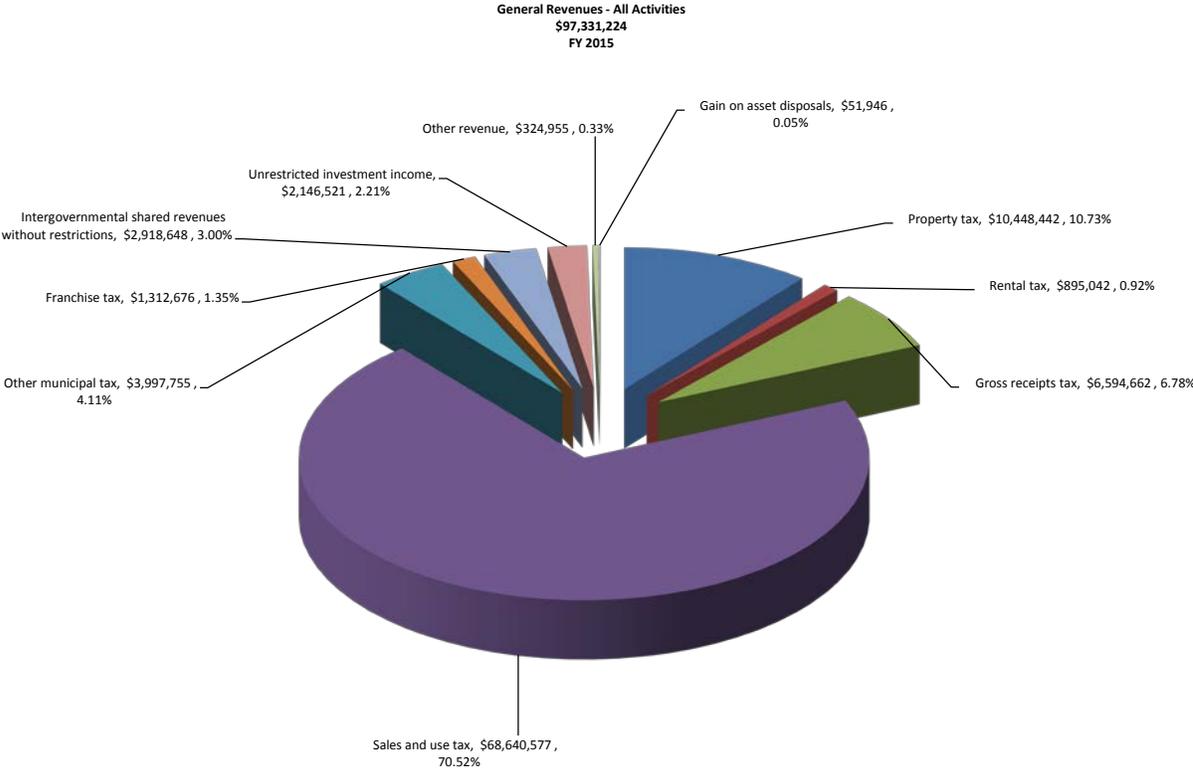
In addition, Municipal Court was the only program that took in more program revenue than they had expenses. For fiscal year 2015, Municipal Court had expenses totaling \$1,827,071 and program revenues totaling \$2,499,946, which represented 136.83% of revenues to expenses. It is important to note that 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 2015 totaled \$5,011,715 and program revenues totaled \$4,139,558, which represented 82.60% 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 2014, where the offset was only 76.12%.

General Revenues

As a whole, primary government programs offset 21.22% of their total expenses (\$119,817,002) from program revenue (\$25,426,702). General revenues help to offset the balance of these programs by \$97,331,224.

Sales and use tax encompass the overwhelming percentage of general revenues, making up \$68,640,577 of them, which is 70.52% of total general revenues. The second largest category that contributes to general revenues is property tax, which comprised \$10,448,442 or 10.73% of total revenues. Gross receipts taxes from public utilities and insurance companies comprised the third largest source of general revenue bringing in \$6,594,662, or 6.78%.



Also in fiscal year 2015, the City rebated \$1,569,466 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 \$2,196,491 for the primary government. As a result, along with the decrease in net position for the business-type activities of \$825,031, the net position at the end of the year totaled \$353,079,106 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 92-94 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 \$2,467,950 in net position, while the health insurance - retirees - internal service fund ended the year with (\$2,050,058) 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 \$849,236 in net position, while the property and casualty internal service fund, ended the year with \$616,388 in net position, for a combined total in all internal service funds of \$1,883,516 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 health insurance - actives 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 2015.

	2015			Total Governmental Funds
	Governmental Funds			
	General Fund	Capital Projects Fund	Other Governmental Funds	
Total revenues	\$ 109,927,119	\$ 196,345	\$ 8,608,973	\$ 118,732,437
Total expenditures	89,431,639	9,467,987	9,669,499	108,569,126
Total other financing sources (uses)	<u>(18,826,014)</u>	<u>16,612,135</u>	<u>2,213,879</u>	<u>-</u>
Total special items	<u>(1,569,466)</u>	-	-	<u>(1,569,466)</u>
Net change in fund balances	100,000	7,340,493	1,153,353	8,593,846
Fund balances, beginning of year	<u>31,800,000</u>	<u>32,591,768</u>	<u>17,259,510</u>	<u>81,651,277</u>
Fund balances, end of year	<u><u>\$ 31,900,000</u></u>	<u><u>\$ 39,932,260</u></u>	<u><u>\$ 18,412,862</u></u>	<u><u>\$ 90,245,123</u></u>
Percent of fund balance to expenditures	35.67%	421.76%	190.42%	83.12%

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, 2015, the City of Hoover's governmental funds reported combined ending fund balances of \$90,245,123. Approximately \$30,630,928 or 33.94% constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of the fund balance is non-spendable (.21%) restricted (20.40%), committed (44.25%), or assigned (1.20%). These fund balance categories are defined in the Notes to the Financial Statements.

In fiscal year 2014, the combined governmental ending fund balances were \$81,651,277. The total end of the year fund balances increased by \$8,593,846 from fiscal 2014 to fiscal 2015. This increase was actualized as follows: General Fund - \$100,000, Capital Projects Fund - \$7,340,493, and Other Governmental Funds - \$1,153,353. 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, 2015, the total fund balance of the general fund was \$31,900,000 as compared with September 30, 2014 where it was \$31,800,000, an increase of \$100,000. The end of the year fund balance for fiscal year 2015 represents approximately 35.67% 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, 2015, the total ending fund balance for the capital projects fund was \$39,932,260. For the fiscal year, a transfer from the general fund in the amount of \$16,612,135 offset the total expenditures during the year of \$9,467,987, with a net increase to the fund of \$7,340,493 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, 2015, although all of the fund balance shows as committed, the total city portion of ongoing projects from this fund is estimated at \$17,481,576. The balance, \$22,450,684 is not dedicated to specific projects and is available to be allocated to future projects as needed. The fiscal year 2016 budget did dedicate most 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 \$379,062. As shown below, budgeted revenues increased by \$9,549,882, or 9.48% of the original budget. This was mostly due to an increase in tax revenue over the original projection by over \$5 million.

The total expenditure budget decreased by \$6,624,240, or 6.89%. 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	\$ 86,132,785	\$ 91,919,371	\$ 5,786,586	6.72 %
Licenses and permits	7,591,600	8,340,460	748,860	9.86
Intergovernmental	1,488,500	1,748,693	260,193	17.48
Fines and forfeits	1,285,000	1,288,544	3,544	0.28
Investment income	800,100	2,091,732	1,291,632	161.43
Rents and royalties	815,468	1,215,518	400,050	49.06
Contributions and reimbursements	886,767	1,134,418	247,651	27.93
Charges for services	1,537,900	1,718,900	181,000	11.77
Other	199,000	829,366	630,366	316.77
Total revenues	<u>100,737,120</u>	<u>110,287,002</u>	<u>9,549,882</u>	<u>9.48 %</u>
Expenditures				
Current operations				
General government	15,555,339	12,575,725	(2,979,614)	-19.15 %
Public safety	40,617,193	38,861,842	(1,755,351)	-4.32
Library	6,689,018	6,682,003	(7,015)	-0.10
Municipal court	183,317	169,527	(13,790)	-7.52
Sanitation	6,629,516	6,523,568	(105,948)	-1.60
Education	2,000,000	2,345,881	345,881	17.29
Highway and roadway improvements	4,895,422	4,406,595	(488,827)	-9.99
Recreation services	9,371,565	8,208,053	(1,163,512)	-12.42
Health	69,755	71,659	1,904	2.73
Total	<u>86,011,125</u>	<u>79,844,853</u>	<u>(6,166,272)</u>	<u>-7.17 %</u>
Capital outlays	844,535	639,317	(205,218)	-24.30 %
Debt service				
Principal	6,875,000	6,875,000	-	0.00 %
Interest	2,396,566	2,143,816	(252,750)	-10.55
Issuance costs	-	-	-	
Fiscal agent fees	2,200	2,200	-	0.00
Total expenditures	<u>96,129,426</u>	<u>89,505,186</u>	<u>(6,624,240)</u>	<u>-6.89 %</u>
Excess (deficiency) of revenues over (under) expenditures	4,607,694	20,781,816	16,174,122	3.51
Other financing sources (uses)				
Transfers in	26,381,216	22,393,347	(3,987,869)	-0.15 %
Transfers out	(29,442,972)	(41,281,893)	(11,838,921)	0.40
Payment to refund bond escrow agent	-	-	-	0.00
Total other financing sources (uses)	<u>(3,061,756)</u>	<u>(18,888,546)</u>	<u>(15,826,790)</u>	<u>5.17 %</u>
Special items				
Revenue rebate to developer	(1,825,000)	(1,793,270)	31,730	100.00 %
Total special items	<u>(1,825,000)</u>	<u>(1,793,270)</u>	<u>31,730</u>	<u>100.00</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (279,062.00)</u>	<u>\$ 100,000</u>	<u>\$ 379,062</u>	<u>100.00 %</u>
Fund balances, beginning of year	31,800,000	31,800,000	-	
Fund balances, end of year	31,520,938	31,900,000	379,062	1.20% %

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.

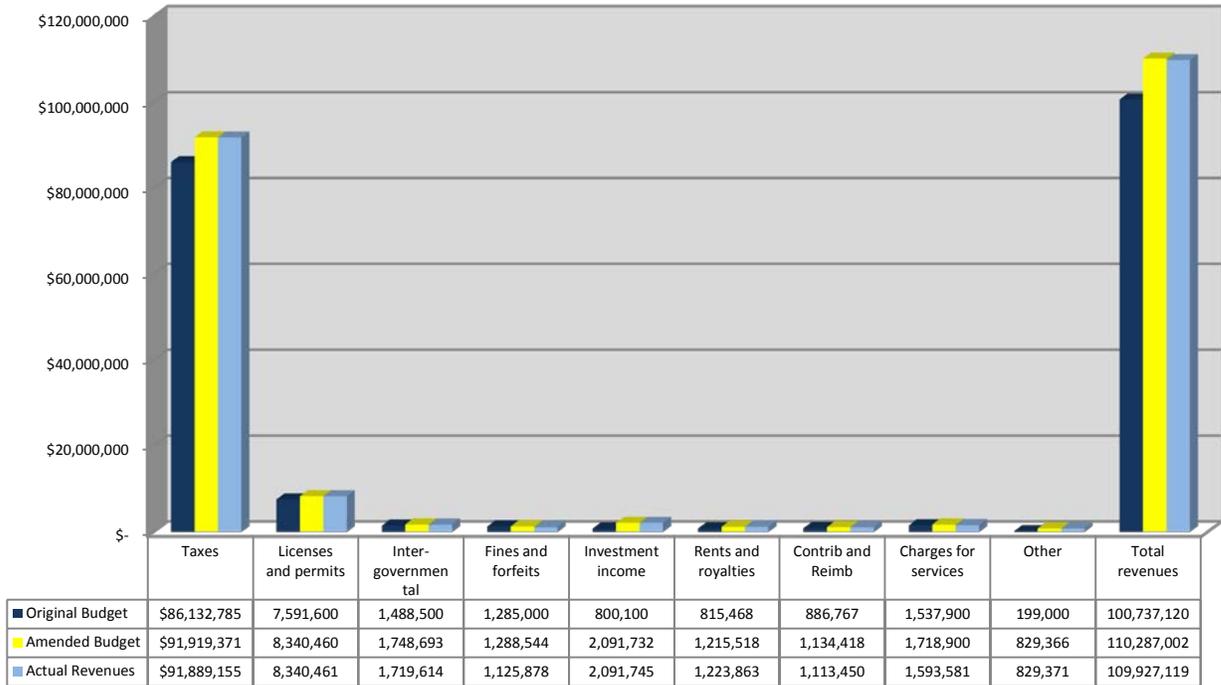
Revenues came in at \$359,883 less than the amended projection, but \$9,189,993 more than the original projection. Revenue accounts with surplus are amended to equal the actual revenues, but those accounts that did not meet projections are not affected, which is why unfavorable balance exists in certain categories. Fines and forfeitures represented the largest portion of this shortfall.

Total expenditures were \$73,545 less than the amended budget. Most of this was related to capital outlays. Compared to the original budget, total expenditures were \$6.6 million less than projected.

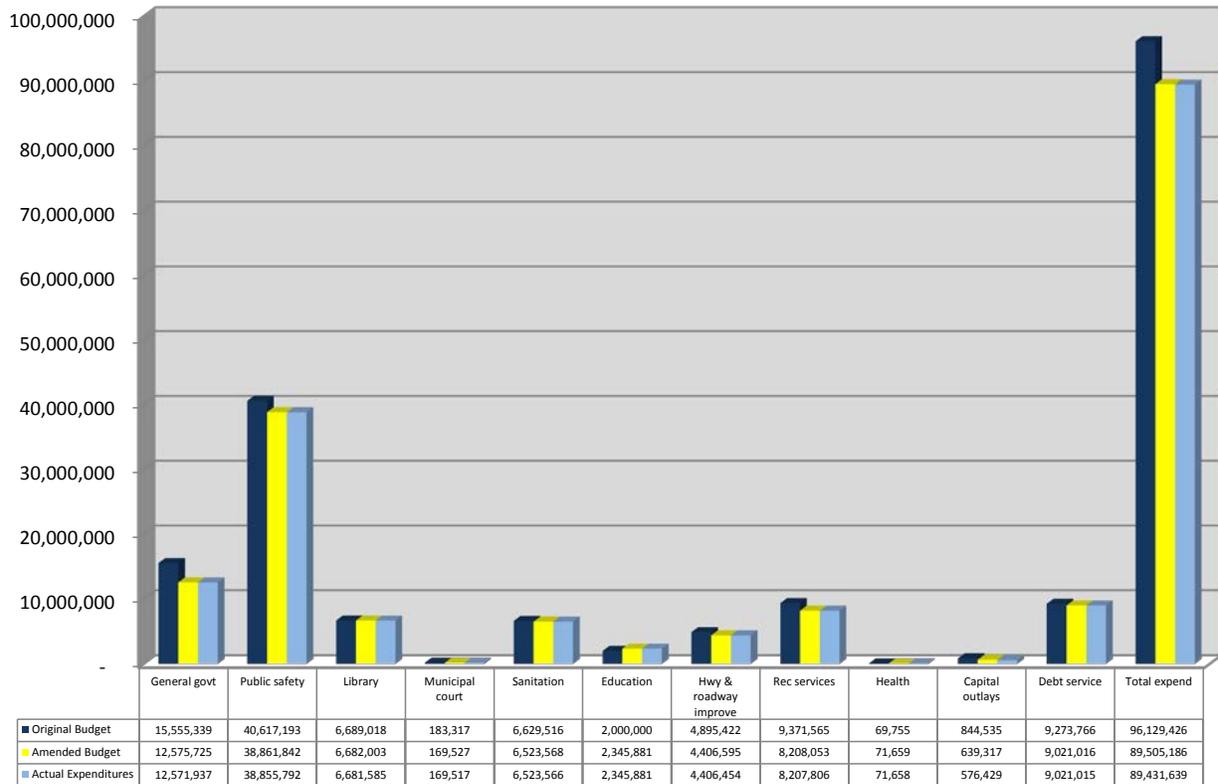
General Fund Original Budget, and Amended Budget to Actual					
	Original Budget	Amended Budget	Actual	Amended Variance Favorable (Unfavorable)	% Difference Between Amended Budget and Actual Expenditure
Revenues					
Taxes	\$ 86,132,785	\$ 91,919,371	\$ 91,889,155	\$ (30,216)	-0.03 %
Licenses and permits	7,591,600	8,340,460	8,340,461	1	0.00
Intergovernmental	1,488,500	1,748,693	1,719,614	(29,079)	-1.66
Fines and forfeits	1,285,000	1,288,544	1,125,878	(162,666)	-12.62
Investment income	800,100	2,091,732	2,091,745	13	0.00
Rents and royalties	815,468	1,215,518	1,223,863	8,345	0.69
Contributions and reimbursements	886,767	1,134,418	1,113,450	(20,968)	-1.85
Charges for services	1,537,900	1,718,900	1,593,581	(125,319)	-7.29
Other	199,000	829,366	829,371	5	0.00
Total revenues	<u>100,737,120</u>	<u>110,287,002</u>	<u>109,927,118</u>	<u>(359,883)</u>	<u>-0.33</u>
Expenditures					
Current operations					
General government	15,555,339	12,575,725	12,571,937	3,788	0.03
Public safety	40,617,193	38,861,842	38,855,792	6,050	0.02
Library	6,689,018	6,682,003	6,681,585	418	0.01
Municipal court	183,317	169,527	169,517	10	0.01
Sanitation	6,629,516	6,523,568	6,523,566	2	0.00
Education	2,000,000	2,345,881	2,345,881	-	0.00
Highway & roadway improvements	4,895,422	4,406,595	4,406,454	141	0.00
Recreation services	9,371,565	8,208,053	8,207,806	247	0.00
Health	69,755	71,659	71,658	1	0.00
Total	<u>86,011,125</u>	<u>79,844,853</u>	<u>79,834,195</u>	<u>10,658</u>	<u>0.01</u>
Capital outlays	844,535	639,317	576,429	62,888	9.84
Debt service					
Principal	6,875,000	6,875,000	6,875,000	-	0.00
Interest	2,396,566	2,143,816	2,143,815	1	0.00
Fiscal agent fees	2,200	2,200	2,200	-	0.00
Total expenditures	<u>96,129,426</u>	<u>89,505,186</u>	<u>89,431,639</u>	<u>73,545</u>	<u>0.08</u>
Excess (deficiency) of revenues over (under) expenditures	4,607,694	20,781,816	20,495,480	(286,336)	-1.38
Other financing sources (uses)					
Transfers in	26,381,216	22,393,347	22,332,288	(61,059)	-0.27
Transfers out	(29,442,972)	(41,281,893)	(41,158,302)	123,591	-0.30
Payment to refund bond escrow agent	-	-	-	-	0.00
Total other financing sources (uses)	<u>(3,061,756)</u>	<u>(18,888,546)</u>	<u>(18,826,014)</u>	<u>62,533</u>	<u>-0.33</u>
Special items					
Revenue rebate to developer	(1,825,000)	(1,793,270)	(1,569,466)	223,804	-12.48
Total special items	<u>(1,825,000)</u>	<u>(1,793,270)</u>	<u>(1,569,466)</u>	<u>223,804</u>	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ (279,062)</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (1)</u>	<u>100.00 %</u>
Fund balances, beginning of year			<u>31,800,000</u>		
Fund balances, end of year			<u>\$ 31,900,000</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 2015.

GENERAL FUND BUDGET - REVENUES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL REVENUE
FY 2015



GENERAL FUND BUDGET - EXPENDITURES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL EXPENDITURES
FY 2015



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, 2015, amounts to \$393,026,916 (net of accumulated depreciation). This was an overall decrease of \$12,574,460 from fiscal year 2014 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 2015. The Sewer Enterprise fund added \$1,373,392 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 \$973,033.

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 \$56,235,000 of governmental debt and \$24,945,000 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 \$352,842,215, which is significantly in excess of the City of Hoover's outstanding general obligation debt by \$296,607,215. 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 2015 was another financially successful year for the City. During fiscal year 2015, the City almost surpassed \$110 million in general fund revenue. Taxes overall increased, while sales and use tax collections maintained some growth. 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 (\$68.6 million).

As indicated previously, sales and use tax grew slowly by .65% over the prior fiscal year from \$68,237,337 in fiscal year 2014 to \$68,640,577 in fiscal year 2015. As a result of this small 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 \$30,630,928. 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 2015 was 4.1%, which increased slightly from 2014's number of 4.0%. 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 2015 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, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 96,401,525	\$ 7,308,963	\$ 103,710,488
Receivables:			
Taxes	6,093,114	-	6,093,114
Accounts	1,811,790	381,505	2,193,295
Statutory actuarial receivable	320,888	-	320,888
Due from other governments	141,996	-	141,996
Inventories	122,626	-	122,626
Prepaid items	200,125	-	200,125
Total current assets	<u>105,092,064</u>	<u>7,690,468</u>	<u>112,782,532</u>
Noncurrent assets			
Capital assets			
Depreciable:			
Buildings/improvements to buildings	107,729,082	26,626,760	134,355,842
Storm sewer inventory/drainage improvements	59,045,194	-	59,045,194
Equipment and vehicles	42,247,357	886,237	43,133,594
Improvements o/t buildings	20,229,560	21,409,452	41,639,012
Streets and bridges	248,420,802	-	248,420,802
Other infrastructure	8,709,565	24,342,368	33,051,932
Accumulated depreciation	(172,206,381)	(39,340,254)	(211,546,635)
Non-depreciable:			
Land	38,277,870	1,670,000	39,947,870
Construction in progress - other	3,416,399	1,562,905	4,979,305
Total capital assets, net of depreciation	<u>355,869,448</u>	<u>37,157,468</u>	<u>393,026,916</u>
Statutory actuarial receivable	759,639	-	759,639
Long-term receivables	52,364	-	52,364
Total noncurrent assets	<u>356,681,451</u>	<u>37,157,468</u>	<u>393,838,919</u>
Total assets	<u>461,773,515</u>	<u>44,847,936</u>	<u>506,621,451</u>
Deferred outflows of resources			
Employer contributions subsequent to the measurement date	4,589,405	-	4,589,405
Deferred amount on debt refunding	2,780,647	1,651,480	4,432,127
Total deferred outflows of resources	<u>7,370,052</u>	<u>1,651,480</u>	<u>9,021,532</u>
Liabilities			
Current liabilities payable from current assets			
Accounts payable and accrued liabilities	\$ 8,463,553	\$ 349,488	\$ 8,813,042
Interest payable	168,827	72,581	241,407
Unearned revenue	56,025	-	56,025
Refundable deposits	2,783	-	2,783
Internal payable	6,430	(6,430)	-
Current maturities of long-term liabilities:			
Bonds and warrants payable, net	7,691,244	1,332,070	9,023,315
Compensated absences	3,967,755	13,268	3,981,023
Claims payable workers compensation	76,973	-	76,973
Claims payable property and casualty	560,584	-	560,584
Total current liabilities	<u>20,994,175</u>	<u>1,760,977</u>	<u>22,755,152</u>
Long-term liabilities			
Bonds and warrants payable, net	51,530,977	25,290,055	76,821,032
Compensated absences	8,177,214	13,646	8,190,860
Net pension liability	46,292,192	-	46,292,192
Net opeb obligation	3,223,088	-	3,223,088
Claims payable workers compensation	565,022	-	565,022
Claims payable property and casualty	827,399	-	827,399
Total noncurrent liabilities	<u>110,615,891</u>	<u>25,303,701</u>	<u>135,919,592</u>
Total liabilities	<u>131,610,066</u>	<u>27,064,679</u>	<u>158,674,745</u>
Deferred inflows of resources			
Net difference between projected and actual earnings on pension plan investments	3,889,133	-	3,889,133
Net Position			
Net investment in capital assets	299,427,874	12,632,753	312,060,628
Restricted for:			
Public safety	2,341,416	-	2,341,416
Municipal court	2,152,399	-	2,152,399
General government	5,403,363	-	5,403,363
Recreation services	12,238	-	12,238
Highway and roadway improvements	8,503,448	-	8,503,448
Unrestricted (deficit)	<u>15,803,631</u>	<u>6,801,984</u>	<u>22,605,615</u>
Total net position	<u>\$ 333,644,368</u>	<u>\$ 19,434,737</u>	<u>\$ 353,079,105</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, 2015

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
	Expenses	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	\$ 13,788,965	\$ 6,310,446	\$ 135,885	\$ -	\$ (7,342,634)	\$ (7,342,634)
Public safety	46,824,862	5,739,816	1,648,296	43,869	(39,392,880)	(39,392,880)
Library	7,097,783	385,235	81,918	-	(6,630,631)	(6,630,631)
Municipal court	1,827,071	2,423,590	76,356	-	672,875	672,875
Sanitation	6,523,566	7,408	-	-	(6,516,159)	(6,516,159)
Education	2,345,881	-	-	-	(2,345,881)	(2,345,881)
Highway and roadway improvements	23,596,944	203,927	1,439,833	1,163,205	(20,789,978)	(20,789,978)
Recreation services	10,201,973	1,512,562	114,797	-	(8,574,614)	(8,574,614)
Health	71,658	-	-	-	(71,658)	(71,658)
Interest and fiscal charges	2,526,584	-	-	-	(2,526,584)	(2,526,584)
Total governmental activities	<u>114,805,288</u>	<u>16,582,985</u>	<u>3,497,085</u>	<u>1,207,074</u>	<u>(93,518,144)</u>	<u>(93,518,144)</u>
Business-type activities						
Redevelopment	-	-	-	-	-	-
Sewer services	5,011,715	4,139,558	-	-	(872,156)	(872,156)
Total business-type activities	<u>5,011,715</u>	<u>4,139,558</u>	<u>-</u>	<u>-</u>	<u>(872,156)</u>	<u>(872,156)</u>
Total primary government	<u>\$ 119,817,002</u>	<u>\$ 20,722,543</u>	<u>\$ 3,497,085</u>	<u>\$ 1,207,074</u>	<u>(93,518,144)</u>	<u>(872,156)</u>
General revenues						
Property tax					10,448,442	10,448,442
In lieu of property tax					-	-
Rental tax					895,042	895,042
Gross receipts tax					6,594,662	6,594,662
Sales and use tax					68,640,577	68,640,577
Other municipal tax					3,997,755	3,997,755
Franchise tax					1,312,676	1,312,676
Intergovernmental shared revenues without restrictions					2,918,648	2,918,648
Unrestricted investment income					2,099,396	2,146,521
Other revenue					324,955	324,955
Gain on asset disposals					51,946	51,946
Special - rebate to developers					(1,569,466)	(1,569,466)
Total general revenues and special items					<u>95,714,635</u>	<u>95,761,760</u>
Change in net position					2,196,491	(825,031)
Net position at beginning of year					377,624,564	20,259,768
Prior period adjustment (Note #14)					(46,176,687)	-
Net position at beginning of year restated					<u>331,447,877</u>	<u>20,259,768</u>
Net position at end of year					<u>\$ 333,644,368</u>	<u>\$ 19,434,737</u>

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

THE CITY OF HOOVER, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2015

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Pooled cash and investments	\$ 31,051,094	\$ 40,376,633	\$ 18,219,551	\$ 89,647,278
Receivables				
Taxes	5,191,402	-	901,712	6,093,114
Accounts	1,125,764	43,869	628,324	1,797,957
Due from other governments	319	-	141,677	141,996
Internal balances	220,469	-	-	220,469
Inventories	122,626	-	-	122,626
Prepaid items	15,479	-	-	15,479
Non-current receivable	52,364	-	-	52,364
	<u>37,779,519</u>	<u>40,420,502</u>	<u>19,891,264</u>	<u>98,091,284</u>
Total assets	<u>\$ 37,779,519</u>	<u>\$ 40,420,502</u>	<u>\$ 19,891,264</u>	<u>\$ 98,091,284</u>
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 5,863,530	\$ 488,241	\$ 1,215,112	\$ 7,566,883
Unearned revenue	13,205	-	42,820	56,025
Internal balances	-	-	220,469	220,469
Refundable deposits	2,783	-	-	2,783
	<u>5,879,519</u>	<u>488,241</u>	<u>1,478,401</u>	<u>7,846,161</u>
Total liabilities	<u>5,879,519</u>	<u>488,241</u>	<u>1,478,401</u>	<u>7,846,161</u>
Fund balances				
Nonspendable: non-current receivable	52,364	-	-	52,364
Nonspendable: inventory	122,626	-	-	122,626
Nonspendable: prepaid items	15,479	-	-	15,479
Restricted	-	-	18,412,862	18,412,862
Committed	-	39,932,260	-	39,932,260
Assigned	1,078,603	-	-	1,078,603
Unassigned	30,630,928	-	-	30,630,928
	<u>31,900,000</u>	<u>39,932,260</u>	<u>18,412,862</u>	<u>90,245,123</u>
Total fund balances	<u>31,900,000</u>	<u>39,932,260</u>	<u>18,412,862</u>	<u>90,245,123</u>
Total liabilities and fund balances	<u>37,779,519</u>	<u>40,420,502</u>	<u>19,891,264</u>	<u>98,091,284</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.	355,869,448
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.	1,877,086
Net pension liability	(46,292,192)
Deferred outflow (inflow) on resources related to employer contributions subsequent to the measurement date	4,589,405
Deferred outflow (inflow) on resources related to net difference between projected & actual earnings on pension plan investments	(3,889,133)
Deferred outflow (inflow) on debt refunding	2,780,647
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(71,536,016)</u>
Net position of governmental activities	<u>\$ 333,644,368</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, 2015

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 91,889,155	\$ -	\$ -	\$ 91,889,155
Licenses and permits	8,340,461	-	-	8,340,461
Intergovernmental	1,719,614	-	4,369,644	6,089,259
Fines and forfeits	1,125,878	86,253	1,776,276	2,988,406
Investment income	2,091,745	7,758	8,266	2,107,769
Rents and royalties	1,223,863	-	-	1,223,863
Contributions and reimbursements	1,113,450	101,663	23,964	1,239,078
Charges for services	1,593,581	-	2,427,567	4,021,148
Other	829,371	672	3,255	833,298
Total revenues	<u>109,927,119</u>	<u>196,345</u>	<u>8,608,973</u>	<u>118,732,437</u>
Expenditures				
Current operations				
General government	12,571,937	174,480	99,081	12,845,497
Public safety	38,855,792	585,828	4,539,687	43,981,307
Library	6,681,585	4,629	-	6,686,214
Municipal court	169,517	-	1,621,670	1,791,187
Sanitation	6,523,566	-	-	6,523,566
Education	2,345,881	-	-	2,345,881
Highway and roadway improvements	4,406,454	129,374	97,964	4,633,792
Recreation services	8,207,806	171,289	20,595	8,399,690
Health	71,658	-	-	71,658
Total	<u>79,834,195</u>	<u>1,065,599</u>	<u>6,378,997</u>	<u>87,278,791</u>
Capital outlays	576,429	8,402,388	3,290,503	12,269,320
Debt service:				
Principal	6,875,000	-	-	6,875,000
Interest	2,143,815	-	-	2,143,815
Issuance costs	-	-	-	-
Fiscal agent fees	2,200	-	-	2,200
Total expenditures	<u>89,431,639</u>	<u>9,467,987</u>	<u>9,669,499</u>	<u>108,569,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,495,480</u>	<u>(9,271,642)</u>	<u>(1,060,527)</u>	<u>10,163,311</u>
Other financing sources (uses)				
Transfers in	22,332,288	16,612,135	2,217,282	41,161,705
Transfers out	(41,158,302)	-	(3,403)	(41,161,705)
Payment to bond refunding escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(18,826,014)</u>	<u>16,612,135</u>	<u>2,213,879</u>	<u>-</u>
Special Items				
Revenue rebate to developer	(1,569,466)	-	-	(1,569,466)
Total special items	<u>(1,569,466)</u>	<u>-</u>	<u>-</u>	<u>(1,569,466)</u>
Net change in fund balances	100,000	7,340,493	1,153,353	8,593,846
Fund balances, beginning of year	<u>31,800,000</u>	<u>32,591,768</u>	<u>17,259,510</u>	<u>81,651,277</u>
Fund balances, end of year	<u>\$ 31,900,000</u>	<u>\$ 39,932,260</u>	<u>\$ 18,412,862</u>	<u>\$ 90,245,123</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, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 8,593,846

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	6,875,000
Amortization of debt premium on 2004 issue	20,093
Amortization of debt premium on 2010 issue	627,373
Amortization of debt premium on 2013b issue	20,785
Amortization of deferred loss 2004 issue	(484,890)
Amortization of deferred loss 2010 issue	(457,093)
Amortization of deferred loss 2013b issue	(130,446)

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	11,638,133
Depreciation	(23,078,366)

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)	269,221
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Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. The net effect of various transactions involving capital assets is to decrease net position.

Cost of assets disposed	(1,067,906)
Accumulated depreciation of assets disposed	637,492

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

23,609

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	(749,183)
Pension expense	584,767

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.

(1,125,942)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 2,196,491

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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 86,132,785	\$ 91,919,371	\$ 91,889,155	\$ (30,216)
Licenses and permits	7,591,600	8,340,460	8,340,461	1
Intergovernmental	1,488,500	1,748,693	1,719,614	(29,079)
Fines and forfeits	1,285,000	1,288,544	1,125,878	(162,666)
Investment income	800,100	2,091,732	2,091,745	13
Rents and royalties	815,468	1,215,518	1,223,863	8,345
Contributions and reimbursements	886,767	1,134,418	1,113,450	(20,968)
Charges for services	1,537,900	1,718,900	1,593,581	(125,319)
Other	199,000	829,366	829,371	5
Total revenues	<u>100,737,120</u>	<u>110,287,002</u>	<u>109,927,119</u>	<u>(359,883)</u>
Expenditures				
Current operations				
General government	15,555,339	12,575,725	12,571,937	3,788
Public safety	40,617,193	38,861,842	38,855,792	6,050
Library	6,689,018	6,682,003	6,681,585	418
Municipal court	183,317	169,527	169,517	10
Sanitation	6,629,516	6,523,568	6,523,566	2
Education	2,000,000	2,345,881	2,345,881	0
Highway and roadway improvements	4,895,422	4,406,595	4,406,454	141
Recreation services	9,371,565	8,208,053	8,207,806	247
Health	69,755	71,659	71,658	1
Total	<u>86,011,125</u>	<u>79,844,853</u>	<u>79,834,195</u>	<u>10,658</u>
Capital outlays	844,535	639,317	576,429	62,888
Debt service:				
Principal	6,875,000	6,875,000	6,875,000	-
Interest	2,396,566	2,143,816	2,143,815	1
Issuance costs	-	-	-	-
Fiscal agent fees	2,200	2,200	2,200	-
Total expenditures	<u>96,129,426</u>	<u>89,505,186</u>	<u>89,431,639</u>	<u>73,547</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,607,694</u>	<u>20,781,816</u>	<u>20,495,480</u>	<u>(286,336)</u>
Other financing sources (uses)				
Transfers in	26,381,216	22,393,347	22,332,288	(61,059)
Transfers out	(29,442,972)	(41,281,893)	(41,158,302)	123,591
Payment to bond refunding escrow agent	-	-	-	-
Total other financing sources (uses)	<u>(3,061,756)</u>	<u>(18,888,546)</u>	<u>(18,826,014)</u>	<u>62,532</u>
Special items				
Revenue rebate to developer	(1,825,000)	(1,793,270)	(1,569,466)	223,804
Total special items	<u>(1,825,000)</u>	<u>(1,793,270)</u>	<u>(1,569,466)</u>	<u>223,804</u>
Net change in fund balances	(279,062)	100,000	100,000	-
Fund balances, beginning of year	<u>31,800,000</u>	<u>31,800,000</u>	<u>31,800,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 31,520,938</u>	<u>\$ 31,900,000</u>	<u>\$ 31,900,000</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, 2015

	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	\$ 4,540,731	\$ 2,768,232	\$ 7,308,963	\$ 6,754,247
Land held for resale	-	-	-	-
Prepaid items	-	-	-	184,646
Internal balances	-	-	-	-
Accounts/stop loss receivable	381,505	-	381,505	13,833
Statutory actuarial receivable	-	-	-	320,888
Total current assets	4,922,236	2,768,232	7,690,468	7,273,614
Noncurrent assets:				
Capital assets				
Land	1,670,000	-	1,670,000	-
Construction in progress	1,562,905	-	1,562,905	-
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	(39,340,254)	-	(39,340,254)	-
Total capital assets (net of accumulated depreciation)	37,157,468	-	37,157,468	-
Statutory actuarial receivable	-	-	-	759,639
Total noncurrent assets	37,157,468	-	37,157,468	759,639
Total assets	42,079,704	2,768,232	44,847,936	8,033,253
Deferred outflows of resources:				
Deferred amount on refunding	1,651,480	-	1,651,480	-
Liabilities				
Current liabilities:				
General obligation warrants payable	\$ 1,332,070	\$ -	\$ 1,332,070	\$ -
Accounts payable	309,684	-	309,684	1,135
Retainage payable	34,804	-	34,804	-
Accrued salary expense	5,000	-	5,000	895,535
Interest payable	72,581	-	72,581	-
Claims payable	-	-	-	1,016,365
Compensated absences	13,268	-	13,268	-
Internal balances	-	-	-	-
Total current liabilities	1,767,408	-	1,767,408	1,913,035
Noncurrent liabilities:				
Compensated absences	13,646	-	13,646	-
Claims payable	-	-	-	4,236,701
General obligation warrants payable	25,290,055	-	25,290,055	-
Total noncurrent liabilities	25,303,701	-	25,303,701	4,236,701
Total liabilities	27,071,109	-	27,071,109	6,149,736
Deferred inflows of resources:				
Deferred amount on refunding	-	-	-	-
Net position				
Net investment in capital assets	12,632,753	-	12,632,753	-
Unrestricted (deficit)	4,027,322	2,768,232	6,795,554	1,883,516
Total net position	\$ 16,660,075	\$ 2,768,232	\$ 19,428,307	\$ 1,883,516
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.				
	6,430	-	6,430	
Net position of business-type activities	\$ 16,666,505	\$ 2,768,232	\$ 19,434,737	

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended September 30, 2015

	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	\$ 4,139,558	\$ -	\$ 4,139,558	\$ 6,500,709
Participant premiums	-	-	-	1,525,791
Late fees	-	-	-	-
Stop loss reimbursements	-	-	-	246,345
Subrogation recoveries	-	-	-	18,656
Public assistance reimbursements	-	-	-	12,912
Rents	-	-	-	-
Forfeitures	-	-	-	-
Rebates or refunds	-	-	-	277,088
Other revenue	-	-	-	-
Total operating revenue	<u>4,139,558</u>	<u>-</u>	<u>4,139,558</u>	<u>8,581,500</u>
Operating expenses				
Cost of services	-	-	-	9,715,129
Collection fees	160,584	-	160,584	-
Depreciation	2,346,425	-	2,346,425	-
Management fees	881,678	-	881,678	-
Personal services	131,991	-	131,991	-
Repairs and maintenance	92,943	-	92,943	-
Supplies	187,445	-	187,445	-
Telephone	10,723	-	10,723	-
Utilities	442,662	-	442,662	-
Total operating expenses	<u>4,254,451</u>	<u>-</u>	<u>4,254,451</u>	<u>9,715,129</u>
Operating income (loss)	(114,893)	-	(114,893)	(1,133,629)
Non-operating revenues (expenses)				
Investment earnings	47,125	-	47,125	-
Sale of capital assets - gain (loss)	-	-	-	-
Actuarial adjustment	-	-	-	5,788
Interest and fiscal charges	(755,365)	-	(755,365)	-
Total non-operating revenues (expenses)	<u>(708,239)</u>	<u>-</u>	<u>(708,239)</u>	<u>5,788</u>
Transfers in (out)	-	-	-	-
Change in net position	(823,132)	-	(823,132)	(1,127,841)
Total net position, beginning of year	<u>17,483,207</u>	<u>2,768,232</u>	<u>20,251,439</u>	<u>3,011,358</u>
Total net position, end of year	<u>\$ 16,660,075</u>	<u>\$ 2,768,232</u>	<u>\$ 19,428,307</u>	<u>\$ 1,883,516</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.	(1,899)	-	(1,899)	
Change in net position of business-type activities	<u>\$ (825,031)</u>	<u>\$ -</u>	<u>\$ (825,031)</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, 2015

	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	\$ -	\$ -	\$ -	\$ 6,500,709
Cash received from customers	4,226,896	-	4,226,896	-
Cash payments to suppliers	(765,742)	-	(765,742)	(9,600,058)
Cash received from stop loss reimbursements	-	-	-	247,034
Cash received from subrogation	-	-	-	18,656
Cash received from rebates/overpayments	-	-	-	277,088
Cash received from public assistance reimbursements	-	-	-	1,525,791
Cash received from participants	-	-	-	12,912
Cash payments to management companies	(881,678)	-	(881,678)	-
Cash payments to employees	(130,751)	-	(130,751)	-
Net cash provided (used) by operating activities	<u>2,448,725</u>	<u>-</u>	<u>2,448,725</u>	<u>(1,017,869)</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>
Cash flows from capital and related financing activities				
Proceeds from capital debt	18,485,000	-	18,485,000	-
Internal transfers	-	-	-	-
Premium on debt	1,621,751	-	1,621,751	-
Debt issuance cost	(185,613)	-	(185,613)	-
Sale of capital assets	-	-	-	-
Acquisition and construction of capital assets	(1,338,588)	-	(1,338,588)	-
Payments of warrants	(21,278,834)	-	(21,278,834)	-
Cash paid for interest on debt	(664,462)	-	(664,462)	-
Net cash provided (used) by capital and related financing activities	<u>(3,360,746)</u>	<u>-</u>	<u>(3,360,746)</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends received	43,278	-	43,278	-
Net cash provided (used) by investing activities	<u>43,278</u>	<u>-</u>	<u>43,278</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	(868,743)	-	(868,743)	(1,017,869)
Pooled cash and investments, beginning of year	5,409,474	2,768,232	8,177,706	7,772,116
Pooled cash and investments, end of year	<u>\$ 4,540,731</u>	<u>\$ 2,768,232</u>	<u>\$ 7,308,963</u>	<u>\$ 6,754,247</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ (114,893)	\$ -	\$ (114,893)	\$ (1,133,629)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	2,346,425	-	2,346,425	-
(Increase) decrease in accounts receivable	87,337	-	87,337	689
Increase (decrease) in accounts payable and accrued expenses	128,616	-	128,616	127,320
Increase (decrease) in compensated absences payable	1,240	-	1,240	(12,248)
Total adjustments	<u>2,563,618</u>	<u>-</u>	<u>2,563,618</u>	<u>115,761</u>
Net cash provided by operating activities	<u>\$ 2,448,725</u>	<u>\$ -</u>	<u>\$ 2,448,725</u>	<u>\$ (1,017,869)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2015

(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, 2015

(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, 2015

(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, 2015

(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, 2015

(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, 2015, most all of the City's depositories are participating in the SAFE program, with a bank balance of \$42,336,456 and a carrying balance of \$39,702,399.

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

As of September 30, 2015, 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	\$ 104,163	\$ 104,163	\$ -	\$ -	\$ -
Money market accounts	11,095,487	11,095,487	-	-	-
Certificates of Deposit	-	-	-	-	-
U.S. Government Agencies:					
Federal Farm Credit Bank	21,882,112	-	5,071,574	16,810,538	-
Federal Home Loan Bank	22,609,278	-	6,083,768	16,525,510	-
Federal Home Loan Mortgage Corp	3,755,234	-	-	3,755,234	-
Federal National Mortgage Association	15,140,881	-	4,998,560	10,142,321	-
Total U.S. government agencies	63,387,505	-	16,153,902	47,233,603	-
Grand total all investments	\$ 74,587,155	\$ 11,199,650	\$ 16,153,902	\$ 47,233,603	\$ -

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, 2015

(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 9/25/2015 to purchase a Federal Farm Credit Bank (FFCB) note, maturity date 08/16/2021, face value \$115,000 and fair value \$114,914. The settlement amount was \$104,163 and FNBB agreed to repurchase the investment on 10/01/2015 for \$104,166.

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 position. The only interfund balances that remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "Internal Payables."

J. 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 Position

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2015

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

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has two items that qualify for reporting in this category: (1) unamortized losses on defeased warrants and (2) the employer contributions paid by the City to the Retirement System of Alabama (RSA) subsequent to the measurement date of September 30, 2014, see Note 7 and 13.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has only one type of item that qualifies for reporting in this category. It is the net difference between projected and actual earnings on pension plan investments, see Note 7.

M. Pensions

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

(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, 2015

(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	\$ 38,468,151	\$ -	\$ 38,468,151	\$ 163,680	\$ (353,961)	\$ 38,277,870
Construction in progress	3,655,441	-	3,655,441	1,229,484	(1,468,525)	3,416,399
Total capital assets not being depreciated	<u>42,123,592</u>	<u>-</u>	<u>42,123,592</u>	<u>1,393,164</u>	<u>(1,822,486)</u>	<u>41,694,270</u>
Other capital assets						
Buildings/improvements to buildings	103,042,296	-	103,042,296	4,686,786	-	107,729,082
Equipment and vehicles	40,563,815	-	40,563,815	2,359,184	(675,642)	42,247,357
Improvements o/t buildings	18,380,753	-	18,380,753	1,848,808	-	20,229,560
Infrastructure:						
Street system inventory	230,121,781	-	230,121,781	-	-	230,121,781
Street system improvements	7,492,054	-	7,492,054	2,204,597	-	9,696,651
Storm sewer inventory	59,045,194	-	59,045,193.99	-	-	59,045,194
Bridges inventory	8,602,370	-	8,602,370	-	-	8,602,370
Other infrastructure (sidewalks, traffic signals)	7,864,527	-	7,864,527	883,341	(38,303)	8,709,565
Total other capital assets at historical cost	<u>475,112,789</u>	<u>-</u>	<u>475,112,789</u>	<u>11,982,716</u>	<u>(713,945)</u>	<u>486,381,560</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	26,055,056	-	26,055,056	2,155,511	-	28,210,566.49
Equipment and vehicles	29,985,343	-	29,985,343	2,556,184	(633,661)	31,907,865.74
Improvements o/t buildings	8,371,638	-	8,371,638	658,022	-	9,029,659.65
Infrastructure:						
Street system inventory	53,695,082	-	53,695,082	15,341,452	-	69,036,533.94
Street system improvements	602,130	-	602,130	505,249	-	1,107,379.32
Storm sewer inventory	27,859,261	-	27,859,261	1,276,733	-	29,135,993.79
Bridges inventory	810,093	-	810,093	317,268	-	1,127,360.94
Other infrastructure (sidewalks, traffic signals)	2,386,904	-	2,386,904	267,948	(3,831)	2,651,021.49
Total accumulated depreciation	<u>149,765,507</u>	<u>-</u>	<u>149,765,507</u>	<u>23,078,366</u>	<u>(637,492)</u>	<u>172,206,381</u>
Other capital assets, net	<u>325,347,282</u>	<u>-</u>	<u>325,347,282</u>	<u>(11,095,651)</u>	<u>(76,453)</u>	<u>314,175,178</u>
Governmental activities capital assets, net	<u>\$ 367,470,875</u>	<u>\$ -</u>	<u>\$ 367,470,875</u>	<u>\$ (9,702,487)</u>	<u>\$ (1,898,939)</u>	<u>\$ 355,869,448</u>
Business Type Activities						
Capital assets not being depreciated						
Land	\$ 1,670,000	\$ -	\$ 1,670,000	\$ -	\$ -	\$ 1,670,000
Construction in progress	189,513	-	189,513	1,373,392	-	1,562,905
Total capital assets not being depreciated	<u>1,859,513</u>	<u>-</u>	<u>1,859,513</u>	<u>1,373,392</u>	<u>-</u>	<u>3,232,905</u>
Other capital assets						
Buildings/improvements to buildings	26,626,760	-	26,626,760	-	-	26,626,760
Equipment and vehicles	886,237	-	886,237	-	-	886,237
Improvements o/t buildings	21,409,452	-	21,409,452	-	-	21,409,452
Other Infrastructure	24,342,368	-	24,342,368	-	-	24,342,368
Total other capital assets at historical cost	<u>73,264,817</u>	<u>-</u>	<u>73,264,817</u>	<u>-</u>	<u>-</u>	<u>73,264,817</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	12,591,109	-	12,591,109	517,610	-	13,108,719
Equipment and vehicles	806,905	-	806,905	20,071	-	826,977
Improvements o/t buildings	9,797,866	-	9,797,866	1,287,225	-	11,085,091
Infrastructure improvements	13,797,948	-	13,797,948	521,519	-	14,319,467
Total accumulated depreciation	<u>36,993,828</u>	<u>-</u>	<u>36,993,828</u>	<u>2,346,425</u>	<u>-</u>	<u>39,340,254</u>
Other capital assets, net	<u>36,270,988</u>	<u>-</u>	<u>36,270,988</u>	<u>(2,346,425)</u>	<u>-</u>	<u>33,924,563</u>
Business-type activities capital assets, net	<u>\$ 38,130,501</u>	<u>\$ -</u>	<u>\$ 38,130,501</u>	<u>\$ (973,033)</u>	<u>\$ -</u>	<u>\$ 37,157,468</u>

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

Governmental activities:	
General government and administration	\$ 1,259,926
Public safety	2,072,269
Library	308,681
Municipal court	10,047
Highway and roadway improvements	17,843,229
Recreational services	1,584,214
Total depreciation expense - Governmental activities	<u>\$ 23,078,366</u>
Business-type activities:	
Sewer services	\$ 2,346,425
Total depreciation expense - Business-type activities	<u>\$ 2,346,425</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, 2015

(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, 2015, 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	-	-
\$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	45,720,000	-
\$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	10,515,000	-
\$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	-	6,715,000
\$18,485,000 series 2014a general obligation sewer warrant; due \$255,000 to \$1,485,000 annually beginning March 1, 2015; interest at 3.00% to 5.00% due semiannually commencing March 1, 2015	-	18,230,000
Total Bonds Payable	\$ 56,235,000	\$ 24,945,000
Less deferred amounts:		
For issue premiums (2004)	-	-
For issue premiums (2010)	2,968,048	-
For issue premiums (2013)	19,173	137,174
For issue premiums (2014)	-	1,539,951
Total Bonds Payable, net	\$ 59,222,221	\$ 26,622,125

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2015

(3) LONG-TERM DEBT (CONTINUED):

Changes in Long-term Liabilities

	Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015	Due within one year
Governmental activities					
Bonds payable	\$ 63,110,000	\$ -	\$ (6,875,000)	\$ 56,235,000	\$ 7,075,000
Less deferred amounts:					
For issue premiums (2004)	20,093	-	(20,093)	-	-
For issue premiums (2010)	3,595,421	-	(627,373)	2,968,048	601,654
For issue premiums (2013)	39,958	-	(20,785)	19,173	14,590
Bonds and warrants payable, net	<u>66,765,472</u>	<u>-</u>	<u>(7,543,251)</u>	<u>59,222,221</u>	<u>7,691,244</u>
Compensated absences	<u>11,395,785</u>	<u>4,601,372</u>	<u>(3,852,189)</u>	<u>12,144,968</u>	<u>3,967,755</u>
Internal service funds					
Claims payable - other post employment benefits	\$ 3,030,914	\$ 570,982	\$ (378,808)	\$ 3,223,088	\$ -
Claims payable - workers compensation	947,012	(191,604)	(113,413)	641,995	76,973
Claims payable - property & casualty	1,935,736	(33,010)	(514,743)	1,387,983	560,584
Total claims payable	<u>5,913,662</u>	<u>346,368</u>	<u>(1,006,964)</u>	<u>5,253,066</u>	<u>637,557</u>
Total governmental activities	<u>\$ 84,074,919</u>	<u>\$ 4,947,740</u>	<u>\$ (12,402,404)</u>	<u>\$ 76,620,255</u>	<u>\$ 12,296,556</u>
Business-type activities - sewer					
Bonds payable	\$ 25,830,000	\$ 18,485,000	\$ (19,370,000)	\$ 24,945,000	\$ 1,170,000
Less deferred amounts:					
For issue premiums (2007)	270,703	-	(270,703)	-	-
For issue premiums (2013)	205,718	-	(68,544)	137,174	53,715
For issue premiums (2014)	-	1,621,751	(81,799)	1,539,951	108,355
Bonds and warrants payable, net	<u>26,306,420</u>	<u>20,106,751</u>	<u>(19,791,046)</u>	<u>26,622,125</u>	<u>1,332,070</u>
Compensated absences	<u>26,269</u>	<u>13,528</u>	<u>(12,882)</u>	<u>26,915</u>	<u>13,268</u>
Total proprietary fund types	<u>\$ 26,332,689</u>	<u>\$ 20,120,278</u>	<u>\$ (19,803,928)</u>	<u>\$ 26,649,040</u>	<u>\$ 1,345,339</u>

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

Due within one year includes above FY 2015 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, 2015

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2015 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2016	\$ 7,075,000	\$ 1,942,469	\$ 1,170,000	\$ 870,970	\$ 11,058,439
2017	8,880,000	1,799,488	1,205,000	835,345	12,719,833
2018	7,415,000	1,628,606	1,240,000	798,670	11,082,276
2019	7,655,000	1,393,575	1,270,000	773,470	11,092,045
2020	7,985,000	1,060,875	1,275,000	758,995	11,079,870
2021	8,395,000	651,375	765,000	745,085	10,556,460
2022	8,830,000	220,750	795,000	719,175	10,564,925
2023	-	-	835,000	678,425	1,513,425
2024	-	-	880,000	635,550	1,515,550
2025	-	-	925,000	590,425	1,515,425
2026	-	-	970,000	543,050	1,513,050
2027	-	-	1,020,000	493,300	1,513,300
2028	-	-	1,070,000	441,050	1,511,050
2029	-	-	1,115,000	397,575	1,512,575
2030	-	-	1,150,000	363,600	1,513,600
2031	-	-	1,185,000	328,575	1,513,575
2032	-	-	1,220,000	292,500	1,512,500
2033	-	-	1,260,000	249,000	1,509,000
2034	-	-	1,315,000	197,500	1,512,500
2035	-	-	1,370,000	143,800	1,513,800
2036	-	-	1,425,000	87,900	1,512,900
2037	-	-	1,485,000	29,700	1,514,700
Total	<u>\$ 56,235,000</u>	<u>\$ 8,697,138</u>	<u>\$ 24,945,000</u>	<u>\$ 10,973,660</u>	<u>\$ 100,850,798</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 \$45,720,000 at the end of fiscal year 2015. 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 \$6,715,000 at the end of fiscal year 2015. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately \$128,446 and obtained an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$121,956.

On 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 \$10,515,000 at the end of fiscal year 2015. The balance of the Series 2004 warrants has been fully repaid as of March 2015. 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 (\$270,445).

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2015

(3) LONG-TERM DEBT (CONTINUED):

On December 30, 2014, the city issued Series 2014-A warrants for the purpose of (i) refunding the City's 2007 General Obligation Sewer Warrants issued in the aggregate principal amount of \$18,000,000 and outstanding in the aggregate principal amount of \$18,000,000, and, (ii) paying the issuance costs of the 2014-A Warrants. The 2014-A warrants have a 22 year amortization and a principal amount of \$18,485,000, with a balance of \$18,230,000 at the end of fiscal year 2015. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately \$2,371,260 and obtained an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$1,592,361.

(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, 2015, the outstanding internal balances were as follows:

Fund	Internal Balances Due To	Internal Balances Due From
General Fund	\$ 220,469	\$ -
Other Governmental Funds	-	220,469
Total	\$ 220,469	\$ 220,469

(6) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2015 were as follows:

(Transfers out)	Transfers in				Total
General Fund	Capital Projects Fund	Non-Major Governmental Fund	Proprietary Fund		
General Fund	\$ (18,829,417)	\$ 16,612,135	\$ 2,217,282	\$ -	\$ -
Capital Projects Fund	-	-	-	-	-
Non-Major Govt Funds	3,403	-	(3,403)	-	-
Proprietary Funds	-	-	-	-	-
Total	\$ (18,826,014)	\$ 16,612,135	\$ 2,213,879	\$ -	\$ -

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 2015 were as follows: \$2,179,118 - Court and Corrections fund, \$38,164 - General Grants fund, and \$16,612,135 - Capital Projects fund, which totaled \$18,829,417 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.

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2015

(7) EMPLOYEE RETIREMENT PLAN:

General Information about the Pension Plan

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

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

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

Benefits provided: State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the ERS. Benefits for ERS members vest after 10 years of creditable service. State employees who retire after age 60 (52 for State Police) with 10 years or more of creditable service or with 25 years of service (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Local employees who retire after age 60 with 10 years or more of creditable service or with 25 or 30 years of service (regardless of age), depending on the particular entity's election, are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or a formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, members of the ERS (except State Police) are allowed 2.0125% of their average final compensation (highest 3 of the last 10 years) for each year of service. State Police are allowed 2.875% for each year of State Police service in computing the formula method.

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

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2015

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Members are eligible for disability retirement if they have 10 years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary on the member's age, service credit, employment status and eligibility for retirement.

The ERS serves approximately 846 local participating employers. These participating employers include 287 cities, 65 counties, and 494 other public entities. The ERS membership includes approximately 83,874 participants. As of September 30, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits	21,691
Terminated employees entitled to but not yet receiving benefits	1,252
Terminated employees not entitled to a benefit	5,048
Active members	<u>55,883</u>
Total	<u><u>83,874</u></u>

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

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

The ERS establishes rates based upon an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with additional amounts to finance any unfunded accrued liability, the pre-retirement death benefit and administrative expenses of the Plan. For the year ended September 30, 2015, the City's active employee contribution rate ranged between 11.40% (Tier 1) and 9.10% (Tier 2) of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 10.53% of covered employee payroll.

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2015

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

City's contractually required contribution rate for the year ended September 30, 2015 was 11.40% of pensionable pay for Tier 1 employees, and 9.10% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2013, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$4,589,405 for the year ended September 30, 2015.

Net Pension Liability

The City's net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2013 rolled forward to September 30, 2014 using standard roll-forward techniques as shown in the following table:

Total Pension Liability as of September 30, 2013 (a)	\$ 173,289,690
Entry Age Normal Cost for the period	
October 1, 2013 - September 30, 2014 (b)	3,265,628
Acual Benefit Payments and Refunds for the period	
October 1, 2013 - September 30, 2014 (c)	(8,485,192)
Total Pension Liability as of September 30, 2014	
[(a) x (1.08)] + (b) - [(c) x (1.04)]	\$ 181,593,894

Actuarial assumptions: The total pension liability in the September 30, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75% - 7.25%
Investment rate of return*	8.00%

* Net of pension plan investment expense

Mortality rates for ERS were based on the RP-2000 Combined Mortality Table Projected with Scale AA to 2015 set forward three years for males and two years for females. The rates of mortality for the period after disability retirement are according to the sex distinct RP-2000 Disability Mortality Table.

The actuarial assumptions used in the September 30, 2013 valuation were based on the results of an investigation of the economic and demographic experience for the ERS based upon participant data as of September 30, 2010. The Board of Control accepted and approved these changes on January 27, 2012, which became effective at the beginning of fiscal year 2012.

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2015

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

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

	Target Allocation	Long-Term Expected Rate of Return*
Fixed Income	25.00%	5.00%
U.S. Large Stocks	34.00%	9.00%
U.S. Mid Stocks	8.00%	12.00%
U.S. Small Stocks	3.00%	15.00%
International Developed Market Stocks	15.00%	11.00%
International Emerging Market Stocks	3.00%	16.00%
Real Estate	10.00%	7.50%
Cash	2.00%	1.50%
Total	<u>100.00%</u>	

* Includes assumed rate of inflation of 2.50%

Discount rate: The discount rate used to measure the total pension liability was the long term rate of return, 8%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contributions rate and that the employer contributions will be made in accordance with the funding policy adopted by the ERS Board of Control. Based on those assumptions, components of the pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2015

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at September 30, 2013	\$ 173,289,690	\$ 122,668,965	\$ 50,620,725
Changes for the year:			
Service cost	3,265,628	-	3,265,628
Interest	13,523,768	-	13,523,768
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	4,444,038	(4,444,038)
Contributions - employee	-	2,309,545	(2,309,545)
Net investment income	-	14,596,386	(14,596,386)
Benefit payments, including refunds of employee contributions	(8,485,192)	(8,485,192)	-
Administrative expense	-	-	-
Transfers among employers	-	(232,040)	232,040
Net changes	<u>8,304,204</u>	<u>12,632,737</u>	<u>(4,328,533)</u>
Balances at September 30, 2014	<u>\$ 181,593,894</u>	<u>\$ 135,301,702</u>	<u>\$ 46,292,192</u>

Sensitivity of the net pension liability to changes in the discount rate: The following table presents the City's net pension liability calculated using the discount rate of 8%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7%) or 1-percentage point higher (9%) than the current rate:

	1% Decrease (7.00%)	Current Rate 8.00%	1% Increase (9.00%)
City's net pension liability (asset)	\$ 68,098,976	\$ 46,292,192	\$ 27,936,582

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2014. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2014. The auditor's report dated June 3, 2015 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2015

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

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

For the year ended September 30, 2015, the City recognized pension expense of \$4,004,637. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	3,889,133
Employer contributions subsequent to the measurement date	4,589,405	-
 Total	 \$ 4,589,405	 \$ 3,889,133

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

Year ended September 30:	
2016	\$ 972,283
2017	972,283
2018	972,283
2019	972,284
2020	-
Thereafter	-

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2015

(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, 2015, the City of Hoover's portion of health care funding cost for retired employees totaled \$378,808. 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, 2014 is \$625,023, as set forth below:

	Medical
Normal Cost	\$ 241,094
30-year UAL amortization amount	383,930
Annual required contribution (ARC)	\$ <u>625,023</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2015

(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, 2015:

	Medical
1. Beginning Net OPEB Obligation (Asset) 10/1/2014	\$3,030,914
2. Annual required contribution	625,023
3. Interest on Net OPEB Obligation (Asset): .04 X [1]	121,237
4. ARC Adjustment: [1]/17.292	175,278
5. OPEB Cost: [2]+[3]-[4]	570,982
6. Contribution	0
7. Current year retiree premium	378,808
8. Change in Net OPEB Obligation: [5]-[6]-[7]	192,174
9. Ending Net OPEB Obligation: (Asset) 9/30/2015: [1]+[8]	\$3,223,088

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, 2015	\$570,982	66.34%	\$3,223,088

Funded Status and Funding Progress. In the fiscal year ending September 30, 2015, 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, 2015, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$6,904,117, 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 2014/2015, the entire actuarial accrued liability of \$6,904,117 was unfunded.

	Medical
Actuarial Accrued Liability (AAL)	\$ 6,904,117
Actuarial Value of Plan Assets	0
Unfunded Act. Accrued Liability (UAAL)	6,904,117
Funded Ratio (Act. Val. Assets/AAL)	0%
Covered Payroll (active plan members)	43,564,439
UAAL as a percentage of covered payroll	15.85%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2015

(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, 2015

(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. 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 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, 2015

(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 2013	FY 2014	FY 2015
OPEB Cost	\$ 673,386	\$ 552,985	\$ 570,982
Contribution	0	0	0
Retiree premium	93,538	214,089	378,808
Total contribution and premium	<u>93,538</u>	<u>214,089</u>	<u>378,808</u>
Change in net OPEB obligation	\$ <u>579,848</u>	\$ <u>338,896</u>	\$ <u>192,174</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	13.89%	38.72%	66.34%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2015

(9) FUND BALANCES - GOVERNMENTAL FUNDS

As of September 30, 2015, 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	\$ 52,364	-	-	52,364
Inventory	122,626	-	-	122,626
Prepaid items	15,479	-	-	15,479
Restricted for:				
Dispatch/E911	-	-	1,103,731	1,103,731
Police/Forfeitures			957,868	957,868
Police/Other			279,816	279,816
Municipal court	-	-	2,152,399	2,152,399
Highways/Paving	-	-	8,503,448	8,503,448
Municipal Impr/Capital	-	-	5,403,363	5,403,363
Recreation services	-	-	12,238	12,238
Committed:				
Capital projects	-	39,932,260	-	39,932,260
Assigned:				
Library	163,185			163,185
Recreation services	915,418	-	-	915,418
Unassigned:	30,630,928	-	-	30,630,928
Total fund balances	\$ 31,900,000	\$ 39,932,260	\$ 18,412,862	\$ 90,245,123

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2015

(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 \$750,000 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 2014 and 2015 are as follows:

Workers compensation (retention)	2014	2015	Difference
Unpaid claims, beginning	\$ 712,699	\$ 489,706	\$ (222,993)
Incurred claims, (including IBNRs)	(8,336)	(90,079)	(81,743)
Claim Payments	(214,657)	(109,527)	105,130
Unpaid claims, ending	\$ 489,706	\$ 290,100	\$ (199,606)

Property and casualty (retention)	2014	2015	Difference
Unpaid claims, beginning	\$ 838,063	\$ 657,707	\$ (180,356)
Incurred claims, (including IBNRs)	281,803	303,414	21,611
Claim Payments	(462,159)	(301,770)	160,389
Unpaid claims, ending	\$ 657,707	\$ 659,351	\$ 1,644

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

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

	FY 2013	FY 2014	FY 2015
Property and casualty	0	1	1
Workers compensation	0	2	0
Total	0	3	1

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2015

(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, 2015, the City has approved items related to construction projects for all governmental fund types in the amount of \$72,052,594. Of this amount, \$20,089,773 has been incurred to date creating a total remaining commitment of \$51,962,821. The City is responsible for funding \$24,162,527 of this commitment with the remaining \$27,800,294 to be funded by other governmental units.

Of this \$51,962,821 remaining commitment, \$17,406,576 is from the capital projects fund - a major fund, while \$0 is from the sewer proprietary fund, and \$34,556,245 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 2015, the cost of the bid and other ancillary items was \$3,984,802.

Through fiscal year 2015, \$3,984,802 has been accumulated to offset these costs, as well as an additional \$868,469 in rebates payable to give back to the developer once the project has been closed.

Special Items:

Various sales tax rebate agreements have been entered into with developers. Currently, five of these agreements exist. Special items consist of transactions that are either unusual in nature or infrequent in occurrence, as well as within the control of management. For fiscal year 2015, the total amount of rebates accumulated for these various developments was \$1,569,466. These are unusual in nature and within management's control, and are reflected as such on the government funds statement.

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, 2015

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

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

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

Bonds payable	\$ 56,235,000
Issuance premium - 2004, 2010 and 2013 issue	2,987,221
Accrued interest payable - 2004, 2010, and 2013b	168,827
Compensated absences	<u>12,144,968</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u>\$ 71,536,016</u>

(12) RESTRICTED NET POSITION

A. Explanation for restrictions on net position

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

Restricted for:	
Dispatch/E911	\$ 1,103,731
Police/Forfeitures	957,868
Police/Other	279,816
Municipal court	2,152,399
Highways/Paving	8,503,448
Municipal Impr/Capital	5,403,363
Recreation services	<u>12,238</u>
Total restricted net position	<u>\$ 18,412,862</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2015

(13) DEFERRED INFLOWS AND OUTFLOWS

Changes of Deferred Inflows and Outflows

	Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015	Due within one year
Governmental activities					
Deferred outflows of resources/Debt refundings					
For deferred gain (loss) on refunding (2004)	(484,890)	-	484,890	-	-
For deferred gain (loss) on refunding (2010)	(3,237,740)	-	457,093	(2,780,647)	(457,093)
For deferred gain (loss) on refunding (2013)	(130,446)	-	130,446	-	-
Deferred gain (loss) on refundings	<u>(3,853,077)</u>	<u>-</u>	<u>1,072,429</u>	<u>(2,780,647)</u>	<u>(457,093)</u>
Total governmental fund types	<u>\$ (3,853,077)</u>	<u>\$ -</u>	<u>\$ 1,072,429</u>	<u>\$ (2,780,647)</u>	<u>\$ (457,093)</u>
Business-type activities - sewer					
Deferred outflows of resources					
For deferred gain (loss) on refunding (2013)	(81,587)	-	12,393	(69,194)	(12,393)
For deferred gain (loss) on refunding (2014)	-	(1,638,131)	55,845	(1,582,286)	(74,461)
Deferred gain (loss) on refundings	<u>(81,587)</u>	<u>(1,638,131)</u>	<u>68,238</u>	<u>(1,651,480)</u>	<u>(86,853)</u>
Total proprietary fund types	<u>\$ (81,587)</u>	<u>\$ (1,638,131)</u>	<u>\$ 68,238</u>	<u>\$ (1,651,480)</u>	<u>\$ (86,853)</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2015

(14) RECENTLY ADOPTED ACCOUNTING STANDARDS AND PRIOR PERIOD ADJUSTMENTS

For the fiscal year ended September 30, 2015, the City adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68. The objective of Statement 68 is to improve accounting and financial reporting by state and local governments for pensions and requires entities to report any unfunded pension liabilities on their balance sheet. The objective of Statement 71 is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined pension plan after the measurement date of the government's beginning net pension liability. In accordance with the adoption of the new accounting standards, a prior period adjustment has been made to beginning net position to record the prior year balance of the deferred outflows of resources of \$4,444,038 and the net pension liability of \$50,620,725.

	Governmental Activities	Business Type Activities
Net position at September 30, 2014	\$ 377,624,564	\$ 20,259,768
Change in reporting for net pension liability	(50,620,725)	-
Change in reporting for deferred outflows of resources	4,444,038	-
Net position at September 30, 2014, restated	<u>\$ 331,447,877</u>	<u>\$ 20,259,768</u>

(15) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 17, 2016, the date in which the financial statements were available to be issued.

In December 2015, the Hoover City Council authorized funding for a Hoover Sportsplex project at an estimated cost of \$70 million. The City plans to finance this project with borrowed funds.

REQUIRED SUPPLEMENTARY INFORMATION

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

	Fiscal Year									
1	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total pension liability										
Service cost										\$ 3,265,628
Interest										13,523,768
Changes of benefit terms										-
Differences between expected & actual experience										-
Changes of assumptions										-
Benefit payments, including refunds of employee contributions										(8,485,192)
Net change in total pension liability										<u>8,304,204</u>
Total pension liability - beginning										<u>173,289,690</u>
Total pension liability - ending a										<u><u>\$ 181,593,894</u></u>
Plan fiduciary net position										
Contributions - employer										\$ 4,444,038
Contributions - member										2,309,545
Net investment income										14,596,387
Benefit payments, including refunds of employee contributions										(8,485,192)
Transfers among employers										(232,040)
Net change in plan fiduciary net position										<u>12,632,737</u>
Plan net position - beginning										<u>122,668,965</u>
Plan net position - ending b										<u><u>\$ 135,301,702</u></u>
Net pension liability (asset)										
Net pension liability (asset) - beginning										\$ 50,620,725
Net pension liability (asset) - ending (a) - (b)										<u>46,292,192</u>
Net change in pension liability (asset)										\$ (4,328,533)
Plan fiduciary net position as a percentage of the total pension liability										74.51%
Covered-employee payroll 2										\$ 43,036,836
Net pension liability (asset) as a percentage of covered-employee payroll										107.56%
Pension Expense (Income)										\$4,004,637.00

¹ Implementation of this schedule began with Fiscal Year 2014; Thus, fiscal years 2005 to 2013 were unavailable.

² Employer's covered-payroll during the measurement period is the total payroll paid to covered employees (not just pensionable payroll). For FY 2014 the measurement period is October 1, 2013 - September 30, 2014.

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

	Fiscal Year									
1	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actuarially determined contribution										\$ 4,589,405
Contributions in relation to the actuarially determined contribution										<u>4,589,405</u>
Contribution deficiency (excess)										<u>\$ -</u>
Covered-employee payroll										\$ 43,564,439
Contributions as a percentage of covered-employee payroll										10.53%

¹ Implementation of this schedule began with Fiscal Year 2015; Thus, fiscal years 2006 to 2014 were unavailable.

² Amount of employer contributions related to normal and accrued liability components of employer rate net of any refunds or error service payments. For FY 2015, the fiscal year is the twelve month period beginning after 06/15/2014.

³ Employer's covered-payroll during fiscal year is the total payroll paid to covered employees (not just pensionable payroll). For FY 2015, the fiscal year is the twelve month period beginning after 06/15/2014.

COMBINING FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2015

	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	\$ 250,062	\$ 747,140	\$ 3,675,317	\$ 3,047,333	\$ 1,484,911	\$ 5,428,689	\$ 93,795	\$ 398,565	\$ 507,979	\$ -
Receivables										
Taxes	-	-	-	-	901,712	-	-	-	-	-
Accounts	132,755	58,500	-	-	-	-	76	331	411	99,081
Due from other governments	-	-	88,414	53,262	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 382,816	\$ 805,640	\$ 3,763,731	\$ 3,100,596	\$ 2,386,623	\$ 5,428,689	\$ 93,871	\$ 398,896	\$ 508,389	\$ 99,081
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 84,725	\$ -	\$ 17,387	\$ -	\$ 730,115	\$ 25,326	\$ 467	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	42,820	-	-	-
Internal balances	-	-	-	-	-	-	-	-	-	99,081
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	84,725	-	17,387	-	730,115	25,326	43,287	-	-	99,081
Fund balances										
Restricted	298,091	805,640	3,746,344	3,100,596	1,656,508	5,403,363	50,583	398,896	508,389	-
Committed	-	-	-	-	-	-	-	-	-	-
Total fund balances	298,091	805,640	3,746,344	3,100,596	1,656,508	5,403,363	50,583	398,896	508,389	-
Total liabilities and fund balances	\$ 382,816	\$ 805,640	\$ 3,763,731	\$ 3,100,596	\$ 2,386,623	\$ 5,428,689	\$ 93,871	\$ 398,896	\$ 508,389	\$ 99,081

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet - Continued
Non-Major Governmental Funds
September 30, 2015

	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	\$ 100,270	\$ 97,799	\$ 45,212	\$ 20,121	\$ 1,436,188	\$ 636,488	\$ 249,682	\$ 18,219,551	\$ -	\$ 18,219,551
Receivables										
Taxes	-	-	-	-	-	-	-	901,712	-	901,712
Accounts	1,853	-	-	12,726	-	-	42,678	348,409	279,915	628,324
Due from other governments	-	-	-	-	-	-	-	141,677	-	141,677
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 102,122</u>	<u>\$ 97,799</u>	<u>\$ 45,212</u>	<u>\$ 32,847</u>	<u>\$ 1,436,188</u>	<u>\$ 636,488</u>	<u>\$ 292,360</u>	<u>\$ 19,611,349</u>	<u>\$ 279,915</u>	<u>\$ 19,891,264</u>
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 102,122	\$ -	\$ 782	\$ 20,981	\$ 71,899	\$ 2,475	\$ 306	\$ 1,056,586	\$ 158,526	\$ 1,215,112
Unearned revenue	-	-	-	-	-	-	-	42,820	-	42,820
Internal balances	-	-	-	-	-	-	-	99,081	121,389	220,469
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>102,122</u>	<u>-</u>	<u>782</u>	<u>20,981</u>	<u>71,899</u>	<u>2,475</u>	<u>306</u>	<u>1,198,486</u>	<u>279,915</u>	<u>1,478,401</u>
Fund balances										
Restricted	-	97,799	44,430	11,867	1,364,290	634,012	292,053	18,412,862	-	18,412,862
Committed	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>97,799</u>	<u>44,430</u>	<u>11,867</u>	<u>1,364,290</u>	<u>634,012</u>	<u>292,053</u>	<u>18,412,862</u>	<u>-</u>	<u>18,412,862</u>
Total liabilities and fund balances	<u>\$ 102,122</u>	<u>\$ 97,799</u>	<u>\$ 45,212</u>	<u>\$ 32,847</u>	<u>\$ 1,436,188</u>	<u>\$ 636,488</u>	<u>\$ 292,360</u>	<u>\$ 19,611,349</u>	<u>\$ 279,915</u>	<u>\$ 19,891,264</u>

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, 2015

	Special Revenue									CDBG
	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	
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	866,696	572,403	992,488	692,163	-	-	-	99,081
Fines and forfeits	-	-	-	-	-	-	37,451	217,040	145,360	-
Investment income	-	-	-	-	-	-	1,175	2,998	4,093	-
Rents and royalties	-	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	-	-	-	-
Charges for services	1,593,056	720,711	-	-	-	-	-	-	-	-
Other	5	-	3,250	-	-	-	-	-	-	-
Total revenues	<u>1,593,061</u>	<u>720,711</u>	<u>869,946</u>	<u>572,403</u>	<u>992,488</u>	<u>692,163</u>	<u>38,626</u>	<u>220,038</u>	<u>149,453</u>	<u>99,081</u>
Expenditures										
Current operations										
General government	-	-	-	-	-	-	-	-	-	99,081
Public safety	1,498,859	596,598	-	-	-	-	158,848	126,635	-	-
Library	-	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	97,964	-	-	-	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Total	<u>1,498,859</u>	<u>596,598</u>	<u>-</u>	<u>97,964</u>	<u>-</u>	<u>-</u>	<u>158,848</u>	<u>126,635</u>	<u>-</u>	<u>99,081</u>
Capital outlays	-	-	86,969	37,007	1,740,143	289,467	-	6,000	-	-
Total expenditures	<u>1,498,859</u>	<u>596,598</u>	<u>86,969</u>	<u>134,971</u>	<u>1,740,143</u>	<u>289,467</u>	<u>158,848</u>	<u>132,635</u>	<u>-</u>	<u>99,081</u>
Excess of revenues over (under) expenditures	<u>94,202</u>	<u>124,113</u>	<u>782,977</u>	<u>437,432</u>	<u>(747,655)</u>	<u>402,696</u>	<u>(120,223)</u>	<u>87,403</u>	<u>149,453</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	94,202	124,113	782,977	437,432	(747,655)	402,696	(120,223)	87,403	149,453	-
Fund balances, beginning 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>
Fund balances, end of year	<u>\$ 298,091</u>	<u>\$ 805,640</u>	<u>\$ 3,746,344</u>	<u>\$ 3,100,596</u>	<u>\$ 1,656,508</u>	<u>\$ 5,403,363</u>	<u>\$ 50,583</u>	<u>\$ 398,896</u>	<u>\$ 508,389</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, 2015

	Special Revenue - Continued							Capital Projects	Total Nonmajor Governmental Funds
	Court and Corrections	Municipal Court Clerk	Court Training	Court Referral Officer Program	Traffic Safety	Municipal Court Judicial Admin	General Grants	Total	
Revenues									
Taxes	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	-	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	76,356	-	-	233,069	3,532,254	837,390
Fines and forfeits	915,313	-	20,160	-	178,420	262,533	-	1,776,276	-
Investment income	-	-	-	-	-	-	-	8,266	-
Rents and royalties	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	1,853	-	-	-	-	-	22,112	23,964	-
Charges for services	400	23,082	-	89,575	-	-	743	2,427,567	-
Other	-	-	-	-	-	-	-	3,255	-
Total revenues	<u>917,566</u>	<u>23,082</u>	<u>20,160</u>	<u>165,931</u>	<u>178,420</u>	<u>262,533</u>	<u>255,924</u>	<u>7,771,582</u>	<u>837,390</u>
Expenditures									
Current operations									
General government	-	-	-	-	-	-	-	99,081	-
Public safety	2,044,986	-	-	-	-	-	113,760	4,539,687	-
Library	-	-	-	-	-	-	-	-	-
Municipal court	1,051,698	-	3,622	306,014	202,131	58,204	-	1,621,670	-
Sanitation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	-	-	97,964	-
Recreation services	-	-	-	-	-	-	20,595	20,595	-
Health	-	-	-	-	-	-	-	-	-
Total	<u>3,096,684</u>	<u>-</u>	<u>3,622</u>	<u>306,014</u>	<u>202,131</u>	<u>58,204</u>	<u>134,355</u>	<u>6,378,997</u>	<u>-</u>
Capital outlays	-	-	-	-	150,470	-	-	2,456,516	833,987
Total expenditures	<u>3,096,684</u>	<u>-</u>	<u>3,622</u>	<u>306,014</u>	<u>352,601</u>	<u>58,204</u>	<u>280,815</u>	<u>8,835,512</u>	<u>833,987</u>
Excess of revenues over (under) expenditures	<u>(2,179,118)</u>	<u>23,082</u>	<u>16,537</u>	<u>(140,083)</u>	<u>(174,181)</u>	<u>204,328</u>	<u>(24,891)</u>	<u>(1,063,930)</u>	<u>3,403</u>
Other financing sources (uses)									
Transfers in	2,179,118	-	-	-	-	-	38,164	2,217,282	-
Transfers out	-	-	-	-	-	-	-	(3,403)	(3,403)
Total other financing sources (uses)	<u>2,179,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,164</u>	<u>2,217,282</u>	<u>(3,403)</u>
Net change in fund balances	-	23,082	16,537	(140,083)	(174,181)	204,328	13,273	1,153,353	-
Fund balances, beginning of year	-	74,718	27,893	151,950	1,538,471	429,684	278,781	17,259,510	-
Fund balances, end of year	<u>\$ -</u>	<u>97,799</u>	<u>\$ 44,430</u>	<u>\$ 11,867</u>	<u>\$ 1,364,290</u>	<u>\$ 634,012</u>	<u>292,053</u>	<u>\$ 18,412,862</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Net Position
Internal Service Funds
September 30, 2015

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 3,262,740	\$ 1,273,775	\$ 1,106,408	\$ 1,111,324	\$ 6,754,247
Prepaid items	-	-	33,142	151,503	184,646
Internal balances	-	-	-	-	-
Accounts/stop loss receivable	-	-	921	12,912	13,833
Statutory actuarial receivable	-	-	20,899	299,989	320,888
Total current assets	3,262,740	1,273,775	1,161,370	1,575,728	7,273,614
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	-	-	330,996	428,643	759,639
Total noncurrent assets	-	-	330,996	428,643	759,639
Total assets	\$ 3,262,740	\$ 1,273,775	\$ 1,492,366	\$ 2,004,371	\$ 8,033,253
Liabilities					
Current liabilities:					
General obligation warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	1,135	-	1,135
Retainage payable	-	-	-	-	-
Accrued expenses	794,790	100,745	-	-	895,535
Claims payable	-	378,808	76,973	560,584	1,016,365
Compensated absences	-	-	-	-	-
Internal balances	-	-	-	-	-
Total current liabilities	794,790	479,553	78,108	560,584	1,913,035
Noncurrent liabilities:					
Compensated absences	-	-	-	-	-
Claims payable	-	2,844,280	565,022	827,399	4,236,701
Total noncurrent liabilities	-	2,844,280	565,022	827,399	4,236,701
Total liabilities	794,790	3,323,833	643,130	1,387,983	6,149,736
Net Position					
Net investment in capital assets	-	-	-	-	-
Unrestricted (deficit)	2,467,950	(2,050,058)	849,236	616,388	1,883,516
Total net position	\$ 2,467,950	\$ (2,050,058)	\$ 849,236	\$ 616,388	\$ 1,883,516

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, 2015

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property and Casualty	Total
Operating revenues					
Charges for services - internal	\$ 5,278,833	\$ 548,265	\$ 173,611	\$ 500,000	\$ 6,500,709
Participant premiums	1,318,503	207,288	-	-	1,525,791
Late fees	-	-	-	-	-
Stop loss reimbursements	29,486	-	3,886	212,972	246,345
Subrogation recoveries	-	-	-	18,656	18,656
Public assistance/school reimbursements	-	-	-	12,912	12,912
Rebates or refunds	252,988	21,390	2,710	-	277,088
Other	-	-	-	-	-
Total operating revenue	<u>6,879,809</u>	<u>776,943</u>	<u>180,207</u>	<u>744,541</u>	<u>8,581,500</u>
Operating expenses					
Costs of services	7,857,558	607,486	238,075	1,012,011	9,715,129
Administration	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	<u>7,857,558</u>	<u>607,486</u>	<u>238,075</u>	<u>1,012,011</u>	<u>9,715,129</u>
Operating income (loss)	(977,749)	169,457	(57,868)	(267,470)	(1,133,629)
Non-operating revenues (expenses)					
Actuarial adjustment	-	(192,174)	199,606	(1,644)	5,788
Investment earnings	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>(192,174)</u>	<u>199,606</u>	<u>(1,644)</u>	<u>5,788</u>
Transfers in (out)	-	-	-	-	-
Change in net position	(977,749)	(22,717)	141,738	(269,114)	(1,127,841)
Total net position, beginning 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>
Total net position, end of year	<u>\$ 2,467,950</u>	<u>\$ (2,050,058)</u>	<u>\$ 849,236</u>	<u>\$ 616,388</u>	<u>\$ 1,883,516</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended September 30, 2015

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Cash flows from operating activities					
Cash received from government	\$ 5,278,833	\$ 548,265	\$ 173,611	\$ 500,000	\$ 6,500,709
Cash received from participants	1,318,503	207,288	-	-	1,525,791
Cash received from stop loss reimbursements	29,486	-	4,016	213,532	247,034
Cash received from subrogation	-	-	-	18,656	18,656
Cash received from public assistance reimbursements	-	-	-	12,912	12,912
Cash received from rebates/overpayments	252,988	21,390	2,710	-	277,088
Payments to suppliers	(7,752,088)	(543,282)	(251,622)	(1,053,066)	(9,600,058)
Other cash receipts	-	-	-	-	-
Net cash provided (used) by operating activities	<u>(872,279)</u>	<u>233,661</u>	<u>(71,285)</u>	<u>(307,966)</u>	<u>(1,017,869)</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	(872,279)	233,661	(71,285)	(307,966)	(1,017,869)
Pooled cash and investments, beginning of year	4,135,018	1,040,115	1,177,693	1,419,290	7,772,116
Pooled cash and investments, end of year	<u>\$ 3,262,740</u>	<u>\$ 1,273,775</u>	<u>\$ 1,106,408</u>	<u>\$ 1,111,324</u>	<u>\$ 6,754,247</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ (977,749)	\$ 169,457	\$ (57,868)	\$ (267,470)	\$ (1,133,629)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	-	-	-	-	-
(Increase) decrease in accounts receivable	-	-	130	559	689
Increase (decrease) in accounts payable and accrued expenses	105,470	64,203	(13,547)	(28,807)	127,320
(Increase) decrease in prepaid items	-	-	-	(12,248)	(12,248)
Total adjustments	<u>105,470</u>	<u>64,203</u>	<u>(13,417)</u>	<u>(40,496)</u>	<u>115,761</u>
Net cash provided by operating activities	<u>\$ (872,279)</u>	<u>\$ 233,661</u>	<u>\$ (71,285)</u>	<u>\$ (307,966)</u>	<u>\$ (1,017,869)</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, 2015

	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	1,600,000	1,600,000	1,593,056	(6,944)
Other	-	-	5	5
Total revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,593,061</u>	<u>(6,939)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	1,754,564	1,600,000	1,498,859	101,141
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,754,564</u>	<u>1,600,000</u>	<u>1,498,859</u>	<u>101,141</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,754,564</u>	<u>1,600,000</u>	<u>1,498,859</u>	<u>101,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(154,564)</u>	<u>-</u>	<u>94,202</u>	<u>94,202</u>
Other financing sources (uses)				
Transfers in	154,564	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>154,564</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	94,202	94,202
Fund balances, beginning of year	<u>203,889</u>	<u>203,889</u>	<u>203,889</u>	<u>-</u>
Fund balances, end of year	<u>\$ 203,889</u>	<u>\$ 203,889</u>	<u>\$ 298,091</u>	<u>\$ 94,202</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, 2015

	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	720,711	270,711
Other	-	-	-	-
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>720,711</u>	<u>270,711</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	600,000	600,000	596,598	3,402
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>600,000</u>	<u>600,000</u>	<u>596,598</u>	<u>3,402</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>596,598</u>	<u>3,402</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(150,000)</u>	<u>(150,000)</u>	<u>124,113</u>	<u>274,113</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)	124,113	274,113
Fund balances, beginning of year	<u>681,527</u>	<u>681,527</u>	<u>681,527</u>	<u>-</u>
Fund balances, end of year	<u>\$ 531,527</u>	<u>\$ 531,527</u>	<u>\$ 805,640</u>	<u>\$ 274,113</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	816,000	816,000	866,696	50,696
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	3,250	3,250
Total revenues	<u>816,000</u>	<u>816,000</u>	<u>869,946</u>	<u>53,946</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	1,701,954	1,701,954	86,969	1,614,985
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,701,954</u>	<u>1,701,954</u>	<u>86,969</u>	<u>1,614,985</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(885,954)</u>	<u>(885,954)</u>	<u>782,977</u>	<u>1,668,931</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	(885,954)	(885,954)	782,977	1,668,931
Fund balances, beginning of year	<u>2,963,367</u>	<u>2,963,367</u>	<u>2,963,367</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,077,413</u>	<u>\$ 2,077,413</u>	<u>\$ 3,746,344</u>	<u>\$ 1,668,931</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	545,000	545,000	572,403	27,403
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>545,000</u>	<u>545,000</u>	<u>572,403</u>	<u>27,403</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	142,072	97,964	44,108
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>142,072</u>	<u>97,964</u>	<u>44,108</u>
Capital outlays	2,161,859	2,361,859	37,007	2,324,852
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,161,859</u>	<u>2,503,931</u>	<u>134,971</u>	<u>2,368,960</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,616,859)</u>	<u>(1,958,931)</u>	<u>437,432</u>	<u>2,396,363</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	(1,616,859)	(1,958,931)	437,432	2,396,363
Fund balances, beginning of year	<u>2,663,164</u>	<u>2,663,164</u>	<u>2,663,164</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,046,305</u>	<u>\$ 704,233</u>	<u>\$ 3,100,596</u>	<u>\$ 2,396,363</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	975,000	975,000	992,488	17,488
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>992,488</u>	<u>17,488</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	2,313,174	2,313,174	1,740,143	573,031
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,313,174</u>	<u>2,313,174</u>	<u>1,740,143</u>	<u>573,031</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,338,174)</u>	<u>(1,338,174)</u>	<u>(747,655)</u>	<u>590,519</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	(1,338,174)	(1,338,174)	(747,655)	590,519
Fund balances, beginning of year	<u>2,404,163</u>	<u>2,404,163</u>	<u>2,404,163</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,065,989</u>	<u>\$ 1,065,989</u>	<u>\$ 1,656,508</u>	<u>\$ 590,519</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	800,000	800,000	692,163	(107,838)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>800,000</u>	<u>800,000</u>	<u>692,163</u>	<u>(107,838)</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	997,889	2,497,889	289,467	2,208,422
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>997,889</u>	<u>2,497,889</u>	<u>289,467</u>	<u>2,208,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(197,889)</u>	<u>(1,697,889)</u>	<u>402,696</u>	<u>2,100,585</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	(197,889)	(1,697,889)	402,696	2,100,585
Fund balances, beginning of year	<u>5,000,667</u>	<u>5,000,667</u>	<u>5,000,667</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,802,778</u>	<u>\$ 3,302,778</u>	<u>\$ 5,403,363</u>	<u>\$ 2,100,585</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	25,000	37,451	12,451
Investment income	-	-	1,175	1,175
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>25,000</u>	<u>38,626</u>	<u>13,626</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	175,096	175,096	158,848	16,248
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>175,096</u>	<u>175,096</u>	<u>158,848</u>	<u>16,248</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>175,096</u>	<u>175,096</u>	<u>158,848</u>	<u>16,248</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(175,096)</u>	<u>(150,096)</u>	<u>(120,223)</u>	<u>29,873</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	(175,096)	(150,096)	(120,223)	29,873
Fund balances, beginning of year	<u>170,806</u>	<u>170,806</u>	<u>170,806</u>	<u>-</u>
Fund balances, end of year	<u>\$ (4,290)</u>	<u>\$ 20,710</u>	<u>\$ 50,583</u>	<u>\$ 29,873</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	217,040	217,040
Investment income	-	-	2,998	2,998
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>220,038</u>	<u>220,038</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	178,200	178,200	126,635	51,565
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>178,200</u>	<u>178,200</u>	<u>126,635</u>	<u>51,565</u>
Capital outlays	6,000	6,000	6,000	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>184,200</u>	<u>184,200</u>	<u>132,635</u>	<u>51,565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(184,200)</u>	<u>(184,200)</u>	<u>87,403</u>	<u>271,603</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	(184,200)	(184,200)	87,403	271,603
Fund balances, beginning of year	<u>311,493</u>	<u>311,493</u>	<u>311,493</u>	<u>-</u>
Fund balances, end of year	<u>\$ 127,293</u>	<u>\$ 127,293</u>	<u>\$ 398,896</u>	<u>\$ 271,603</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	145,360	145,360
Investment income	-	-	4,093	4,093
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>149,453</u>	<u>149,453</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	210,000	210,000	-	210,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>210,000</u>	<u>210,000</u>	<u>-</u>	<u>210,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(210,000)</u>	<u>(210,000)</u>	<u>149,453</u>	<u>359,453</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	(210,000)	(210,000)	149,453	359,453
Fund balances, beginning of year	<u>358,936</u>	<u>358,936</u>	<u>358,936</u>	<u>-</u>
Fund balances, end of year	<u>\$ 148,936</u>	<u>\$ 148,936</u>	<u>\$ 508,389</u>	<u>\$ 359,453</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	284,461	284,461	99,081	(185,380)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>284,461</u>	<u>284,461</u>	<u>99,081</u>	<u>(185,380)</u>
Expenditures				
Current operations				
General government	220,112	220,112	99,081	121,031
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>220,112</u>	<u>220,112</u>	<u>99,081</u>	<u>121,031</u>
Capital outlays	64,349	64,349	-	64,349
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>284,461</u>	<u>284,461</u>	<u>99,081</u>	<u>185,380</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
Court and Corrections
For the year ended September 30, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	557,000	915,440	915,313	(127)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	1,852	1,853	1
Charges for services	-	400	400	-
Other	-	-	-	-
Total revenues	<u>557,000</u>	<u>917,692</u>	<u>917,566</u>	<u>(126)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,203,558	2,045,074	2,044,986	88
Library	-	-	-	-
Municipal court	1,231,539	1,051,737	1,051,698	39
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>3,435,097</u>	<u>3,096,811</u>	<u>3,096,684</u>	<u>127</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,435,097</u>	<u>3,096,811</u>	<u>3,096,684</u>	<u>127</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,878,097)</u>	<u>(2,179,119)</u>	<u>(2,179,118)</u>	<u>1</u>
Other financing sources (uses)				
Transfers in	2,878,097	2,179,119	2,179,118	(1)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>2,878,097</u>	<u>2,179,119</u>	<u>2,179,118</u>	<u>(1)</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, 2015

	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	-	-	23,082	23,082
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>23,082</u>	<u>23,082</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>23,082</u>	<u>23,082</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	-	-	23,082	23,082
Fund balances, beginning of year	<u>74,718</u>	<u>74,718</u>	<u>74,718</u>	<u>-</u>
Fund balances, end of year	<u>\$ 74,718</u>	<u>\$ 74,718</u>	<u>\$ 97,799</u>	<u>\$ 23,082</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	38,000	38,000	20,160	(17,841)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>20,160</u>	<u>(17,841)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	10,820	10,820	3,622	7,198
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>10,820</u>	<u>10,820</u>	<u>3,622</u>	<u>7,198</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>10,820</u>	<u>10,820</u>	<u>3,622</u>	<u>7,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,180</u>	<u>27,180</u>	<u>16,537</u>	<u>(10,643)</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	27,180	27,180	16,537	(10,643)
Fund balances, beginning of year	<u>27,893</u>	<u>27,893</u>	<u>27,893</u>	<u>-</u>
Fund balances, end of year	<u>\$ 55,073</u>	<u>\$ 55,073</u>	<u>\$ 44,430</u>	<u>\$ (10,643)</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	76,356	76,356	76,356	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	125,000	125,000	89,575	(35,425)
Other	-	-	-	-
Total revenues	<u>201,356</u>	<u>201,356</u>	<u>165,931</u>	<u>(35,425)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	307,867	354,980	306,014	48,966
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>307,867</u>	<u>354,980</u>	<u>306,014</u>	<u>48,966</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>307,867</u>	<u>354,980</u>	<u>306,014</u>	<u>48,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(106,511)</u>	<u>(153,624)</u>	<u>(140,083)</u>	<u>13,541</u>
Other financing sources (uses)				
Transfers in	-	1,675	-	(1,675)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,675</u>	<u>-</u>	<u>(1,675)</u>
Net change in fund balances	(106,511)	(151,949)	(140,083)	11,866
Fund balances, beginning of year	<u>151,950</u>	<u>151,950</u>	<u>151,950</u>	<u>-</u>
Fund balances, end of year	<u>\$ 45,439</u>	<u>\$ 1</u>	<u>\$ 11,867</u>	<u>\$ 11,866</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	200,000	200,000	178,420	(21,580)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>178,420</u>	<u>(21,580)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	655,662	578,378	202,131	376,247
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>655,662</u>	<u>578,378</u>	<u>202,131</u>	<u>376,247</u>
Capital outlays	240,000	317,284	150,470	166,814
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>895,662</u>	<u>895,662</u>	<u>352,601</u>	<u>543,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(695,662)</u>	<u>(695,662)</u>	<u>(174,181)</u>	<u>521,481</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	(695,662)	(695,662)	(174,181)	521,481
Fund balances, beginning of year	<u>1,538,471</u>	<u>1,538,471</u>	<u>1,538,471</u>	<u>-</u>
Fund balances, end of year	<u>\$ 842,809</u>	<u>\$ 842,809</u>	<u>\$ 1,364,290</u>	<u>\$ 521,481</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	262,533	262,533
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>262,533</u>	<u>262,533</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	52,014	58,211	58,204	7
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>52,014</u>	<u>58,211</u>	<u>58,204</u>	<u>7</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>52,014</u>	<u>58,211</u>	<u>58,204</u>	<u>7</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,014)</u>	<u>(58,211)</u>	<u>204,328</u>	<u>262,539</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	(52,014)	(58,211)	204,328	262,539
Fund balances, beginning of year	<u>429,684</u>	<u>429,684</u>	<u>429,684</u>	<u>-</u>
Fund balances, end of year	<u>\$ 377,670</u>	<u>\$ 371,473</u>	<u>\$ 634,012</u>	<u>\$ 262,539</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	70,677	190,223	233,069	42,846
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	2,282	26,282	22,112	(4,170)
Charges for services	-	-	743	743
Other	-	-	-	-
Total revenues	<u>72,959</u>	<u>216,505</u>	<u>255,924</u>	<u>39,419</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	96,430	259,990	113,760	146,230
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	24,420	36,658	20,595	16,063
Health	-	-	-	-
Total	<u>120,850</u>	<u>296,648</u>	<u>134,355</u>	<u>162,293</u>
Capital outlays	120,000	162,600	146,460	16,140
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>240,850</u>	<u>459,248</u>	<u>280,815</u>	<u>178,433</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(167,891)</u>	<u>(242,743)</u>	<u>(24,891)</u>	<u>217,852</u>
Other financing sources (uses)				
Transfers in	29,095	83,039	38,164	(44,875)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>29,095</u>	<u>83,039</u>	<u>38,164</u>	<u>(44,875)</u>
Net change in fund balances	(138,796)	(159,704)	13,273	172,977
Fund balances, beginning of year	<u>278,781</u>	<u>278,781</u>	<u>278,781</u>	<u>-</u>
Fund balances, end of year	<u>\$ 139,985</u>	<u>\$ 119,077</u>	<u>\$ 292,053</u>	<u>\$ 172,977</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	29,443,662	29,647,773	837,390	(28,810,383)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>29,443,662</u>	<u>29,647,773</u>	<u>837,390</u>	<u>(28,810,383)</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	29,363,662	29,564,370	833,987	28,730,383
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>29,443,662</u>	<u>29,644,370</u>	<u>833,987</u>	<u>28,810,383</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>3,403</u>	<u>3,403</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	(3,403)	(3,403)	0
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(3,403)</u>	<u>(3,403)</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, 2015

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	-	-	-	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	900,000	900,000	-	(900,000)
Fines and forfeits	-	86,252	86,253	1
Investment income	-	7,757	7,758	1
Rents and royalties	-	-	-	-
Contributions and reimbursements	1,950,692	1,950,692	101,663	(1,849,029)
Charges for services	-	-	-	-
Other	-	-	672	672
Total revenues	<u>2,850,692</u>	<u>2,944,701</u>	<u>196,345</u>	<u>(2,748,356)</u>
Expenditures				
Current operations				
General government	1,924,251	2,001,960	174,480	1,827,480
Public safety	1,008,226	1,016,751	585,828	430,923
Library	125,000	125,000	4,629	120,371
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	49,611	245,087	129,374	115,713
Recreation services	244,035	436,160	171,289	264,871
Health	-	-	-	-
Total	<u>3,351,123</u>	<u>3,824,958</u>	<u>1,065,599</u>	<u>2,759,359</u>
Capital outlays	24,702,556	24,725,353	8,402,388	16,322,965
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>28,053,679</u>	<u>28,550,311</u>	<u>9,467,987</u>	<u>19,082,324</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,202,987)</u>	<u>(25,605,610)</u>	<u>(9,271,642)</u>	<u>16,333,968</u>
Other financing sources (uses)				
Transfers in	-	16,628,116	16,612,135	(15,981)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>16,628,116</u>	<u>16,612,135</u>	<u>(15,981)</u>
Special Items				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	(25,202,987)	(8,977,494)	7,340,493	16,317,987
Fund balances, beginning of year	<u>32,591,768</u>	<u>32,591,768</u>	<u>32,591,768</u>	<u>-</u>
Fund balances, end of year	<u>\$ 7,388,781</u>	<u>\$ 23,614,274</u>	<u>\$ 39,932,260</u>	<u>\$ 16,317,987</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	118
<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	123
<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	132
<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	136
<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	138
<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	141
<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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	¹ \$ 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	\$ 299,427,874
Restricted capital projects	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	18,412,862
Unrestricted (deficit)	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	15,803,631
Total governmental activities net position	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	333,644,368
Prior period adjustment	³ 13,607,616	(25,185,228)	-	-	-	-	(487,808)	-	(46,176,687)	-
Total governmental activities net position, restated	<u>\$ 349,751,711</u>	<u>\$ 338,507,490</u>	<u>\$ 344,446,870</u>	<u>\$ 344,531,626</u>	<u>\$ 365,929,222</u>	<u>\$ 375,682,621</u>	<u>\$ 377,027,385</u>	<u>\$ 369,657,710</u>	<u>\$ 331,447,877</u>	<u>\$ 333,644,368</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 12,632,753
Restricted capital projects	-	-	-	-	-	-	-	-	-	-
Restricted for enabling legislation	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	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	6,801,984
Total business-type activities net position	<u>\$ 25,524,717</u>	<u>\$ 26,306,651</u>	<u>\$ 27,451,674</u>	<u>\$ 26,140,686</u>	<u>\$ 24,420,281</u>	<u>\$ 25,764,431</u>	<u>\$ 23,805,596</u>	<u>\$ 21,510,544</u>	<u>\$ 20,259,768</u>	<u>\$ 19,434,737</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 312,060,628
Restricted capital projects	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	18,412,862
Unrestricted (deficit)	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	22,605,615
Total primary government net position	<u>\$ 361,668,812</u>	<u>\$ 389,999,369</u>	<u>\$ 371,898,544</u>	<u>\$ 370,672,312</u>	<u>\$ 390,349,503</u>	<u>\$ 401,447,052</u>	<u>\$ 401,320,790</u>	<u>\$ 391,168,255</u>	<u>\$ 397,884,333</u>	<u>\$ 353,079,105</u>
Prior period adjustment	13,607,616	(25,185,228)	-	-	-	-	(487,808)	-	(46,176,687)	-
Total primary government net position, restated	<u>\$ 375,276,428</u>	<u>\$ 364,814,141</u>	<u>\$ 371,898,544</u>	<u>\$ 370,672,312</u>	<u>\$ 390,349,503</u>	<u>\$ 401,447,052</u>	<u>\$ 400,832,982</u>	<u>\$ 391,168,255</u>	<u>\$ 351,707,646</u>	<u>\$ 353,079,105</u>

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

³ Prior period adjustments were as follows: FY 2006 - street and storm sewer changes; FY 2007 - street inventory changes; FY 2012 - implementation of GASB 63 Deferred Outflows of Resources; FY 2014 - implementation of GASB 68 & 71 Pensions;

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 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	\$ 13,788,965
Public safety	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	46,824,862
Library	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	7,097,783
Municipal court	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	1,827,071
Sanitation	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	6,523,566
Education	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	2,345,881
Highway and roadway improvements	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	23,596,944
Recreation services	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	10,201,973
Health	253,155	260,070	287,748	268,116	268,098	282,764	292,368	234,855	69,022	71,658
Interest and fiscal charges	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	2,526,584
Total governmental activities expenses	<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>	<u>114,805,288</u>
Business-type activities:										
Redevelopment	-	-	-	-	-	-	75,557	9,124	-	-
Sewer services	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	5,011,715
Total business-type activities expenses	<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>	<u>5,011,715</u>
Total primary government expenses	<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>	<u>\$ 119,817,002</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 6,310,446
Public safety	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	5,739,816
Library	273,053	311,405	328,096	334,370	378,425	380,718	411,500	363,621	376,357	385,235
Municipal court	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	2,423,590
Sanitation	6,300	6,450	7,200	7,350	7,050	6,825	7,556	7,800	7,644	7,408
Highway and roadway improvements	40,095	-	170,904	118,153	150,419	195,188	144,167	120,796	-	203,927
Recreation services	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	1,512,562
Health	-	-	150	-	1,000	1,000	4,095	3,550	1,522,240	-
Operating grants and contributions	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	3,497,085
Capital grants and contributions	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	1,207,074
Total governmental activities program revenues	<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>	<u>21,287,145</u>
Business-type activities:										
Charges for services:										
Sewer services	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	4,139,558
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<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>	<u>4,139,558</u>
Total primary government program revenues	<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>	<u>\$ 25,426,702</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Continued										
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (93,518,144)
Business-type activities	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)	(872,156)
Total primary government net expense	<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>	<u>\$ (94,390,300)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Sales and use taxes	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	68,640,577
Property taxes	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	10,448,442
Franchise taxes	704,528	759,067	799,548	845,086	905,611	956,823	1,049,546	1,130,533	1,183,170	1,312,676
Gross receipts taxes	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	6,594,662
Other taxes	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	4,892,797
Intergovernmental shared revenues	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	2,918,648
Investment earnings	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	2,099,396
Other revenue	311,014	394,835	195,698	145,068	175,059	573,346	306,235	205,346	231,953	324,955
Gain (loss) on sale of assets	¹ 282,527	(128,757)	89,151	(85,987)	-	-	121,729	149,871	223,742	51,946
Contribution of capital assets	² 20,913,209	-	-	-	-	-	-	-	-	-
Special items	(1,035,353)	(72,877)	-	-	-	-	752,969	-	(240,953)	(1,569,466)
Total governmental activities	<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>	<u>95,714,635</u>
Business-type activities:										
Investment earnings	-	196,707	159,212	24,335	8,352	11,650	24,387	35,234	35,602	47,125
Gain (loss) on sale of assets	³ -	-	-	-	-	-	-	(123,095)	9,200	-
Other revenues	-	-	10	-	-	6,789	751	-	-	-
Total business-type activities	<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>	<u>47,125</u>
Transfers:										
Governmental activities	-	-	-	-	-	(2,999,952)	-	-	-	-
Business-type activities	-	-	-	-	-	2,999,952	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<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>	<u>\$ 95,761,760</u>
Change in Net Position										
Governmental activities	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	2,196,491
Business-type activities	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)	(825,031)
Total primary government	<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>	<u>1,371,460</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Pre GASB Statement No. 54:										
General fund										
Reserved for non-current receivable	\$ 393,180	\$ 324,580	\$ 289,706	\$ 260,306	\$ 234,581					
Reserved other	340,345	321,988	135,011	102,556	104,598					
Unreserved	¹ 30,266,475	30,453,433	30,775,283	30,937,137	31,060,821					
Total general fund	<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	4,190,334	4,408,972	3,995,447	5,587,016	8,016,726					
Capital projects funds	8,341,289	7,756,861	1,621,564	3,299,444	7,328,489					
Total all other governmental funds	<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>\$ 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	\$ 190,469
Assigned						833,837	649,938	1,048,088	1,246,109	1,078,603
Unassigned						30,335,830	30,615,882	30,369,909	30,321,534	30,630,928
Total general fund						<u>31,500,000</u>	<u>31,600,000</u>	<u>31,700,000</u>	<u>31,800,000</u>	<u>31,900,000</u>
All other governmental funds										
Restricted						\$ 9,999,397	\$ 11,032,748	\$ 15,513,389	\$ 17,259,510	\$ 18,412,862
Committed						20,705,474	24,975,201	25,524,130	32,591,768	39,932,260
Total general fund						<u>30,704,871</u>	<u>36,007,949</u>	<u>41,037,519</u>	<u>49,851,278</u>	<u>58,345,122</u>
Total all governmental funds						<u>\$ 62,204,871</u>	<u>\$ 67,607,950</u>	<u>\$ 72,737,519</u>	<u>\$ 81,651,277</u>	<u>\$ 90,245,121</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 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	\$ 91,889,155
Licenses and permits	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	8,340,461
Intergovernmental	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	6,089,259
Fines and forfeits	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	2,988,406
Investment income	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	2,107,769
Rents and royalties	517,281	700,954	867,877	815,932	879,945	915,600	1,004,765	974,756	1,007,391	1,223,863
Contributions and reimbursements	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	1,239,078
Charges for services	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	4,021,148
Other	692,757	410,956	320,355	212,088	216,739	713,180	812,835	549,904	486,940	833,298
Total revenues	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	118,732,437
Expenditures										
General government	\$ 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	\$ 12,845,497
Public safety	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	43,981,307
Library	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	6,686,214
Municipal court	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	1,791,187
Sanitation	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	6,523,566
Education	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	2,345,881
Highway and roadway improvements	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	4,633,792
Recreation services	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	8,399,690
Health	239,925	252,973	281,702	256,706	262,444	279,050	288,451	272,476	69,022	71,658
Capital outlays	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	12,269,320
Debt service										
Principal	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	6,875,000
Interest	4,613,046	4,488,630	4,331,633	4,134,583	3,971,966	3,072,173	3,263,593	3,087,983	2,425,240	2,143,815
Issuance costs	-	-	-	-	-	538,697	-	134,710	-	-
Fiscal agent fees	3,899	5,010	4,900	4,900	3,950	2,200	2,447	2,200	4,050	2,200
Total expenditures	96,917,512	106,833,852	113,275,882	99,253,477	92,281,706	98,209,812	100,751,870	100,683,579	107,861,862	108,569,126
Excess of revenues over (under) expenditures	2,584,321	(2,611,596)	(11,281,324)	(1,263,021)	5,602,492	1,810,616	4,403,079	4,336,014	9,154,711	10,163,311
Other financing sources (uses)										
Transfers in	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	41,161,705
Transfers out	(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)	(41,161,705)
Refunding bonds issued	-	-	-	-	-	58,510,000	-	11,280,000	-	-
Premium on bonds issued	-	-	-	-	-	6,276,046	-	70,801	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	(60,620,613)	-	(10,557,245)	-	-
Discount on refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	1,165,481	-	793,556	-	-
Special items	(249,303)	(72,877)	-	-	-	-	1,000,000	-	(240,953)	(1,569,466)
Net changes in fund balances	\$ 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	\$ 8,593,846
Debt service as a percentage of noncapital expenditures	10.73%	9.97%	9.32%	9.64%	9.89%	9.82%	9.93%	9.58%	8.97%	9.27%

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
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
2015	68,640,577	9,394,421	1,054,022	-	895,042	7,907,338	3,997,755	91,889,155

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Merchandise Retail	\$ 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	\$ 49,064,284
Auto Dealers and Supplies	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	5,607,935
Grocery Stores	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	3,734,047
Restaurants	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	5,868,769
Home Furnishings & Appliances	650,690	652,320	622,272	585,003	602,310	621,536	665,752	677,685	750,611	755,046
Pharmacy	414,075	415,113	395,991	372,274	383,288	395,523	423,661	431,254	477,661	480,484
Other Sales	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	3,130,010
Total	\$ 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	\$ 68,640,577

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>
	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%
	2015	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>
	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%
	2015	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>
	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%
	2015	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>
	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%
	2015	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	
	2015	2006
	Rank	Rank
Costco	1	4
Wal-mart - 280 location	2	1
Wal-mart - 150 location (formerly US 31 location)	3	2
Sam's Club	4	3
Belk (formerly Parisian)	7	5
Target	5	
Regions Bank	6	
Publix - Highway 280 location	8	9
Home Depot (Galleria)	9	8
Publix - Hwy 150 location	10	6
Best Buy		6
Macy's (Galleria/Rich's)		7
EDS Information Services LLC		10
Total Sales and Use Taxes - Principal Payers	24.10%	24.47%

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	
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%
2015	36,915,020	123,050,067	576,185,360	2,880,926,800	395,294,500	3,952,945,000	1,008,394,880	6,956,921,867	14.49%

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	
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%
2015	8,572,500	28,575,000	297,629,420	1,488,147,100	279,675,380	2,796,753,800	585,877,300	4,313,475,900	13.58%

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		
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
2015	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		
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
2015	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>
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
2015	5,986,636	5,929,185	99.04	31,141	5,960,326

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>
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
2015	3,441,802	3,429,776	99.65	4,319	3,434,094

* 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

<u>Fiscal Year ¹</u>	<u>Commercial</u>	<u>Residential (15% Discount)</u>
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
2015	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</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total Primary</u> <u>Government</u>	<u>Personal</u> <u>Income</u>	<u>Percentage of</u> <u>Personal Income</u>	<u>Population</u>		<u>Per Capita</u>
	<u>General Obligation</u> <u>Warrants</u>	<u>General Obligation</u> <u>Warrants</u>						
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
2015	59,222,221	26,622,125	85,844,346	3,855,936,768	2.23%	87,128	¹	985

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 (Governmental and Business-Type Activities)</u>	<u>Estimated Actual Value of Taxable Property</u> ³	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2006	\$ 118,275,000	\$ 8,637,104,658	1.37%	73,505 ¹	1,609
2007	112,845,000	9,483,939,363	1.19%	79,401 ¹	1,421
2008	125,255,000	10,630,021,269	1.18%	80,933 ¹	1,548
2009	119,415,000	11,165,864,920	1.07%	81,616 ¹	1,463
2010	113,515,000	11,115,616,250	1.02%	81,619 ²	1,391
2011	108,525,000	10,971,279,767	0.99%	83,649 ²	1,297
2012	101,850,000	10,943,326,435	0.93%	84,530 ²	1,205
2013	96,620,000	10,806,724,508	0.89%	85,249 ²	1,133
2014	88,940,000	11,062,700,233	0.80%	86,245 ²	1,031
2015	85,844,346	11,270,397,767	0.76%	87,128 ²	985

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, 2015

	<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>\$ 59,222,221</u>	100.00%	<u>\$ 59,222,221</u>
Total direct debt	<u>59,222,221</u>		<u>59,222,221</u>
Overlapping Debt:			
Hoover City Board of Education	178,655,000	100.00%	178,655,000
Jefferson County	162,420,000	10.02%	16,279,735
Jefferson County Board of Education	69,224,441	10.02%	6,938,527
Shelby County	31,725,000	17.79%	5,643,342
Shelby County Board of Education	<u>193,784,687</u>	17.79%	<u>34,471,022</u>
Total overlapping debt	<u>635,809,128</u>		<u>241,987,626</u>
Total direct and overlapping debt	<u><u>\$ 695,031,349</u></u>		<u><u>\$ 301,209,847</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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 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	\$ 352,842,215
Total net debt applicable to limit	<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>	<u>56,235,000</u>
Legal debt margin	<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>	<u>\$ 296,607,215</u>
Total net debt applicable to the limit as a percentage of debt limit	36.26%	32.68%	28.19%	25.76%	24.63%	23.66%	21.87%	20.66%	18.21%	15.94%

Legal Debt Margin Calculation for Fiscal Year 2015

Assessed value of property:	1	
Jefferson County		\$ 1,113,862,616
Shelby County		<u>650,348,460</u>
Total assessed value of property		1,764,211,076
Debt limit - 20 percent of total assessed value		352,842,215
Debt applicable to limit:		
General obligation warrants		<u>56,235,000</u>
Legal debt margin		<u>\$ 296,607,215</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 \$169,938,896 (Jefferson County - \$105,467,736 and Shelby County - \$64,471,160).
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
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%
2015	87,128 ²	3,855,936,768	44,256	13,856	4.1%

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	2015			2006		
	Employees ¹	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Regions Bank (formerly Amsouth)	3,486	1	na	1,765	3	na
Blue Cross Blue Shield of Alabama	2,627	2		3,000	1	
Hoover Board of Education	1,870	3		1,773	2	
Southern Company Services/Southern Nuclear	1,413	4		na		
Bellsouth Telecommunications	1,110	5		1,143	4	
Wal-mart - 2 locations/Sam's Club - 1 location/ Neighborhood Market - 1 location	1,019	6		650	6	
City of Hoover	725	7		745	5	
DST Health Solutions	629	8		na		
Cahaba Government Benefit	544	9		na		
Publix - 4 locations	517	10		na		
BE&K Engineering	na			499	7	
Automation Technologies	na			300	8	
Bellsouth Advertising & Publishing	na			230	9	
Hoar Construction	na			230	10	
Total top 10	13,940			10,335		
Total all employees in the City	na			na		

Source: The City of Hoover Revenue Department estimates

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

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

	Fiscal Year																			
	2006		2007		2008		2009		2010		2011		2012		2013		2014		2015	
	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO
General government																				
Administration	16	8	16	8	16	8	15	8	14	8	14	8	14	8	15	8	15	8	15	8
Building services	12	0	12	0	14	0	16	0	15	0	15	0	15	0	14	0	14	0	14	0
Development	2	0	2	0	0	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	9	0	6	0	6	0	6	0
Information & Reporting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0	6	0	6	0
Fleet	7	0	7	0	7	0	6	0	6	0	6	0	6	0	6	0	6	0	7	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	1	0	2	0	2	0	2	0
Revenue	10	0	10	0	10	0	10	0	9	0	9	0	8	0	8	0	8	0	8	0
Technology	8	0	8	0	8	0	8	0	8	0	8	0	8	0	6	0	6	0	7	0
Total general government	68	8	68	8	68	8	68	8	65	8	65	8	66	8	67	8	68	8	70	8
Public safety																				
Police																				
Officers	154	0	155	0	157	0	157	0	157	0	157	0	157	0	157	8	157	10	157	10
Civilians	33	12	33	12	33	3	33	2	33	2	35	2	35	2	37	2	37	2	37	2
Fire																				
Firefighters and officers	152	12	152	12	158	12	159	12	160	9	160	9	160	9	160	9	160	12	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	0	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	1	27	0	27	0	27	0	27	0	27	0	27	0	27	0	28	2	29	1
Inspection services	21	0	21	0	21	0	21	0	18	0	18	0	18	0	18	0	18	0	18	0
Total public safety	390	25	391	24	399	15	399	14	397	11	399	11	399	11	401	19	402	26	403	25
Library	44	56	43	60	44	59	44	59	44	59	44	59	44	59	43	64	43	65	44	64
Municipal court	14	0	14	0	14	0	14	0	14	0	14	0	14	0	15	1	16	0	16	0
Highway and roadway																				
Engineering and horticulture	5	0	5	0	5	0	6	0	5	0	5	0	6	0	6	0	6	0	6	0
Public works	35	0	35	0	33	0	31	0	30	0	30	0	30	0	30	0	30	0	29	3
Total highway and roadway	40	0	40	0	38	0	37	0	35	0	35	0	36	0	36	0	36	0	35	3
Recreation services																				
Recreation & Senior center	21	34	23	33	23	32	24	32	24	32	20	32	20	32	20	33	20	33	21	32
Park maintenance & Met	36	6	36	6	36	6	36	6	37	6	37	6	37	6	39	6	39	6	39	8
Total recreation services	57	40	59	39	59	38	60	38	61	38	57	38	57	38	59	39	59	39	60	40
Health																				
Animal control	2	0	2	0	2	0	2	0	2	0	2	0	2	0	0	0	0	0	0	0
Total health	2	0	2	0	2	0	2	0	2	0	2	0	2	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	616	129	618	131	625	120	625	119	619	116	617	116	619	116	622	131	625	138	629	140

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

¹ Changes from FY 2014 to FY 2015 are as follows:

General gov: Moved FT Auto Mech from PW (4020) to Fleet (4560); Added FT Network Specialist (0720);

Public safety : Increased 1 (29 hr) PT dispatcher to FT (1910);

Library: Increased 1 (19 hr) PT Library Specialist to FT (6030);

Hwy and roadway: Added 1 (19 hr) PT Admin Asst; Added 2 TP (6 month) Crew Worker Seasonal; Moved FT Auto Mech from PW (4020) to Fleet (4560)

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

		Fiscal Year									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function											
General Government											
Employees hired	⁷	116	80	96	79	86	74	77	108	88	113
Business licenses issued	⁸	9,168	9,470	9,462	9,248	9,265	9,354	9,457	9,612	9,748	9,849
Public safety:											
Police											
Arrests (adults only)	³	3,118	3,205	3,507	4,241	3,976	3,625	3,329	3,621	3,386	3,330
Fire											
Number of calls:											
Emergency medical services	⁶	5,605	5,786	5,716	5,955	6,146	6,171	6,296	6,309	6,673	6,888
Fire		1,436	1,397	1,527	1,296	1,480	1,355	1,407	1,262	1,337	1,357
Service/other		1,226	1,397	1,450	1,715	2,034	2,047	1,690	1,530	1,901	1,912
Total fire calls		8,267	8,580	8,693	8,966	9,660	9,573	9,393	9,101	9,911	10,157
Inspections											
Building permits issued		1,951	1,754	1,611	1,368	1,748	1,832	1,976	1,698	1,711	1,920
Library											
Materials checked out	⁹	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	1,417,070
Municipal court											
Non-traffic court cases	⁵	3,086	3,404	3,533	3,911	3,544	3,072	2,788	3,213	2,451	3,088
Traffic cases	⁵	17,566	16,992	19,429	25,063	17,583	13,800	16,995	13,142	12,943	10,847
Adjudicated cases	⁵	18,577	19,526	21,075	28,143	21,508	15,827	16,341	15,679	15,675	14,256
Failure to appear warrants	⁵	5,096	5,338	5,191	5,856	4,609	3,507	3,456	3,494	3,859	3,956
Other warrants	⁵	5,959	6,198	3,304	2,036	1,413	939	679	1,156	831	707
Sanitation											
Single homes:											
Regular garbage service	⁴	21,279	21,883	22,400	22,680	23,074	23,434	23,757	23,992	24,253	24,578
Backdoor garbage service		50	50	50	50	50	58	65	84	101	114
Recreation services											
Average daily recreation center visits	²	494	527	579	634	666	682	600	613	559	526
Sewer											
Average daily flow (gallons per day):											
Inverness	¹⁰	963,000	872,000	920,000	926,000	802,000	946,000	995,000	990,000	925,250	922,000
Riverchase	¹⁰	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	1,232,000

¹ Assume fiscal year unless otherwise noted

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

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

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

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

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

⁷ Source: Human Resources Department

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

⁹ Source: Library

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

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

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Vehicles	33	38	38	38	38	38	39	38	35	39
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	3	4	4	4	4	4	4	4	4	4
Vehicles	196	211	211	211	211	215	256	260	246	267
Fire:										
Fire stations	8	8	8	9	9	9	9	9	10	10
Vehicles	50	49	49	51	52	53	65	61	63	65
Other public safety:										
Vehicles	18	21	21	19	15	15	13	13	17	20
Library										
Vehicles	2	2	2	2	2	2	2	2	1	0
Municipal Court										
Vehicles	4	4	4	4	4	4	4	4	4	5
Highway and roadways										
Streets (miles) ¹	334	323	293	293	306	306	306	306	306	306
Streetlights ³	495	490	490	490	492	492	504	504	507	507
Traffic signals & flashers:										
Jefferson County	66	69	69	74	75	75	78	78	77	80
Shelby County	30	30	30	30	30	30	30	30	30	30
Vehicles	49	55	55	56	56	57	61	56	58	62
Recreation services										
Lakes ²	6	6	6	6	6	6	6	8	8	8
Acres ²	na	na	24	24	24	24	24.25	34.65	34.65	34.65
Parks ²	22	22	23	23	23	23	25	28	28	28
Acres ²	na	na	837	837	837	837	1,012.50	1,054.50	1,054.50	1,054.50
Vehicles	36	39	39	39	40	40	46	43	48	45
Health										
Vehicles	3	3	3	3	3	3	3	0	0	0
Sewer										
Sanitary sewer miles	86	86	86	89	89	95	95	95	95	95
Vehicles	1	1	1	1	1	3	1	1	1	0

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, 2015

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)
2015	87,128	(B)

Estimated number of housing units:

Owner occupied (townhomes or single family detached)	25,447	(B)
Renter occupied (multi-family or group quarters)	<u>11,530</u>	(B)
Total	<u><u>36,977</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