

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2017

Frank V. Brocato, Mayor

Allan C. Rice, City Administrator

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

THE CITY OF HOOVER, ALABAMA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2017

TABLE OF CONTENTS

	<u>PAGE NUMBER</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1-8
GFOA Certificate of Achievement	9
Organization Chart	11
List of Principal Officials	13
FINANCIAL SECTION	15
Independent Auditors' Report	17-19
MANAGEMENT'S DISCUSSION AND ANALYSIS	21-45
BASIC FINANCIAL STATEMENTS	47
Government-Wide Financial Statements	
Statement of Net Position	48
Statement of Activities	49
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet and Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	50
Statement of Revenues, Expenditures, and Changes in Fund Balances	51
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	52
Budget to Actual Comparison - Major Funds	
General Fund	53
Proprietary Fund Financial Statements	
Statement of Fund Net Position - Proprietary Funds	54
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	55
Statement of Cash Flows - Proprietary Funds	56
Notes to the Financial Statements	57-88
REQUIRED SUPPLEMENTARY INFORMATION	89
Schedule of Funding Progress - Other Post-Employment Benefits	91
Schedule of Changes in the Net Pension Liability	92
Schedule of Employer Contributions (Pensions)	93
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	95
Pension Plan Practices	97
COMBINING FINANCIAL STATEMENTS	99
Non-major Governmental Funds	
Balance Sheet	100-101
Statement of Revenues, Expenditures, and Changes in Fund Balance	102-103
Internal Service funds	
Statement of Net Position	104
Statement of Revenues, Expenses, and Changes in Fund Net Position	105
Statement of Cash Flows	106

	<u>PAGE NUMBER</u>
OTHER SUPPLEMENTARY INFORMATION	107
E911 Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	108
Wireless E911 Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	109
State Seven Cent Gasoline Tax - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	110
State Four and Five Cent Gasoline Tax - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	111
Jefferson County Road Tax - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	112
Stormwater - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	113
Alabama Trust Fund Interest - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	114
State Forfeiture - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	115
Federal Forfeiture (Department of Justice) - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	116
Federal Forfeiture (Department of Treasury) - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	117
CDBG - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	118
Court and Corrections - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	119
Municipal Court Clerk - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	120
Court Training - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	121
Court Referral Officer Program - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	122
Traffic Safety - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	123
Municipal Court Judicial Administration - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	124
General Grants - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	125
Other Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	126
Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual	127

OTHER SUPPLEMENTARY INFORMATION (CONTINUED)

2016 GOW Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget to Actual 128

Parks and Recreation Board - Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget to Actual 129

STATISTICAL SECTION 131

Summary 133

Net Position by Component 134

Changes in Net Position 135-136

Fund Balances of Governmental Funds 137

Changes in Fund Balances of Governmental Funds 138

General Governmental Tax Revenues by Source 139

Components of Sales and Use Tax Revenue - Estimated 140

Revenue Rates for General Sales Tax 141

Revenue Rates for Automobile Sales Tax 142

Principal Sales and Use Taxpayers 143

Assessed Value and Estimated Actual Value of Taxable Property 144

Property Tax Rates - Direct and Overlapping Governments 145

Property Tax Levies and Collections 146

Principal Property Taxpayers 147

Sewer Enterprise Fund Rates 148

Ratios of Outstanding Debt by Type 149

Ratios of Net General Obligation Debt Outstanding 150

Direct and Overlapping Governmental Activities Debt 151

Legal Debt Margin Information 152

Demographic and Economic Statistics 153

Principal Employers 154

City Government Positions by Function and Department 155

Operating Indicators by Function 156

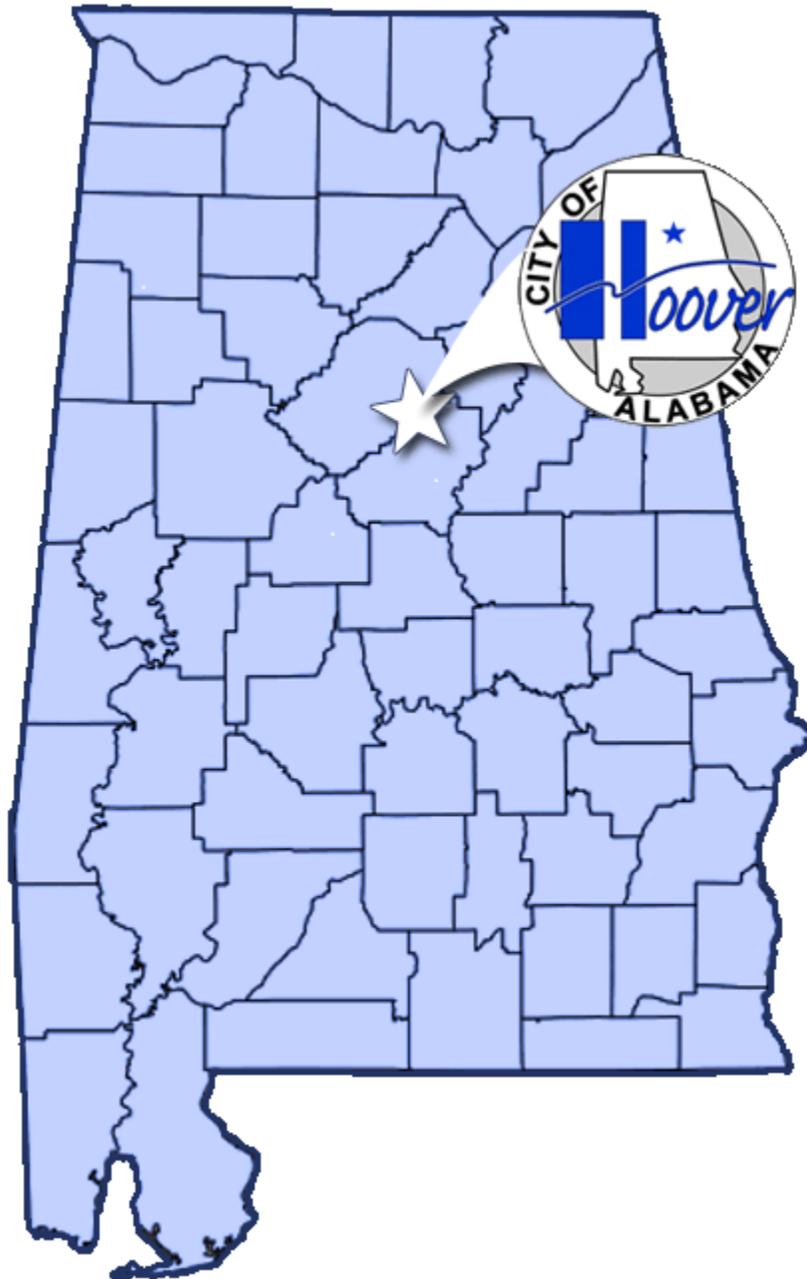
Capital Asset Statistics by Function 157

Statement of Revenues, Expenditures, and Changes in Fund Balances, General Fund 158-159

Miscellaneous Statistics 160

INTRODUCTORY SECTION

(This page intentionally left blank)



The City of Hoover has an estimated population of 88,393 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.

(This page intentionally left blank)



OFFICE OF THE MAYOR
City of Hoover

Frank V. Brocato
Mayor

March 29, 2018

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, 2017, 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 Barfield Murphy Shank & Smith LLC performed the audit.

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

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

If the threshold is met, the City is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Information related to the single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings are included in a separately issued single audit report. For fiscal year 2017, a single audit was required.

PROFILE OF THE GOVERNMENT

Government Structure

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

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

Geography, Population, and History

The Government, incorporated in 1967, is located in Jefferson and Shelby Counties in north central Alabama. In 1968, its population was estimated at 410 and has grown to 88,393 today, making it the sixth largest city in the state based on population. Along with this continued population growth, the City comprises approximately 48.62 square miles.

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

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

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

Component Units

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

Budget Process and Controls

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

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

ECONOMIC CONDITION

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

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

Long-Term Financial Planning

The City's long-term financial planning revolves around the capital projects budget. Each year capital projects are re-evaluated in order to ensure that a total long term perspective for each project is up to date and funded. The City 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 2017, this transfer was \$2,486,705, which was a substantial decrease compared to \$13,634,936 in fiscal year 2016.

Relevant Financial Policies

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

Local Economy

The Government's overall financial condition continues to be positive. The City's total revenue for All Governmental Funds for the fiscal year ended September 30, 2017 decreased by \$1,924,038, or 1.57% from the fiscal year ended September 30, 2016. Increases in tax revenues and other revenues represented the only year over year increases. The general fund represented almost \$1 million of the decrease, while other governmental funds comprised the the balance of the decrease.

The following schedule presents a summary of revenues for all Governmental Funds for the fiscal year ended September 30, 2017, with the amount and percentage of increase (decrease) in relation to the fiscal year ended September 30, 2016.

Revenues are broken down by major categories. As shown, the largest category, taxes, increased by only \$280,352, or .29%. Licenses and permits decreased by \$573,038 due mainly to a slowdown in building permit revenue. Intergovernmental decreased by \$990,652 due mainly to fewer state road grants that were realized during the fiscal year. Fines and forfeits decreased by \$544,640 due mainly to a reduction of forfeiture funds awarded to the police department. Thus, most of the decreases are representative of revenue sources not utilized for ongoing operations. However, due to the slow growth in taxes and the drop in permits, city officials are monitoring revenue collections very closely.

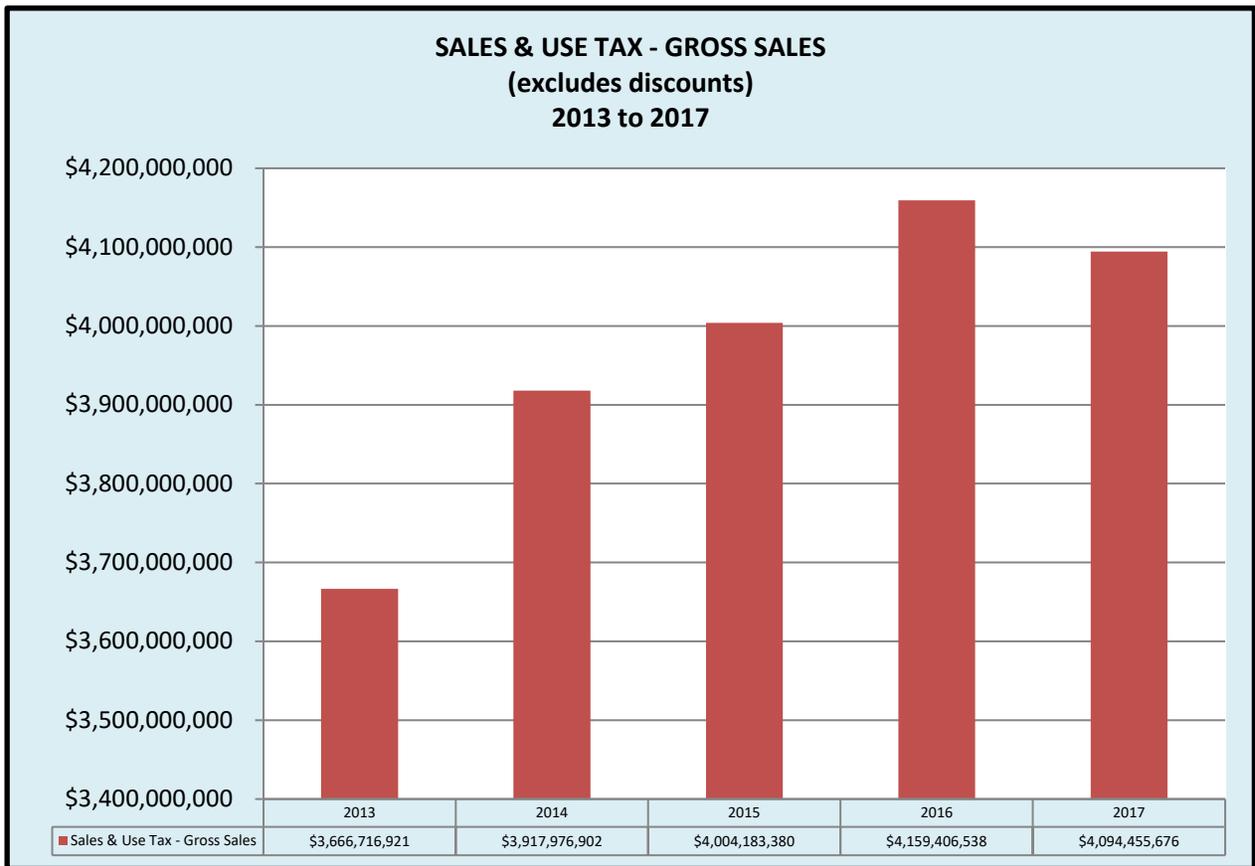
Investment income decreased overall by \$105,542, or 11.04%. The portion that represented the general fund, \$340,440, was offset by investment income earned on the balance of the GOW 2016 warrants, \$489,180. For fiscal year 2016, these amounts were \$884,921 and \$59,471, respectively.

All Governmental Funds					
Revenues	FY 2017 Amount	Percent of Total	FY 2016 Amount	Increase (Decrease) From FY 2016	Percent of Increase (Decrease)
Taxes	\$ 95,580,755	79.47 %	\$ 95,300,403	\$ 280,352	0.29 %
Licenses and permits	8,168,451	6.79	8,741,489	(573,038)	(6.56)
Intergovernmental	7,196,729	5.98	8,187,381	(990,652)	(12.10)
Fines and forfeits	2,163,345	1.80	2,707,985	(544,640)	(20.11)
Investment income	850,741	0.71	956,283	(105,542)	(11.04)
Rents and royalties	808,119	0.67	968,029	(159,910)	(16.52)
Contributions and reimbursements	519,146	0.43	574,808	(55,662)	(9.68)
Charges for services	4,147,633	3.45	4,181,415	(33,782)	(0.81)
Other	<u>835,370</u>	<u>0.69</u>	<u>576,534</u>	<u>258,836</u>	44.90
Total revenues	<u>\$ 120,270,288</u>	<u>100.00 %</u>	<u>\$ 122,194,326</u>	<u>\$ (1,924,038)</u>	(1.57) %

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

Related to sales and use tax, the City's sales and use tax gross sales (excluding discounts) are reflective of the strength of the purchasing power within the City. For calendar year 2017, these sales decreased by almost \$65 million from the previous year to a total of \$4,094,455,676. This represented a decrease of 1.56%. The chart below depicts the gross sales (excluding discounts) for the last five years.

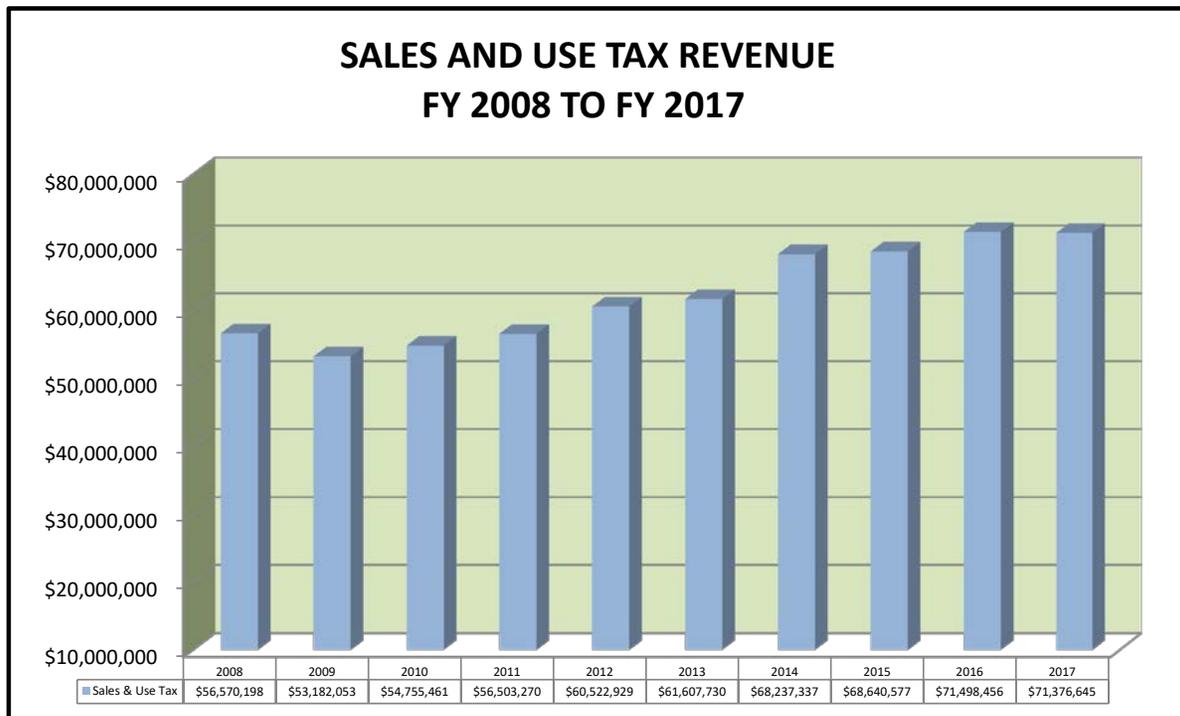
We attribute the majority of this decrease to the impact of online shopping as it continues to grow and affect local brick and mortar stores, as well as direct reporting to the State of Alabama under the Simplified Sellers Use Tax legislation.



Fiscal year 2017 resulted in a small decrease for sales and use tax revenue, the first decrease since the two years of decline in 2008 and 2009 as a result of the Great Recession. Sales and use tax revenue decreased overall by .17% over fiscal year 2016, resulting in flat collections. However, separately, sales tax decreased by over \$700,000 while use tax increased by over \$600,000, resulting in a net decrease of \$121,811. 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 2016.

<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>
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
2016	71,498,456	4.16	122,194,326	58.51
2017	71,376,645	(0.17)	120,270,288	59.35

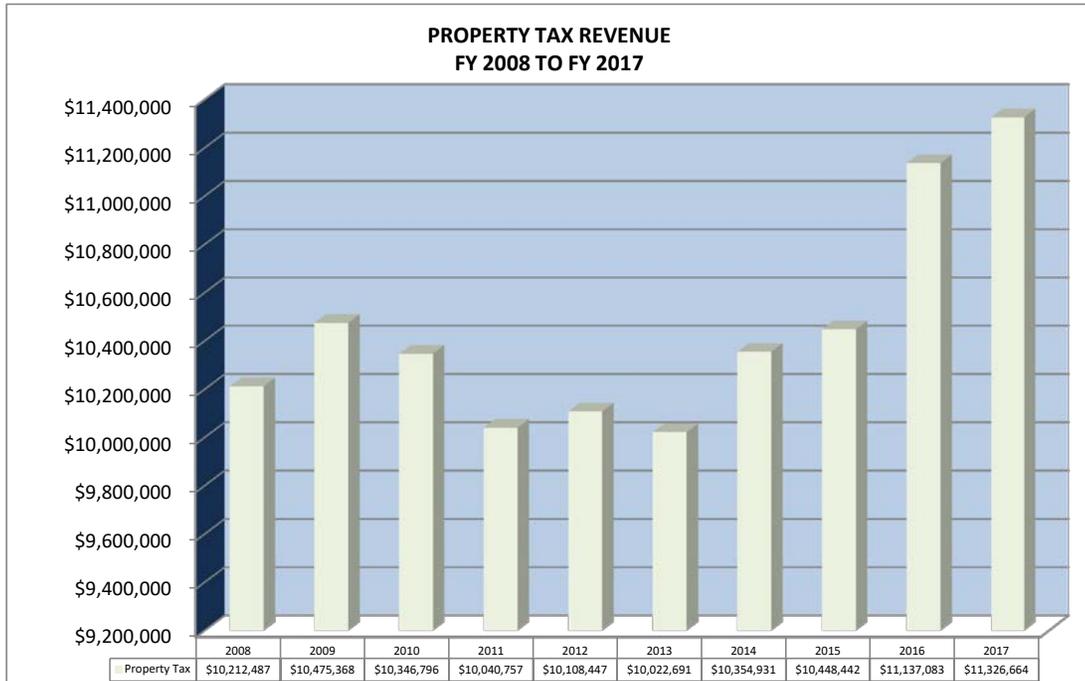
City management expects sales and use tax collections to remain somewhat flat due to the impact of online shopping and its affect nationally on traditional brick and mortar retail.



The second largest revenue source for the City is property tax, which comprises 9.42% of total revenues for all governmental fund types. A ten year summary of property tax is as follows:

<u>Fiscal Year</u>	<u>Property Tax Revenue</u>	<u>Percent of Increase (Decrease) from Previous Year</u>	<u>Total All Governmental Fund Types</u>	<u>Percent of Total Revenue</u>
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
2016	11,137,083	6.59	122,194,326	9.11
2017	11,326,664	1.70	120,270,288	9.42

The City's property tax is 6 1/2 mills for general governmental use. Property tax revenue increased by \$189,581 from FY 2016, or 1.70%. This increase provides evidence of a steady and healthy economy for the City with regards to property values and further development. Management expects overall property taxes to continue steadily increasing in the near future, as housing prices continue to rise and development continues to expand the tax base.



OTHER INFORMATION

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2016. This was the thirty fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Sincerely,



Frank V. Brocato
Mayor



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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Hoover
Alabama**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2016

Christopher P. Morill

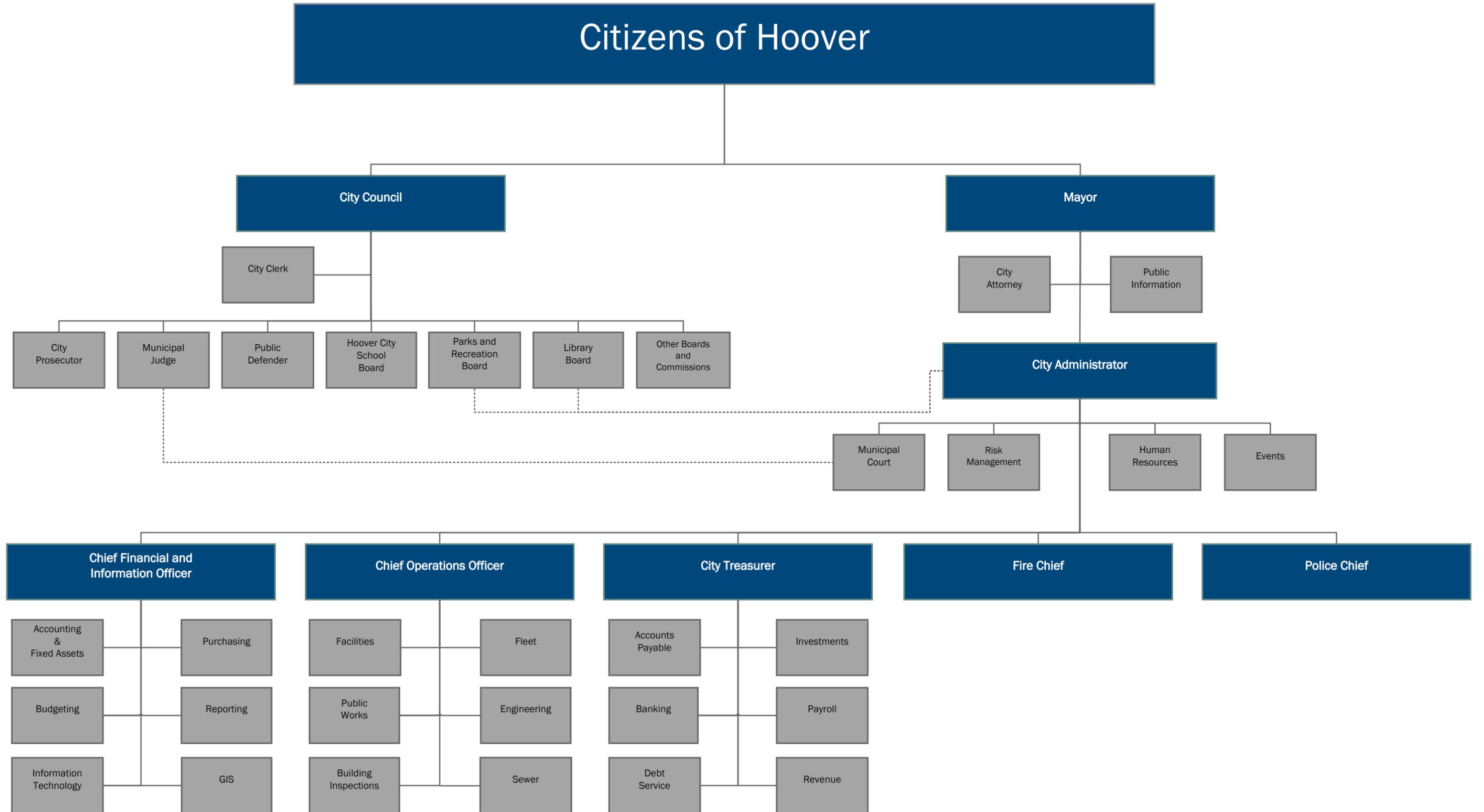
Executive Director/CEO

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA

Organization Chart

Effective 12-09-2016



(This page intentionally left blank)

OFFICIALS FOR THE CITY OF HOOVER, ALABAMA

ELECTED OFFICIALS

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

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)



LOCAL FIRM.
NATIONAL KNOWLEDGE.
GLOBAL REACH.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hoover, Alabama as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hoover, Alabama, as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Adjustment

As described in Note 15 to the financial statements, the City discovered that accounts receivable, accumulated depreciation, revenue and depreciation expense had been misstated in the prior year and corrected the misstatements in the current year. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress – post-employment benefit plan, the schedule of changes in the net pension liability, and the schedule of employer contributions on pages 23 through 45 and 91 through 93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2018, on our consideration of the City of Hoover, Alabama's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hoover, Alabama's internal control over financial reporting and compliance.

Barfield, Murphy, Shank & Smith, LLC

Birmingham, Alabama
March 28, 2018

(This page intentionally left blank)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(This page intentionally left blank)

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, 2017. The purpose of the Management’s Discussion and Analysis (MD&A) is to provide a narrative about the transactions, events, and conditions that are reflected in the government’s financial report and of the fiscal policies that govern its operations. Thus, both a short and long term analysis of the government’s activities will be presented. Please consider the information in this MD&A in conjunction with the Transmittal Letter (beginning on page 1) and the City’s financial statements (beginning on page 47).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Hoover exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended September 30, 2017, by \$331,940,615. Of this amount, \$309,721,434 is invested in capital assets – net of related debt, \$18,224,929 is restricted by enabling legislation, which by definition is legally restricted to certain uses, and \$3,994,253 may be used to meet the government’s ongoing obligations to citizens and creditors.
- The City’s total net position decreased by \$16,592,539, or 4.76% in comparison to the net position at the beginning of the year, as restated. A detailed explanation of this decrease can be viewed on page 29-30 of this MD&A.
- At the close of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$113,846,404, a decrease of \$46,668,345 in comparison with the prior year. Of this total amount, \$30,509,858 is available for spending at the government’s discretion (unassigned fund balance).
- Total net position for governmental activities decreased by \$15,482,808, bringing the total to \$314,648,811 for fiscal year 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to reconcile the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This reconciliation may allow readers to better understand the long-term impact of

the government's near-term financing decisions. As a result, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (see page 50 and page 52, respectively). In addition, a more detailed explanation of the balance sheet reconciliation is given in the notes to the financial statement on page 86.

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

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

Proprietary Funds

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

Notes to the Financial Statements

The notes to the financial statements provide additional essential information that will facilitate understanding the data represented in the government-wide and fund financial statements (see pages 57-88).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets

The City's total assets on its Statement of Net Position for fiscal year 2017 totaled \$569,331,947, of which \$529,324,360 or 92.97% was from governmental activities. This was a decrease of \$9,953,256 for assets in governmental activities. Most of this, over \$37 million was due to spending down debt proceeds from the GOW 2016 warrants reflected in current assets, while the offsetting balance was an increase of capital assets, net of depreciation by almost \$26 million.

Business-type activities made up \$40,007,587 or 7.03% of total assets for fiscal year 2017, which was a decrease of \$2,272,708, or 5.38% from fiscal year 2016. This change was related to both current assets, mostly a decrease in borrowed funds available, and to the capital assets (net of depreciation), whereby they decreased by approximately \$173,000 and \$2.1 million, respectively.

As shown in the summary below, noncurrent assets comprise 73.88% of total assets, which is an increase from fiscal year 2016 where the percentage was 68.23%. For fiscal 2017, current assets comprised 26.12% of all assets, a decrease from fiscal year 2016 where the percentage was 31.77%. This decrease in current assets is attributable to cash and investments decreasing by approximately \$46.5 million, which was mostly attributed to spending down the debt proceeds mentioned above, while capital assets, net of depreciation, increased noncurrent assets by approximately \$26 million as an offset. Overall, the decrease in government-wide assets of approximately \$12.2 million was due mainly to the GOW 2016 bond proceeds being expended.

Breakdown of Assets - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current assets	\$ 177,520,045	\$ 141,638,745	\$ 7,254,036	\$ 7,081,015	\$ 184,774,081	\$ 148,719,760
Noncurrent assets:						
Capital assets, net of depreciation	361,020,944	387,002,090	35,026,259	32,926,572	396,047,203	419,928,662
Actuarial receivable	694,063	650,761	-	-	694,063	650,761
Long-term receivables	42,564	32,764	-	-	42,564	32,764
Total noncurrent assets	<u>361,757,571</u>	<u>387,685,615</u>	<u>35,026,259</u>	<u>32,926,572</u>	<u>396,783,830</u>	<u>420,612,187</u>
Total Assets	<u>\$ 539,277,616</u>	<u>\$ 529,324,360</u>	<u>\$ 42,280,295</u>	<u>\$ 40,007,587</u>	<u>\$ 581,557,911</u>	<u>\$ 569,331,947</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current assets	32.92%	26.76%	17.16%	17.70%	31.77%	26.12%
Noncurrent assets:						
Capital assets, net of depreciation	66.95%	73.11%	82.84%	82.30%	68.10%	73.76%
Statutory actuarial receivable	0.13%	0.12%	0.00%	0.00%	0.12%	0.11%
Long-term receivables	0.01%	0.01%	0.00%	0.00%	0.01%	0.01%
Total noncurrent assets	<u>67.08%</u>	<u>73.24%</u>	<u>82.84%</u>	<u>82.30%</u>	<u>68.23%</u>	<u>73.88%</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	
	2016	2017	2016	2017	2016	2017
Current assets	96.07%	95.24%	3.93%	4.76%	100.00%	100.00%
Noncurrent assets:						
Capital assets, net of depreciation	91.16%	92.16%	8.84%	7.84%	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>91.17%</u>	<u>92.17%</u>	<u>8.83%</u>	<u>7.83%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Assets	<u>92.73%</u>	<u>92.97%</u>	<u>7.27%</u>	<u>7.03%</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 deferred amounts related to pensions, shown below.

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

Category	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Employer contributions subsequent to the measurement date	\$ 4,873,464	\$ 5,146,565	\$ -	\$ -	\$ 4,873,464	\$ 5,146,565
Net difference between projected and actual experience	2,211,739	2,616,856	-	-	2,211,739	2,616,856
Change of assumptions	-	7,386,510	-	-	-	7,386,510
Earnings on pension plan investments	4,399,276	1,190,221	-	-	4,399,276	1,190,221
Total deferred amount related to pensions	11,484,479	16,340,152	-	-	11,484,479	16,340,152
Deferred amount on debt refunding	2,323,555	1,866,462	1,564,626	1,477,773	3,888,181	3,344,235
Total deferred outflow of resources	<u>\$ 13,808,034</u>	<u>\$ 18,206,614</u>	<u>\$ 1,564,626</u>	<u>\$ 1,477,773</u>	<u>\$ 15,372,660</u>	<u>\$ 19,684,387</u>
	89.82%	92.49%	10.18%	7.51%	100.00%	100.00%

Governmental activities comprise most of these deferred outflows, representing 92.49% compared to 7.51% in business-type activities for fiscal year 2017. This percentage breakdown changed from 89.82% for governmental activities (and 10.18% for business-type activities) in fiscal year 2016 mainly due to the change in assumptions in the amount of \$7.4 million related to the pension.

Liabilities

The City’s total liabilities on its Statement of Net Position totaled \$246,528,278 of which \$222,334,722 or 90.19% was from governmental activities. This resulted in a slight increase of \$69,675 for liabilities in governmental activities in fiscal year 2017 compared with fiscal year 2016’s liabilities of \$222,265,047. Although there was only a slight change overall for governmental activities, there were offsetting increases and decreases between the change in bonds and warrants payable, net (decreased \$5.9 million), and the net pension liability (increased \$6.7 million). The decrease for bonds and warrants payable was due to debt service payments on the principal of debt.

Business-type activities made up \$24,193,556, or 9.81% of total liabilities for fiscal year 2017. This represented a decrease from the previous year of \$1,249,831. This change was mostly due to the debt service payments related to the sewer enterprise fund. In addition to the overall dollar value of these liabilities decreasing, the percentage to total liabilities slightly decreased from 10.27% to 9.81% for the government.

Overall, as shown in the summary below, long-term liabilities consisting of net bonds/warrants payable, compensated absences, net pension liability, net opeb obligation, and claims payable comprise 87.18% of total liabilities, with current liabilities comprising 12.82%. The percentage represented changed from fiscal year 2016, which was 86.98% and 13.02% respectively.

Breakdown of Liabilities - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current liabilities:						
Accounts payable and other accrued liabilities	\$ 14,838,067	\$ 14,942,399	\$ 132,234	\$ 235,808	\$ 14,970,300	\$ 15,178,206
Internal payable	2,312	4,063	(2,312)	(4,063)	-	-
Bonds and warrants payable, net	10,727,658	9,757,872	1,351,704	1,371,335	12,079,362	11,129,207
Compensated absences	4,571,217	4,687,626	18,101	15,021	4,589,318	4,702,648
Claims payable workers compensation	92,079	122,102	-	-	92,079	122,102
Claims payable property and casualty	514,055	484,168	-	-	514,055	484,168
Total current liabilities	30,745,388	29,998,230	1,499,727	1,618,101	32,245,114	31,616,330
Long-term liabilities:						
Bonds and warrants payable, net	121,170,126	115,217,055	23,938,351	22,567,016	145,108,477	137,784,071
Compensated absences	7,725,686	7,951,950	5,310	8,439	7,730,996	7,960,389
Net pension liability	58,137,627	64,826,439	-	-	58,137,627	64,826,439
Net opeb obligation	3,198,093	3,072,179	-	-	3,198,093	3,072,179
Claims payable workers compensation	624,365	682,363	-	-	624,365	682,363
Claims payable property and casualty	663,761	586,506	-	-	663,761	586,506
Total long-term liabilities	191,519,659	192,336,491	23,943,661	22,575,455	215,463,319	214,911,947
Total Liabilities	<u>\$ 222,265,047</u>	<u>\$ 222,334,722</u>	<u>\$ 25,443,387</u>	<u>\$ 24,193,556</u>	<u>\$ 247,708,434</u>	<u>\$ 246,528,278</u>

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

Category	2016	2017	2016	2017	2016	2017
Current liabilities	13.83%	13.49%	5.89%	6.69%	13.02%	12.82%
Long-term liabilities	86.17%	86.51%	94.11%	93.31%	86.98%	87.18%
Total Liabilities	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

Category	2016	2017	2016	2017	2016	2017
Current liabilities	95.35%	94.88%	4.65%	5.12%	100.00%	100.00%
Long-term liabilities	84.78%	84.96%	15.22%	15.04%	100.00%	100.00%
Total Liabilities	<u>89.73%</u>	<u>90.19%</u>	<u>10.27%</u>	<u>9.81%</u>	<u>100.00%</u>	<u>100.00%</u>

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. The City had no deferred inflows of resources related to pensions to report in the current fiscal year, as the net difference between projected and actual earnings on pension plan investments is a deferred outflow for fiscal year 2017.

In addition, GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions” requires governments to recognize revenues from property taxes, net of estimated refunds and estimated uncollectible amounts in the period in which they are levied. For fiscal year 2017, deferred inflows related to this were \$10,547,441, with an offset to taxes receivable. Fiscal year 2017 was the first year that this deferral was included.

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

Category	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Deferred amount on property tax levy	\$ -	\$ 10,547,441	\$ -	\$ -	\$ -	\$ 10,547,441
Total deferred inflow of resources	\$ -	\$ 10,547,441	\$ -	\$ -	\$ -	\$ 10,547,441
	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%

Net Position

The City’s entity-wide net position totaled \$331,940,615. Governmental activities comprised \$314,648,811 or 94.79% of the total net position for fiscal year 2017. This represented a decrease of \$15,482,808, or 4.69% of net position as restated. This is due to net investment in capital assets decreasing by approximately \$5.5 million, while net position restricted for other purposes (funds that are restricted in their purpose) increased by approximately \$620,000, and unrestricted net position decreasing by approximately \$11.3 million.

Business-type activities made up \$17,291,804, or 5.21% of total net position for fiscal year 2017. This represented a decrease of \$1,109,730, but the percentage represented was relatively the same in comparison with fiscal year 2016, which was 5.27%. 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.

	Governmental Activities		Business-Type Activities		Total	
	2016	2017	2016	2017	2016	2017
Net investment in capital assets	\$ 304,691,842	\$ 299,225,002	\$ 11,458,243	\$ 10,496,432	\$ 316,150,085	\$ 309,721,434
Restricted for other purposes	17,604,524	18,224,929	-	-	17,604,524	18,224,929
Unrestricted (deficit)	8,524,236	(2,801,119)	6,943,292	6,795,371	15,467,528	3,994,251
Total net position	<u>330,820,602</u>	<u>314,648,811</u>	<u>18,401,534</u>	<u>17,291,804</u>	<u>349,222,137</u>	<u>331,940,615</u>
Prior period adjustment (Note #15)	(688,983)	-	-	-	(688,983)	-
Net position at end of year	<u>\$ 330,131,619</u>	<u>\$ 314,648,811</u>	<u>\$ 18,401,534</u>	<u>\$ 17,291,804</u>	<u>\$ 348,533,154</u>	<u>\$ 331,940,615</u>

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

	2016	2017	2016	2017	2016	2017
Net investment in capital assets	92.10%	95.10%	62.27%	60.70%	90.53%	93.31%
Restricted for other purposes	5.32%	5.79%	0.00%	0.00%	5.04%	5.49%
Unrestricted (deficit)	2.58%	-0.89%	37.73%	39.30%	4.43%	1.20%
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

	2016	2017	2016	2017	2016	2017
Net investment in capital assets	96.38%	96.61%	3.62%	3.39%	100.00%	100.00%
Restricted for other purposes	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Unrestricted (deficit)	55.11%	-70.13%	44.89%	170.13%	100.00%	100.00%
Total net position	<u>94.73%</u>	<u>94.79%</u>	<u>5.27%</u>	<u>5.21%</u>	<u>100.00%</u>	<u>100.00%</u>

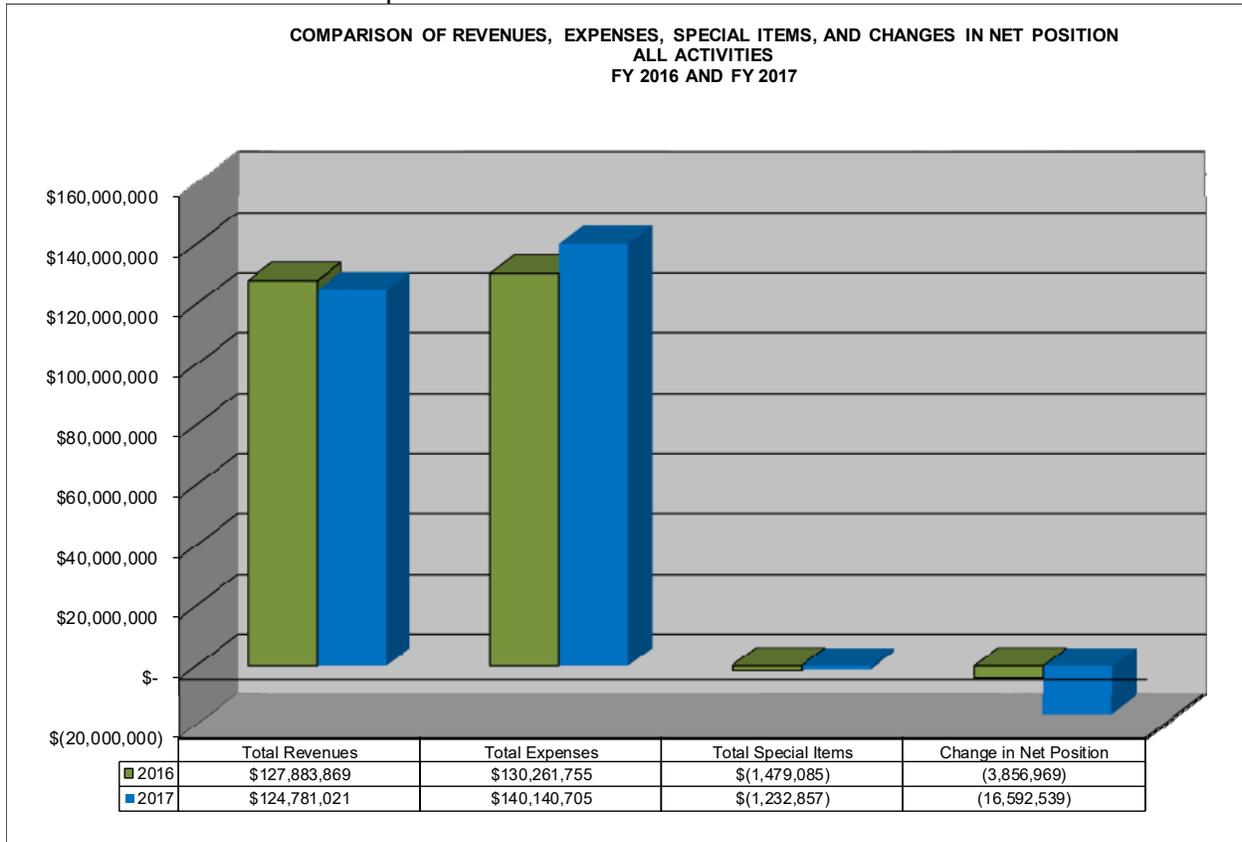
The largest portion of the City's assets is restricted or invested in capital assets. In particular, \$309,721,434, or 93.31% is invested in capital assets such as buildings, roads and bridges, less any related debt used to acquire those assets that is still outstanding and including any remaining bond proceeds. In addition, \$18,224,929, or 5.49% is restricted for other various purposes. Thus, the total percentage of restricted assets totaled 98.80% for fiscal year 2017, as compared with fiscal year 2016 at 95.57%.

At the same time, the City has \$3,994,251 or 1.20% 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 approximately \$11.4 million from fiscal year 2016 to fiscal year 2017, with governmental activities representing approximately \$11.3 million of the decrease, while the business-type activities decreased \$147,921.

As mentioned above, the largest portion of the City's net position (93.31%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Thus, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. However, \$35,331,376 of this investment is due to unspent bond proceeds committed to capital asset expenditures.

Statement of Activities

The Statement of Activities includes governmental activities and business-type activities. The total change in net position for the fiscal year ended 2017 was a decrease of \$16,592,539 compared with the fiscal year ended 2016 change in net position that had a decrease of \$3,856,969, a difference of \$12,735,570. There are several reasons for this difference that relate to both revenue and expenses.



In terms of revenues, overall revenues decreased by over \$3 million. Capital grants and contributions decreased by approximately \$2.2 million, while charges for services decreased by approximately \$1.1 million. Capital grants and contributions decreased due to less donated assets to the City than the prior year where we reported the state portion for road and sidewalk projects, as well as the acceptance of a bridge, and a confiscated vehicle, a \$1.3 million net reduction. The balance was mainly due to fewer state transportation funds received on shared capital projects. The reduction in charges for service revenues was attributable to fewer forfeiture fund proceeds related to public safety. In addition, the prior year had a \$2.8 million in sales and use tax increase, whereas sales and use taxes decreased slightly by \$121,811.

Expenses increased by almost \$10 million. This was mainly due to four items: 1) over \$2.5 million in additional contributions to the school system, 2) the construction and opening of the new Finley events facility (approximately \$400,000 in increased depreciation, as well as almost \$1.6 million in pre-opening and non-capitalized outlays), 3) additional debt service requirements (\$1.7 million related to a one-time increase, and \$2.6 million related to the GOW 2016 warrants for improvements to the Hoover Metropolitan Complex) and 4) normal increases in salary 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	
	2016	2017	2016	2017	2016	2017
REVENUES						
Program Revenues:						
Charges for services	\$ 16,611,042	\$ 15,308,912	\$ 3,993,577	\$ 4,147,413	\$ 20,604,619	\$ 19,456,325
Operating grants and contributions	2,958,966	3,190,304	-	-	2,958,966	3,190,304
Capital grants and contributions	4,332,586	2,090,512	-	-	4,332,586	2,090,512
General Revenues:						
Sales and use taxes	71,498,456	71,376,645	-	-	71,498,456	71,376,645
Property taxes	11,137,083	11,326,664	-	-	11,137,083	11,326,664
Other taxes	12,664,864	12,877,445	-	-	12,664,864	12,877,445
Intergovernmental revenue not restricted	3,148,841	3,107,514	-	-	3,148,841	3,107,514
Unrestricted investment income	944,319	829,540	44,665	72,922	988,984	902,462
Gain (loss) on asset disposals	179,487	111,401	-	-	179,487	111,401
Other revenue	369,983	341,749	-	-	369,983	341,749
Total Revenues	\$ 123,845,627	\$ 120,560,686	\$ 4,038,242	\$ 4,220,335	\$ 127,883,869	\$ 124,781,021
EXPENSES						
Program Activities:						
General government	\$ 16,802,434	\$ 18,176,731	\$ -	\$ -	\$ 16,802,434	\$ 18,176,731
Public safety	49,579,647	50,172,991	-	-	49,579,647	50,172,991
Library	7,517,909	7,726,717	-	-	7,517,909	7,726,717
Municipal court	1,961,501	2,019,744	-	-	1,961,501	2,019,744
Sanitation	7,054,541	7,226,459	-	-	7,054,541	7,226,459
Education	2,546,000	5,000,000	-	-	2,546,000	5,000,000
Highway and roadway improvements	26,045,969	25,620,377	-	-	26,045,969	25,620,377
Recreation services	10,892,415	14,283,602	-	-	10,892,415	14,283,602
Health	72,440	74,729	-	-	72,440	74,729
Interest and fiscal charges	2,717,454	4,509,288	-	-	2,717,454	4,509,288
Redevelopment	-	-	-	-	-	-
Sewer services	-	-	5,071,445	5,330,066	5,071,445	5,330,066
Total Expenses	\$ 125,190,309	\$ 134,810,639	\$ 5,071,445	\$ 5,330,066	\$ 130,261,755	\$ 140,140,705
Excess (deficiency) before transfers	(1,344,682)	(14,249,953)	(1,033,203)	(1,109,731)	(2,377,886)	(15,359,684)
SPECIAL ITEMS						
Revenue rebate to developer	(1,479,085)	(1,232,857)	-	-	(1,479,085)	(1,232,857)
Total special items	\$ (1,479,085)	\$ (1,232,857)	\$ -	\$ -	\$ (1,479,085)	\$ (1,232,857)
CHANGE IN NET POSITION	(2,823,766)	(15,482,808)	(1,033,203)	(1,109,731)	(3,856,969)	(16,592,539)
NET POSITION, BEGINNING OF YEAR	333,644,368	330,820,602	19,434,737	18,401,534	353,079,106	349,222,137
PRIOR PERIOD ADJUSTMENT	-	(688,983)	-	-	-	(688,983)
NET POSITION AT END OF YEAR	\$ 330,820,602	\$ 314,648,811	\$ 18,401,534	\$ 17,291,804	\$ 349,222,137	\$ 331,940,615

As mentioned previously, revenues decreased by \$3.1 million and expenses increased by almost \$10 million, which resulted in an overall decrease in net position of almost \$13 million over fiscal year 2016. Almost all of this change was reflected in the governmental activities.

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

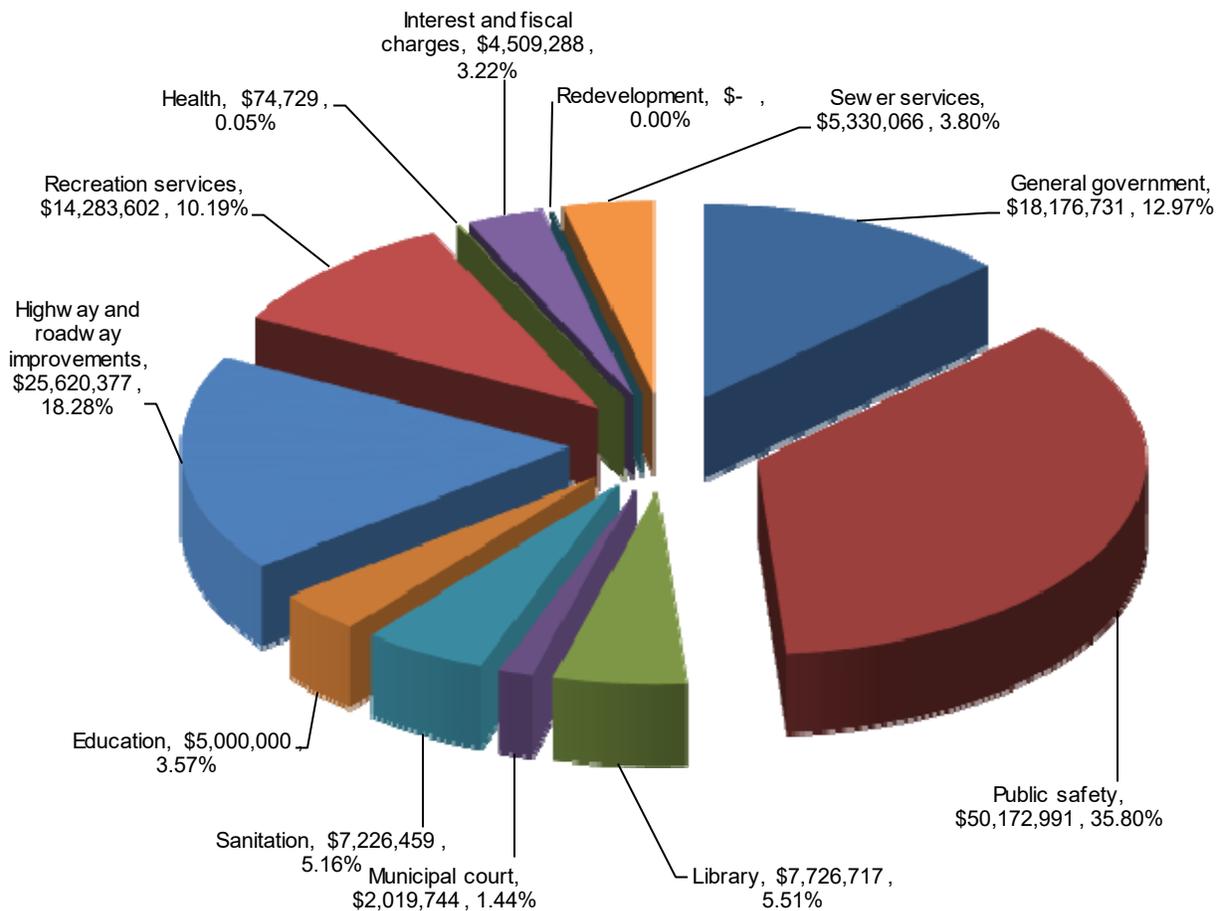
**CHANGE IN NET POSITION - PERCENTAGE BY CATEGORY
AS OF SEPTEMBER 30**

Category	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
REVENUES						
Program Revenues:						
Charges for services	13.41%	12.70%	98.89%	98.27%	16.11%	15.59%
Operating grants and contributions	2.39%	2.65%	0.00%	0.00%	2.31%	2.56%
Capital grants and contributions	3.50%	1.73%	0.00%	0.00%	3.39%	1.68%
General Revenues:						
Sales and use taxes	57.73%	59.20%	0.00%	0.00%	55.91%	57.20%
Property taxes	8.99%	9.39%	0.00%	0.00%	8.71%	9.08%
Other taxes	10.23%	10.68%	0.00%	0.00%	9.90%	10.32%
Intergovernmental revenue not restricted	2.54%	2.58%	0.00%	0.00%	2.46%	2.49%
Unrestricted investment income	0.76%	0.69%	1.11%	1.73%	0.77%	0.72%
Gain on sale of disposed equipment	0.14%	0.09%	0.00%	0.00%	0.14%	0.09%
Other revenue	0.30%	0.28%	0.00%	0.00%	0.29%	0.27%
Total Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
EXPENSES						
Program Activities:						
General government	13.42%	13.48%	0.00%	0.00%	12.90%	12.97%
Public safety	39.60%	37.22%	0.00%	0.00%	38.06%	35.80%
Library	6.01%	5.73%	0.00%	0.00%	5.77%	5.51%
Municipal court	1.57%	1.50%	0.00%	0.00%	1.51%	1.44%
Sanitation	5.64%	5.36%	0.00%	0.00%	5.42%	5.16%
Education	2.03%	3.71%	0.00%	0.00%	1.95%	3.57%
Highway and roadway improvements	20.81%	19.00%	0.00%	0.00%	20.00%	18.28%
Recreation services	8.70%	10.60%	0.00%	0.00%	8.36%	10.19%
Health	0.06%	0.06%	0.00%	0.00%	0.06%	0.05%
Interest and fiscal charges	2.17%	3.34%	0.00%	0.00%	2.09%	3.22%
Redevelopment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Sewer services	0.00%	0.00%	100.00%	100.00%	3.89%	3.80%
Total Expenses	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
SPECIAL ITEMS						
Revenue rebate to developer	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total special items	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>100.00%</u>	<u>100.00%</u>
CHANGE IN NET POSITION	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Expenses

Public safety activities, which include dispatch, police, fire, and inspections, accounted for 35.80% of the total expenses on the Statement of Activities. After the highway and road improvement category that represented 18.28% of expenses, general government, recreation services (including park maintenance), library and sanitation comprised 12.97%, 10.19%, 5.51% and 5.16% of expenses, respectively. Interest and fiscal charges, which represent mandatory spending (as opposed to discretionary spending) represented 3.22% of total expenses.

Functions as a Percentage of Total Expenses - All Activities
FY 2017



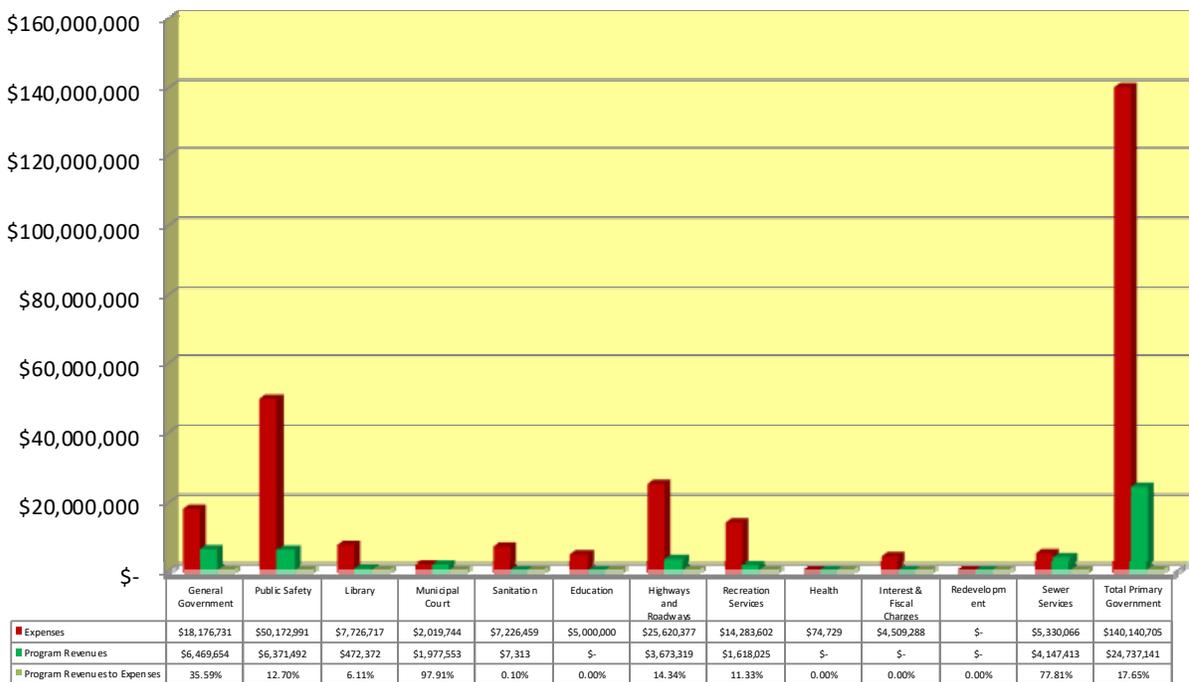
The chart above illustrates the entire expense breakdown by function and corresponding percentage for fiscal year 2017. The percentages match closely with those of fiscal year 2016, with some notable differences. The largest decreases in percentage composition were in the public safety and highway and roadway improvements categories. This is mainly due to the increase in expenses for schools and recreation services, related to the increased contribution to the school system and the new Finley Center events facility opening in fiscal year 2017, as were discussed earlier. In addition, interest and fiscal charges increased due to a one-time aberration in debt service, as well as new debt service on the 2016 GOW debt issuance.

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, general government makes up the largest program income category, comprising \$6,469,654. This is mainly due to business license revenue collected by the Revenue Department. Public Safety follows closely behind at \$6,371,492. 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 2017



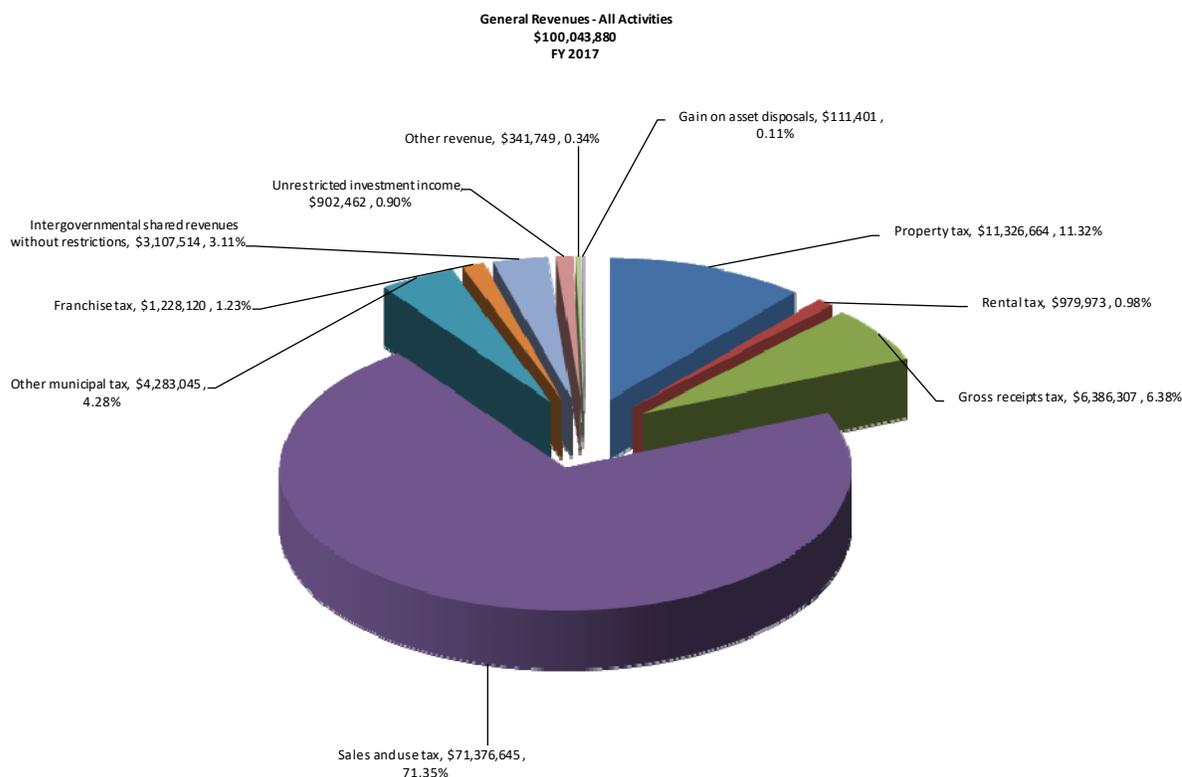
In addition, Municipal Court was the closest program to take in more program revenue than they had expenses. For fiscal year 2017, Municipal Court had expenses totaling \$2,019,744 and program revenues totaling \$1,977,553, which represented 97.91% of revenues to expenses. This percentage was a slight increase compared to fiscal year 2016, which had 97.19% of program revenue 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 2017 totaled \$5,330,066 and program revenues totaled \$4,147,413, which represented 77.81% of revenues to expenses. The City is continuing to review alternatives on how to close the gap between the sewer's revenues and expenses. A study was underway at the end of fiscal year 2017.

General Revenues

As a whole, primary government programs offset 17.65% of their total expenses (\$140,140,705) from program revenue (\$24,737,141). General revenues help to offset the balance of these programs by \$100,043,880.

Sales and use tax encompass the overwhelming percentage of general revenues, making up \$71,376,645 of them, which is 71.35% of total general revenues. The second largest category that contributes to general revenues is property tax, which comprised \$11,326,664 or 11.32% of total revenues. Gross receipts taxes from public utilities and insurance companies comprised the third largest source of general revenue bringing in \$6,386,307, or 6.38%.



Also in fiscal year 2017, the City rebated \$1,232,857 to developers, which is shown as a special item on the financial statement.

In summary, after taking into account total expenses, total program revenues, total general revenues, and special items for governmental activities in the Statement of Activities, net position decreased by \$15,482,808 for the primary government. As a result, along with the decrease in net position for the business-type activities of \$1,109,731, the net position at the

end of the year totaled \$331,940,615 for all activities, after the prior period adjustment reduced the beginning of year net position by \$688,983.

OTHER PROPRIETARY FUNDS

Internal Service Funds

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

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

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

The active health insurance internal service fund ended the year with \$1,346,171 in net position, while the retiree health insurance internal service fund ended the year with (\$1,484,301) in net position. The active health insurance internal service fund increased by almost \$1 million. The retiree health insurance internal service fund net position is due to the accumulated recording of the net OPEB obligation as a result of the GASB Statement No. 45 implementation mentioned above.

The workers' compensation internal service fund ended the year with \$395,823 in net position, while the property and casualty internal service fund, ended the year with (\$18,233). Overall, the City is pleased with the net position of these internal service funds. However, we will continue to monitor the activity in fiscal year 2018 to see if we need to adjust the funding rates should claims warrant it.

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 2017.

	2017 Governmental Funds					
	General Fund	Capital Projects Fund	GOW 2016 Capital Projects Fund	Parks & Recreation Board	Other Governmental Funds	Total Governmental Funds
Total revenues	\$ 110,455,100	\$ 184,692	\$ 489,180	\$ -	\$ 9,141,317	\$ 120,270,288
Total expenditures	105,614,394	16,920,458	26,778,257	10,239,842	10,979,606	170,532,557
Total other financing sources (uses)	(4,595,447)	6,908,638	(10,184,945)	10,239,842	2,458,694	4,826,781
Total special items	(1,232,857)	-	-	-	-	(1,232,857)
Net change in fund balances	(987,599)	(9,827,128)	(36,474,022)	-	620,404	(46,668,345)
Fund balances, beginning of year	32,000,000	40,855,544	68,967,081	-	17,604,524	159,427,150
Prior period adjustment	1,087,599	-	-	-	-	1,087,599
Fund balances, end of year	<u>\$ 32,100,000</u>	<u>\$ 31,028,416</u>	<u>\$ 32,493,059</u>	<u>\$ -</u>	<u>\$ 18,224,929</u>	<u>\$ 113,846,404</u>
Percent of fund balance to expenditures	30.39%	183.38%	121.34%	0.00%	165.99%	66.76%

Other than the general fund, the City has three other governmental major funds. They are the capital projects fund, the 2016 GOW capital projects fund, and the parks & recreation board fund. All other funds, which consist of special revenue funds and other capital project funds, are lumped into the other governmental funds column.

As of September 30, 2017, the City of Hoover's governmental funds reported combined ending fund balances of \$113,846,404. Approximately \$30,509,858 or 26.80% constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of the fund balance is non-spendable (.10%) restricted (16.01%), committed (55.80%), or assigned (1.30%). These fund balance categories are defined in the Notes to the Financial Statements.

In fiscal year 2016, the combined governmental ending fund balances were \$159,427,150. The total end of the year fund balances decreased by \$46,668,345 from fiscal 2016 to fiscal 2017. This decrease was actualized as follows: General Fund - \$100,000, Capital Projects Fund - (\$9,827,128), 2016 GOW Capital Projects Fund - (\$36,474,022), and Other Governmental Funds - \$620,404. By resolution, the excess in the General Fund above \$100,000 is transferred to the Capital Projects Fund. The remaining difference to the change in fund balance from beginning of year to end of year is due to a prior period adjustment in the amount of \$1,087,599 to record use tax receivables in accordance with accounting principles.

General Fund

The general fund is the chief operating fund for the City of Hoover. As of September 30, 2017, the total fund balance of the general fund was \$32,100,000 as compared with September 30, 2016 where it was \$32,000,000, an increase of \$100,000. The end of the year fund balance for fiscal year 2017 represents approximately 30.39% 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, 2017, the total ending fund balance for the capital projects fund was \$31,028,416. For the fiscal year, transfers to and from various funds, as well as debt issuance to upgrade the public radio system, offset the total expenditures during the year of \$16,920,458, with a net decrease to the fund of \$9,827,128 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, 2017, although all of the fund balance shows as committed, the total city portion of ongoing projects from this fund is estimated at \$20,516,211. The balance, \$10,512,205 is not dedicated to specific projects and is available to be allocated to future projects as needed. The fiscal year 2018 budget did dedicate some of these funds to new or existing projects as needed.

2016 GOW Capital Projects Fund

The 2016 GOW capital projects fund is the fund for tracking the 2016 bond issuance related to the new events facility and other improvements at the Hoover Metropolitan Complex. As of September 30, 2017, the total ending fund balance for the 2016 GOW capital projects fund was \$32,493,059. Most of the funds are expected to be spent by the end of fiscal year 2018 and totally completed in fiscal year 2019.

Parks & Recreation Board

In fiscal year 2017, the City contributed over \$10 million to the parks & recreation board in order to make improvements to the Hoover Metropolitan Complex. Additional contributions are expected during fiscal year 2018 and 2019.

Other Governmental Funds

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

General Fund Budgetary Highlights

The original budget and the final amended budget for the general fund both projected a net increase of budgetary fund balance in the amount of \$100,000. However, as shown below, budgeted revenues increased by \$1,214,778, or 1.08% of the original budget. This was mostly due to an increase in tax revenue over the original projection by approximately \$700,000.

The total expenditure budget decreased by \$951,619, or .85%. The major reason for this (and the revenue projection change) was to allow a transfer to the capital projects fund for future projects by using the surplus at the end of the fiscal year. Since fiscal year 2007, the City has transferred all excess in the general fund above \$100,000 to the capital projects fund each year. Due to the prior period adjustment, the transfer was adjusted in fiscal year 2017 accordingly.

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	\$ 96,933,870	\$ 97,651,880	\$ 718,010	0.74 %
Licenses and permits	8,466,600	8,501,200	34,600	0.41
Intergovernmental	1,941,813	1,991,624	49,811	2.57
Fines and forfeits	825,000	902,906	77,906	9.44
Investment income	1,200,100	1,200,100	-	0.00
Rents and royalties	718,368	741,160	22,792	3.17
Contributions and reimbursements	214,619	283,614	68,995	32.15
Charges for services	1,703,177	1,418,202	(284,975)	-16.73
Other	296,453	824,092	527,639	177.98
Total revenues	<u>112,300,000</u>	<u>113,514,778</u>	<u>1,214,778</u>	1.08 %
Expenditures				
Current operations				
General government	17,387,367	16,774,923	(612,444)	-3.52 %
Public safety	43,865,947	43,171,362	(694,585)	-1.58
Library	7,461,210	7,542,745	81,535	1.09
Municipal court	134,388	131,050	(3,338)	-2.48
Sanitation	7,325,358	7,236,178	(89,180)	-1.22
Education	5,000,000	5,000,000	-	0.00
Highway and roadway improvements	5,066,163	5,174,780	108,617	2.14
Recreation services	11,833,253	12,098,574	265,321	2.24
Health	75,000	75,000	-	0.00
Total	<u>98,148,686</u>	<u>97,204,612</u>	<u>(944,074)</u>	-0.96 %
Capital outlays	378,321	370,776	(7,545)	-1.99 %
Debt service				
Principal	8,880,000	8,880,000	-	0.00 %
Interest	4,430,626	4,430,626	-	0.00
Issuance costs	-	-	-	
Fiscal agent fees	3,300	3,300	-	0.00
Total expenditures	<u>111,840,933</u>	<u>110,889,314</u>	<u>(951,619)</u>	-0.85 %
Excess (deficiency) of revenues over (under) expenditures	459,067	2,625,464	2,166,397	4.72
Other financing sources (uses)				
Transfers in	32,573,394	33,123,655	550,261	0.02 %
Transfers out	(32,015,461)	(34,382,119)	(2,366,658)	0.07
Payment to refund bond escrow agent	-	-	-	0.00
Total other financing sources (uses)	<u>557,933</u>	<u>(1,258,464)</u>	<u>(1,816,397)</u>	-3.26 %
Special items				
Revenue rebate to developer	(917,000)	(1,267,000)	(350,000)	0.38 %
Total special items	<u>(917,000)</u>	<u>(1,267,000)</u>	<u>(350,000)</u>	0.38
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	100.00 %
Fund balances, beginning of year	<u>32,000,000</u>	<u>32,000,000</u>	-	
Fund balances, end of year	<u>32,100,000</u>	<u>32,100,000</u>	-	0.00% %

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

Revenues came in at over \$3 million less than the amended projection, mostly attributable to taxes not meeting projections (over \$2 million). Investment income reflects almost \$900,000 less in actual compared to budget. This was due to selling investments for a loss in order to comply with state law.

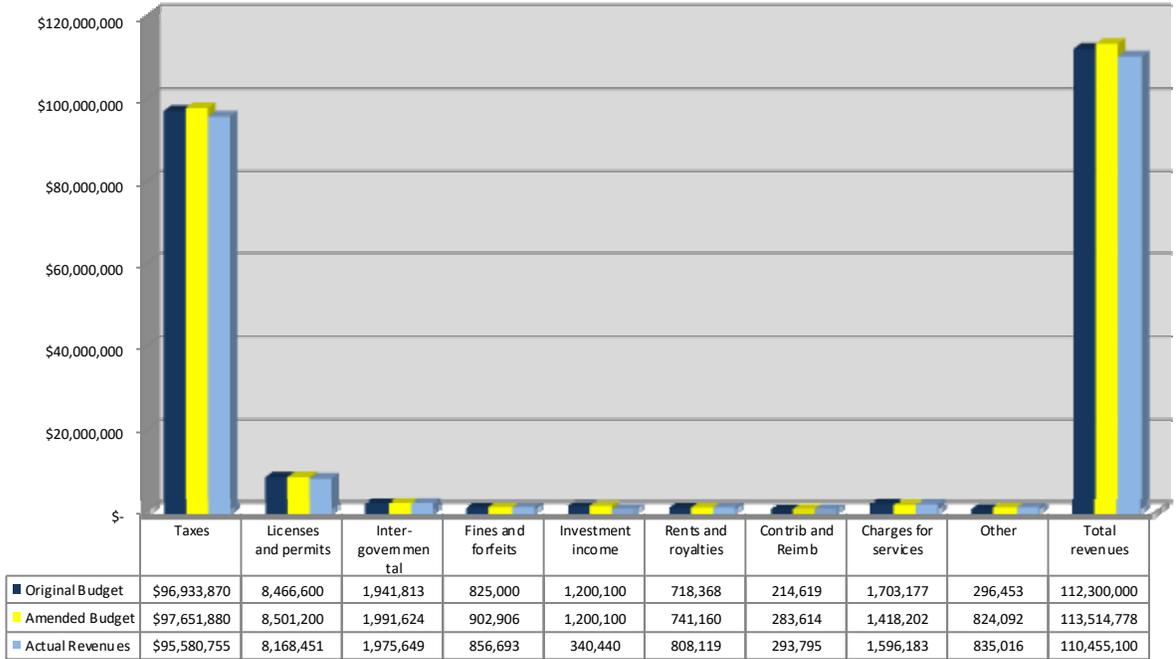
Total expenditures were \$5.2 million less than the amended budget. Most of this was related to general government and recreation services. Compared to the original budget, total expenditures were \$6.2 million less than projected.

General Fund Original Budget, and Amended Budget to Actual

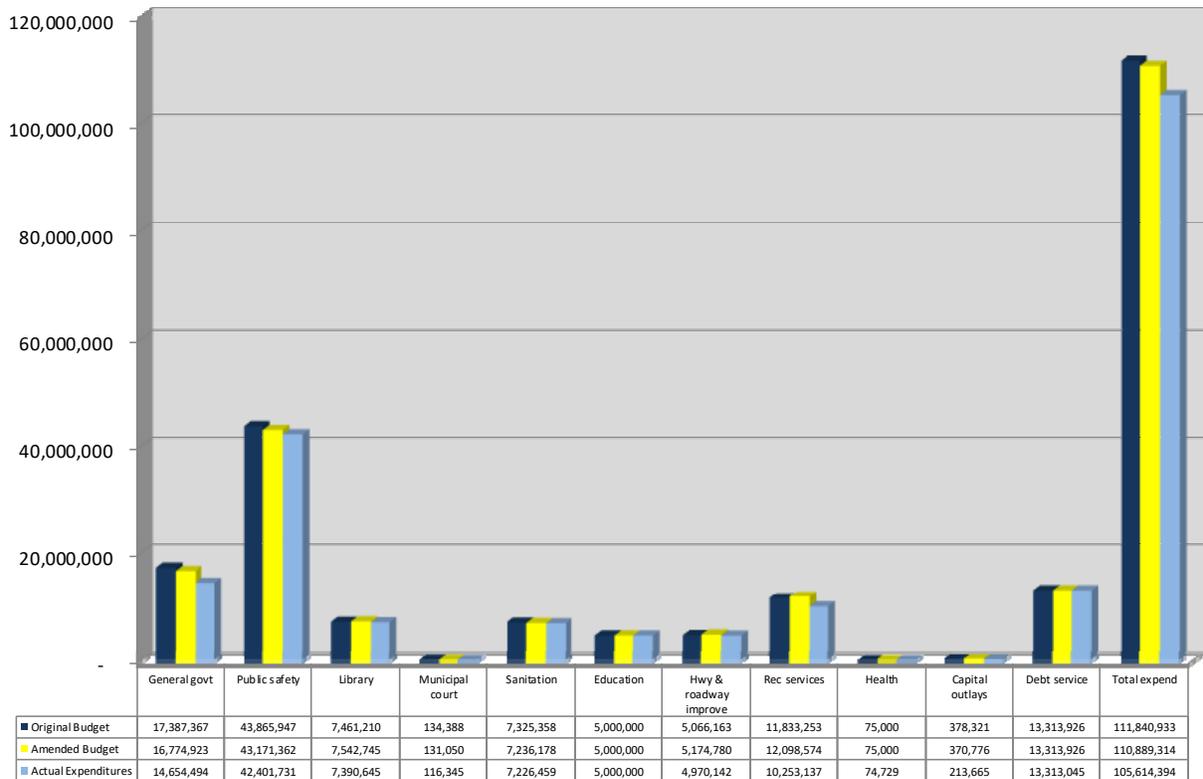
	Original Budget	Amended Budget	Actual	Amended Variance Favorable (Unfavorable)	% Difference Between Amended Budget and Actual Expenditure
Revenues					
Taxes	\$ 96,933,870	\$ 97,651,880	\$ 95,580,755	\$ (2,071,125)	-2.12 %
Licenses and permits	8,466,600	8,501,200	8,168,451	(332,749)	-3.91
Intergovernmental	1,941,813	1,991,624	1,975,649	(15,975)	-0.80
Fines and forfeits	825,000	902,906	856,693	(46,213)	-5.12
Investment income	1,200,100	1,200,100	340,440	(859,660)	-71.63
Rents and royalties	718,368	741,160	808,119	66,959	9.03
Contributions and reimbursements	214,619	283,614	293,795	10,181	3.59
Charges for services	1,703,177	1,418,202	1,596,183	177,981	12.55
Other	296,453	824,092	835,016	10,924	1.33
Total revenues	<u>112,300,000</u>	<u>113,514,778</u>	<u>110,455,100</u>	<u>(3,059,678)</u>	-2.70
Expenditures					
Current operations					
General government	17,387,367	16,774,923	14,654,494	2,120,429	12.64
Public safety	43,865,947	43,171,362	42,401,731	769,631	1.78
Library	7,461,210	7,542,745	7,390,645	152,100	2.02
Municipal court	134,388	131,050	116,345	14,705	11.22
Sanitation	7,325,358	7,236,178	7,226,459	9,719	0.13
Education	5,000,000	5,000,000	5,000,000	-	0.00
Highway & roadway improvements	5,066,163	5,174,780	4,970,142	204,638	3.95
Recreation services	11,833,253	12,098,574	10,253,137	1,845,437	15.25
Health	75,000	75,000	74,729	271	0.36
Total	<u>98,148,686</u>	<u>97,204,612</u>	<u>92,087,684</u>	<u>5,116,930</u>	5.26
Capital outlays	378,321	370,776	213,665	157,111	42.37
Debt service					
Principal	8,880,000	8,880,000	8,880,000	-	0.00
Interest	4,430,626	4,430,626	4,429,929	697	0.02
Fiscal agent fees	3,300	3,300	3,116	184	5.58
Total expenditures	<u>111,840,933</u>	<u>110,889,314</u>	<u>105,614,394</u>	<u>5,274,923</u>	4.76
Excess (deficiency) of revenues over (under) expenditures	459,067	2,625,464	4,840,706	2,215,242	84.38
Other financing sources (uses)					
Transfers in	32,573,394	33,123,655	25,368,458	(7,755,197)	-23.41
Transfers out	(32,015,461)	(34,382,119)	(29,963,906)	4,418,213	-12.85
Payment to refund bond escrow agent	-	-	-	-	0.00
Total other financing sources (uses)	<u>557,933</u>	<u>(1,258,464)</u>	<u>(4,595,447)</u>	<u>(3,336,984)</u>	265.16
Special items					
Revenue rebate to developer	(917,000)	(1,267,000)	(1,232,857)	34,143	-2.69
Total special items	<u>(917,000)</u>	<u>(1,267,000)</u>	<u>(1,232,857)</u>	<u>34,143</u>	
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ (987,599)</u>	<u>\$ (1,087,599)</u>	-1087.60 %
Fund balances, beginning of year			32,000,000		
Prior period adjustment			<u>1,087,599</u>		
Fund balances, end of year			<u>\$ 32,100,000</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 2017.

GENERAL FUND BUDGET - REVENUES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL REVENUE
FY 2017



GENERAL FUND BUDGET - EXPENDITURES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL EXPENDITURES
FY 2017



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, 2017, amounts to \$419,928,662 (net of accumulated depreciation). This was an overall increase of \$23,881,459 from fiscal year 2016 mainly due to the net of depreciation and the additions during the fiscal year related to the Finley Center. 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 2017. The Sewer Enterprise fund added \$129,517 in assets, for various sewer system improvements currently classified as construction in progress. The overall net change with accumulated depreciation for the sewer system assets was a decrease of \$2,099,687.

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

Debt Administration

As of the fiscal year end, the City of Hoover had \$108,895,000 of governmental debt and \$22,570,000 of business-type debt outstanding for the sewer enterprise fund. The City was awarded an AAA credit rating from Standard and Poor's Corporation in 2014, which was reconfirmed in 2016, and maintains an Aa1 from Moody's Investors Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to twenty percent (20%) of its total assessed valuation. The current constitutional debt limitation for the City of Hoover is \$386,863,346, which is significantly in excess of the City of Hoover's outstanding general obligation debt by \$251,593,546. To be conservative, business-type debt is calculated against this ratio.

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

ECONOMIC FACTORS

The Government's financial condition continues to be positive, but recent trends require close monitoring of revenues and expenditures. The City relies on taxes (sales and use, property, gross receipts, franchise, etc.), licenses and permits, intergovernmental revenue, fines and forfeits, charges for service, investment income, rents and royalties, contributions and reimbursements, and other revenue for their governmental activities. The primary source of revenue is sales and use tax (\$71.4 million).

Online shopping has had an effect on our sales tax revenue growth that we are closely monitoring. During fiscal year 2017, the City's overall general fund revenues decreased by almost \$1 million. At the same time, total expenditures in the general fund increased by almost \$12 million. Since the City is heavily reliant on sales tax revenue, and online shopping will only trend upward, the City is examining ways to address both revenue collections and expenditures.

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 \$30,509,858. 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 2017 was 3.2%, which decreased from 2016's number of 4.2%, indicative of a healthy economy for jobs. This number is favorable compared to other government entities within the State of Alabama and nationally.

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

(This page intentionally left blank)

BASIC FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Statement of Net Position
September 30, 2017

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets			
Pooled cash and investments	\$ 122,245,914	\$ 6,673,687	\$ 128,919,601
Receivables:			
Taxes	17,968,941	-	17,968,941
Accounts	822,884	407,328	1,230,212
Statutory actuarial receivable	174,708	-	174,708
Due from other governments	144,918	-	144,918
Parts and supplies	66,517	-	66,517
Prepaid items	214,863	-	214,863
Total current assets	<u>141,638,745</u>	<u>7,081,015</u>	<u>148,719,760</u>
Noncurrent assets			
Capital assets			
Depreciable:			
Buildings/improvements to buildings	147,168,319	26,626,760	173,795,079
Storm sewer/drainage improvements	59,045,194	-	59,045,194
Equipment and vehicles	55,521,706	970,437	56,492,143
Improvements o/t buildings	25,215,321	21,409,452	46,624,773
Streets and bridges	256,910,695	-	256,910,695
Other infrastructure	10,996,387	24,342,368	35,338,754
Accumulated depreciation	(221,361,433)	(43,843,853)	(265,205,286)
Non-depreciable:			
Land	40,623,640	1,670,000	42,293,640
Construction in progress - other	12,882,260	1,751,410	14,633,670
Total capital assets, net of depreciation	<u>387,002,090</u>	<u>32,926,572</u>	<u>419,928,662</u>
Statutory actuarial receivable	650,761	-	650,761
Long-term receivables	32,764	-	32,764
Total noncurrent assets	<u>387,685,615</u>	<u>32,926,572</u>	<u>420,612,187</u>
Total assets	<u>529,324,360</u>	<u>40,007,587</u>	<u>569,331,947</u>
Deferred outflows of resources			
Deferred amount related to pensions	16,340,152	-	16,340,152
Deferred amount on debt refunding	1,866,462	1,477,773	3,344,235
Total deferred outflows of resources	<u>18,206,614</u>	<u>1,477,773</u>	<u>19,684,387</u>
Liabilities			
Current liabilities payable from current assets			
Accounts payable and accrued liabilities	\$ 12,696,226	\$ 169,252	\$ 12,865,478
Interest payable	2,200,751	66,556	2,267,307
Unearned revenue	45,422	-	45,422
Internal payable	4,063	(4,063)	-
Current maturities of long-term liabilities:			
Bonds and warrants payable, net	9,757,872	1,371,335	11,129,206
Compensated absences	4,687,626	15,021	4,702,648
Claims payable workers compensation	122,102	-	122,102
Claims payable property and casualty	484,168	-	484,168
Total current liabilities	<u>29,998,230</u>	<u>1,618,101</u>	<u>31,616,331</u>
Long-term liabilities			
Bonds and warrants payable, net	115,217,055	22,567,016	137,784,071
Compensated absences	7,951,950	8,439	7,960,389
Net pension liability	64,826,439	-	64,826,439
Net opeb obligation	3,072,179	-	3,072,179
Claims payable workers compensation	682,363	-	682,363
Claims payable property and casualty	586,506	-	586,506
Total noncurrent liabilities	<u>192,336,491</u>	<u>22,575,455</u>	<u>214,911,947</u>
Total liabilities	<u>222,334,722</u>	<u>24,193,556</u>	<u>246,528,278</u>
Deferred inflows of resources			
Deferred amount on property tax levy	10,547,441	-	10,547,441
Total deferred outflows of resources	<u>10,547,441</u>	<u>-</u>	<u>10,547,441</u>
Net Position			
Net investment in capital assets	299,225,002	10,496,432	309,721,434
Restricted for:			
Public safety	2,710,948	-	2,710,948
Municipal court	1,862,436	-	1,862,436
General government	4,470,395	-	4,470,395
Recreation services	-	-	-
Highway and roadway improvements	9,181,150	-	9,181,150
Unrestricted (deficit)	<u>(2,801,119)</u>	<u>6,795,371</u>	<u>3,994,253</u>
Total net position	<u>\$ 314,648,811</u>	<u>\$ 17,291,804</u>	<u>\$ 331,940,615</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, 2017

Functions	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government							
Governmental activities							
General government	\$ 18,176,731	\$ 6,425,814	\$ 43,840	\$ -	\$ (11,707,078)	\$ -	\$ (11,707,078)
Public safety	50,172,991	5,274,732	1,052,161	44,599	(43,801,498)	-	(43,801,498)
Library	7,726,717	374,542	97,830	-	(7,254,345)	-	(7,254,345)
Municipal court	2,019,744	1,914,409	63,144	-	(42,191)	-	(42,191)
Sanitation	7,226,459	7,313	-	-	(7,219,146)	-	(7,219,146)
Education	5,000,000	-	-	-	(5,000,000)	-	(5,000,000)
Highway and roadway improvements	25,620,377	110,863	1,516,543	2,045,913	(21,947,059)	-	(21,947,059)
Recreation services	14,283,602	1,201,239	416,786	-	(12,665,576)	-	(12,665,576)
Health	74,729	-	-	-	(74,729)	-	(74,729)
Interest and fiscal charges	4,509,288	-	-	-	(4,509,288)	-	(4,509,288)
Total governmental activities	<u>134,810,639</u>	<u>15,308,912</u>	<u>3,190,304</u>	<u>2,090,512</u>	<u>(114,220,911)</u>	<u>-</u>	<u>(114,220,911)</u>
Business-type activities							
Redevelopment	-	-	-	-	-	-	-
Sewer services	5,330,066	4,147,413	-	-	-	(1,182,653)	(1,182,653)
Total business-type activities	<u>5,330,066</u>	<u>4,147,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,182,653)</u>	<u>(1,182,653)</u>
Total primary government	<u>\$ 140,140,705</u>	<u>\$ 19,456,324</u>	<u>\$ 3,190,304</u>	<u>\$ 2,090,512</u>	<u>(114,220,911)</u>	<u>(1,182,653)</u>	<u>(115,403,564)</u>
General revenues							
Property tax					11,326,664	-	11,326,664
In lieu of property tax					-	-	-
Rental tax					979,973	-	979,973
Gross receipts tax					6,386,307	-	6,386,307
Sales and use tax					71,376,645	-	71,376,645
Other municipal tax					4,283,045	-	4,283,045
Franchise tax					1,228,120	-	1,228,120
Intergovernmental shared revenues without restrictions					3,107,514	-	3,107,514
Unrestricted investment income					829,540	72,922	902,463
Other revenue					341,749	-	341,749
Gain on asset disposals					111,401	-	111,401
Special - rebate to developers					(1,232,857)	-	(1,232,857)
Total general revenues, transfers and special items					<u>98,738,103</u>	<u>72,922</u>	<u>98,811,025</u>
Change in net position					(15,482,808)	(1,109,731)	(16,592,539)
Net position at beginning of year					330,820,602	18,401,534	349,222,137
Prior period adjustment (Note #15)					(688,983)	-	(688,983)
Net position at beginning of year restated					<u>330,131,619</u>	<u>18,401,534</u>	<u>348,533,154</u>
Net position at end of year					<u>\$ 314,648,811</u>	<u>\$ 17,291,804</u>	<u>\$ 331,940,615</u>

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

THE CITY OF HOOVER, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2017

	General Fund	Capital Projects Fund	GOW 2016 Capital Projects Fund	Parks & Recreation Board	Other Governmental Funds	Total Governmental Funds
Assets						
Pooled cash and investments	\$ 32,324,417	\$ 32,620,717	\$ 35,331,376	\$ -	\$ 17,134,112	\$ 117,410,623
Receivables						
Taxes	16,983,832	-	-	-	985,109	17,968,941
Accounts	361,669	-	88,040	-	371,590	821,300
Due from other governments	377	-	-	-	144,540	144,918
Internal balances	30,070	-	-	-	-	30,070
Parts and supplies	66,517	-	-	-	-	66,517
Prepaid items	9,721	-	-	-	-	9,721
Non-current receivable	32,764	-	-	-	-	32,764
Total assets	<u>\$ 49,809,368</u>	<u>\$ 32,620,717</u>	<u>\$ 35,419,416</u>	<u>\$ -</u>	<u>\$ 18,635,352</u>	<u>\$ 136,484,854</u>
Liabilities and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 7,157,674	\$ 1,592,301	\$ 2,926,358	\$ -	\$ 339,385	\$ 12,015,718
Unearned revenue	4,252	-	-	-	40,968	45,220
Internal balances	-	-	-	-	30,070	30,070
Refundable deposits	-	-	-	-	-	-
Total liabilities	<u>7,161,926</u>	<u>1,592,301</u>	<u>2,926,358</u>	<u>-</u>	<u>410,424</u>	<u>12,091,008</u>
Deferred inflows of resources:						
Revenues: property tax levy	<u>10,547,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,547,441</u>
Fund balances						
Nonspendable: non-current receivable	32,764	-	-	-	-	32,764
Nonspendable: parts & supplies	66,517	-	-	-	-	66,517
Nonspendable: prepaid items	9,721	-	-	-	-	9,721
Restricted	-	-	-	-	18,224,929	18,224,929
Committed	-	31,028,416	32,493,059	-	-	63,521,475
Assigned	1,481,140	-	-	-	-	1,481,140
Unassigned	<u>30,509,858</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,509,858</u>
Total fund balances	<u>32,100,000</u>	<u>31,028,416</u>	<u>32,493,059</u>	<u>-</u>	<u>18,224,929</u>	<u>113,846,404</u>
Total liabilities and fund balances	<u>\$ 49,809,368</u>	<u>\$ 32,620,717</u>	<u>\$ 35,419,416</u>	<u>\$ -</u>	<u>\$ 18,635,352</u>	<u>\$ 136,484,854</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.						\$ 387,002,090
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.						235,396
Net pension liability						(64,826,439)
Deferred outflow (inflow) related to pensions						16,340,152
Deferred outflow (inflow) on debt refunding						1,866,462
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.						<u>(139,815,254)</u>
Net position of governmental activities						<u>\$ 314,648,811</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, 2017

	General Fund	Capital Projects Fund	GOW 2016 Capital Projects Fund	Parks & Recreation Board	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 95,580,755	\$ -	\$ -	\$ -	\$ -	\$ 95,580,755
Licenses and permits	8,168,451	-	-	-	-	8,168,451
Intergovernmental	1,975,649	-	-	-	5,221,080	7,196,729
Fines and forfeits	856,693	-	-	-	1,306,652	2,163,345
Investment income	340,440	-	489,180	-	21,120	850,741
Rents and royalties	808,119	-	-	-	-	808,119
Contributions and reimbursements	293,795	184,692	-	-	40,659	519,146
Charges for services	1,596,183	-	-	-	2,551,451	4,147,633
Other	835,016	-	-	-	354	835,370
Total revenues	<u>110,455,100</u>	<u>184,692</u>	<u>489,180</u>	<u>-</u>	<u>9,141,317</u>	<u>120,270,288</u>
Expenditures						
Current operations						
General government	14,654,494	360,050	-	-	-	15,014,544
Public safety	42,401,731	384,457	-	-	4,623,646	47,409,835
Library	7,390,645	-	-	-	6,509	7,397,155
Municipal court	116,345	-	-	-	1,877,586	1,993,931
Sanitation	7,226,459	-	-	-	-	7,226,459
Education	5,000,000	-	-	-	-	5,000,000
Highway and roadway improvements	4,970,142	245,344	-	-	213,158	5,428,645
Recreation services	10,253,137	1,404,377	580,514	-	24,695	12,262,723
Health	74,729	-	-	-	-	74,729
Total	<u>92,087,684</u>	<u>2,394,229</u>	<u>580,514</u>	<u>-</u>	<u>6,745,595</u>	<u>101,808,022</u>
Capital outlays	213,665	13,575,029	26,197,046	10,239,842	4,234,011	54,459,593
Debt service:						
Principal	8,880,000	951,200	-	-	-	9,831,200
Interest	4,429,929	-	697	-	-	4,430,625
Issuance costs	-	-	-	-	-	-
Fiscal agent fees	3,116	-	-	-	-	3,116
Total expenditures	<u>105,614,394</u>	<u>16,920,458</u>	<u>26,778,257</u>	<u>10,239,842</u>	<u>10,979,606</u>	<u>170,532,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,840,706</u>	<u>(16,735,767)</u>	<u>(26,289,077)</u>	<u>(10,239,842)</u>	<u>(1,838,289)</u>	<u>(50,262,269)</u>
Other financing sources (uses)						
Transfers in	25,368,458	2,207,535	-	10,239,842	2,458,872	40,274,706
Transfers out	(29,963,906)	(54,896)	(10,184,945)	-	(178)	(40,203,925)
Debt issued	-	4,756,000	-	-	-	4,756,000
Premium on bonds issued	-	-	-	-	-	-
Total other financing sources (uses)	<u>(4,595,447)</u>	<u>6,908,638</u>	<u>(10,184,945)</u>	<u>10,239,842</u>	<u>2,458,694</u>	<u>4,826,781</u>
Special Items						
Revenue rebate to developer	(1,232,857)	-	-	-	-	(1,232,857)
Total special items	<u>(1,232,857)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,232,857)</u>
Net change in fund balances	(987,599)	(9,827,128)	(36,474,022)	-	620,404	(46,668,345)
Fund balances, beginning of year	32,000,000	40,855,544	68,967,081	-	17,604,524	159,427,150
Prior period adjustment (note #15)	1,087,599	-	-	-	-	1,087,599
Fund balances, end of year	<u>\$ 32,100,000</u>	<u>\$ 31,028,416</u>	<u>\$ 32,493,059</u>	<u>\$ -</u>	<u>\$ 18,224,929</u>	<u>\$ 113,846,404</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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (46,668,345)

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	9,831,200
Proceeds from refunding bonds	(4,756,000)
Bond premium	-
Amortization of debt premium on 2010 issue	574,753
Amortization of debt premium on 2013b issue	4,583
Amortization of debt premium on 2016 issues	1,268,322
Amortization of deferred loss 2010 issue	(457,093)

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

Outlays capitalized	52,603,084
Depreciation	(25,135,757)

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)	344,599
--	---------

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	(609,954)
Accumulated depreciation of assets disposed	555,756

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

(1,466,112)

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	(342,673)
Pension expense	(1,833,138)

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.

603,967

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (15,482,808)

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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 96,933,870	\$ 97,651,880	\$ 95,580,755	\$ (2,071,125)
Licenses and permits	8,466,600	8,501,200	8,168,451	(332,749)
Intergovernmental	1,941,813	1,991,624	1,975,649	(15,975)
Fines and forfeits	825,000	902,906	856,693	(46,213)
Investment income	1,200,100	1,200,100	340,440	(859,660)
Rents and royalties	718,368	741,160	808,119	66,959
Contributions and reimbursements	214,619	283,614	293,795	10,181
Charges for services	1,703,177	1,418,202	1,596,183	177,981
Other	296,453	824,092	835,016	10,924
Total revenues	<u>112,300,000</u>	<u>113,514,778</u>	<u>110,455,100</u>	<u>(3,059,678)</u>
Expenditures				
Current operations				
General government	17,387,367	16,774,923	14,654,494	2,120,429
Public safety	43,865,947	43,171,362	42,401,731	769,631
Library	7,461,210	7,542,745	7,390,645	152,100
Municipal court	134,388	131,050	116,345	14,705
Sanitation	7,325,358	7,236,178	7,226,459	9,719
Education	5,000,000	5,000,000	5,000,000	-
Highway and roadway improvements	5,066,163	5,174,780	4,970,142	204,638
Recreation services	11,833,253	12,098,574	10,253,137	1,845,437
Health	75,000	75,000	74,729	271
Total	<u>98,148,686</u>	<u>97,204,612</u>	<u>92,087,684</u>	<u>5,116,928</u>
Capital outlays	378,321	370,776	213,665	157,111
Debt service:				
Principal	8,880,000	8,880,000	8,880,000	-
Interest	4,430,626	4,430,626	4,429,929	697
Issuance costs	-	-	-	-
Fiscal agent fees	3,300	3,300	3,116	184
Total expenditures	<u>111,840,933</u>	<u>110,889,314</u>	<u>105,614,394</u>	<u>5,274,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>459,067</u>	<u>2,625,464</u>	<u>4,840,706</u>	<u>2,215,242</u>
Other financing sources (uses)				
Transfers in	32,573,394	33,123,655	25,368,458	(7,755,197)
Transfers out	(32,015,461)	(34,382,119)	(29,963,906)	4,418,213
Payment to bond refunding escrow agent	-	-	-	-
Total other financing sources (uses)	<u>557,933</u>	<u>(1,258,464)</u>	<u>(4,595,447)</u>	<u>(3,336,983)</u>
Special items				
Revenue rebate to developer	(917,000)	(1,267,000)	(1,232,857)	34,143
Total special items	<u>(917,000)</u>	<u>(1,267,000)</u>	<u>(1,232,857)</u>	<u>34,143</u>
Net change in fund balances	100,000	100,000	(987,599)	-
Fund balances, beginning of year	32,000,000	32,000,000	32,000,000	-
Prior period adjustment (note #15)	-	-	1,087,599	1,087,599
Fund balances, end of year	<u>\$ 32,100,000</u>	<u>\$ 32,100,000</u>	<u>\$ 32,100,000</u>	<u>\$ 1,087,599</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, 2017

	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	Redevelopment	Total	
Assets				
Current assets:				
Pooled cash and investments	\$ 3,905,455	\$ 2,768,232	\$ 6,673,687	\$ 4,835,291
Land held for resale	-	-	-	-
Prepaid items	-	-	-	205,143
Internal balances	-	-	-	-
Accounts/stop loss receivable	407,328	-	407,328	1,584
Statutory actuarial receivable	-	-	-	174,708
Total current assets	4,312,783	2,768,232	7,081,015	5,216,726
Noncurrent assets:				
Capital assets				
Land	1,670,000	-	1,670,000	-
Construction in progress	1,751,410	-	1,751,410	-
Buildings/improvements to buildings	26,626,760	-	26,626,760	-
Equipment and vehicles	970,437	-	970,437	-
Improvements o/t buildings	21,409,452	-	21,409,452	-
Infrastructure improvements	24,342,368	-	24,342,368	-
Less accumulated depreciation	(43,843,853)	-	(43,843,853)	-
Total capital assets (net of accumulated depreciation)	32,926,572	-	32,926,572	-
Statutory actuarial receivable	-	-	-	650,761
Total noncurrent assets	32,926,572	-	32,926,572	650,761
Total assets	37,239,355	2,768,232	40,007,587	5,867,487
Deferred outflows of resources:				
Deferred amount on refunding	1,477,773	-	1,477,773	-
Liabilities				
Current liabilities:				
General obligation warrants payable	\$ 1,371,335	\$ -	\$ 1,371,335	\$ -
Accounts payable	167,174	-	167,174	45,570
Retainage payable	-	-	-	-
Unearned revenue	-	-	-	201
Accrued salary expense	2,079	-	2,079	560,240
Interest payable	66,556	-	66,556	-
Claims payable	-	-	-	1,332,715
Compensated absences	15,021	-	15,021	-
Internal balances	-	-	-	-
Total current liabilities	1,622,164	-	1,622,164	1,938,726
Noncurrent liabilities:				
Compensated absences	8,439	-	8,439	-
Claims payable	-	-	-	3,689,301
General obligation warrants payable	22,567,016	-	22,567,016	-
Total noncurrent liabilities	22,575,455	-	22,575,455	3,689,301
Total liabilities	24,197,619	-	24,197,619	5,628,027
Deferred inflows of resources:				
Deferred amount on refunding	-	-	-	-
Net position				
Net investment in capital assets	10,496,432	-	10,496,432	-
Unrestricted (deficit)	4,023,076	2,768,232	6,791,308	239,460
Total net position	\$ 14,519,508	\$ 2,768,232	\$ 17,287,740	\$ 239,460
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.				
	4,063	-	4,063	
Net position of business-type activities	\$ 14,523,571	\$ 2,768,232	\$ 17,291,804	

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

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended September 30, 2017

	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	\$ 4,147,413	\$ -	\$ 4,147,413	\$ 9,378,814
Participant premiums	-	-	-	1,762,307
Late fees	-	-	-	-
Stop loss reimbursements	-	-	-	185,604
Subrogation recoveries	-	-	-	97,609
Public assistance reimbursements	-	-	-	-
Rents	-	-	-	-
Forfeitures	-	-	-	-
Rebates or refunds	-	-	-	428,582
Other revenue	-	-	-	-
Total operating revenue	<u>4,147,413</u>	<u>-</u>	<u>4,147,413</u>	<u>11,852,917</u>
Operating expenses				
Cost of services	-	-	-	11,158,352
Collection fees	198,829	-	198,829	-
Depreciation	2,229,203	-	2,229,203	-
Management fees	952,176	-	952,176	-
Personal services	144,052	-	144,052	-
Repairs and maintenance	219,174	-	219,174	-
Supplies	301,843	-	301,843	-
Telephone	11,350	-	11,350	-
Utilities	498,288	-	498,288	-
Total operating expenses	<u>4,554,916</u>	<u>-</u>	<u>4,554,916</u>	<u>11,158,352</u>
Operating income (loss)	(407,504)	-	(407,504)	694,565
Non-operating revenues (expenses)				
Investment earnings	72,922	-	72,922	-
Sale of capital assets - gain (loss)	-	-	-	-
Actuarial adjustment	-	-	-	(18,066)
Interest and fiscal charges	(776,900)	-	(776,900)	-
Total non-operating revenues (expenses)	<u>(703,978)</u>	<u>-</u>	<u>(703,978)</u>	<u>(18,066)</u>
Transfers in (out)	-	-	-	(70,781)
Change in net position	(1,111,482)	-	(1,111,482)	605,718
Total net position, beginning of year	<u>15,630,990</u>	<u>2,768,232</u>	<u>18,399,222</u>	<u>(366,259)</u>
Total net position, end of year	<u>\$ 14,519,508</u>	<u>\$ 2,768,232</u>	<u>\$ 17,287,740</u>	<u>\$ 239,460</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.	1,751	-	1,751	
Change in net position of business-type activities	<u>\$ (1,109,731)</u>	<u>\$ -</u>	<u>\$ (1,109,731)</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, 2017

	Business-type Activities -	Business-type Activities -	Business-type Activities -	Internal Service Funds
	Enterprise Funds	Enterprise Funds	Enterprise Funds	
	Sewer	Redevelopment	Total	
Cash flows from operating activities				
Cash received from government	\$ -	\$ -	\$ -	\$ 9,378,814
Cash received from customers	4,128,508	-	4,128,508	-
Cash payments to suppliers	(1,122,934)	-	(1,122,934)	(11,296,144)
Cash received from stop loss reimbursements	-	-	-	184,267
Cash received from subrogation	-	-	-	97,609
Cash received from rebates/overpayments	-	-	-	428,582
Cash received from public assistance reimbursements	-	-	-	1,727,209
Cash received from participants	-	-	-	-
Cash payments to management companies	(952,176)	-	(952,176)	-
Cash payments to employees	(143,924)	-	(143,924)	-
Net cash provided (used) by operating activities	<u>1,909,475</u>	<u>-</u>	<u>1,909,475</u>	<u>520,337</u>
Cash flows from noncapital financing activities				
Transfer to other funds	-	-	-	(70,781)
Transfer from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,781)</u>
Cash flows from capital and related financing activities				
Proceeds from capital debt	-	-	-	-
Internal transfers	-	-	-	-
Premium on debt	-	-	-	-
Debt issuance cost	-	-	-	-
Sale of capital assets	-	-	-	-
Acquisition and construction of capital assets	(129,517)	-	(129,517)	-
Payments of warrants	(1,205,000)	-	(1,205,000)	-
Cash paid for interest on debt	(839,807)	-	(839,807)	-
Net cash provided (used) by capital and related financing activities	<u>(2,174,323)</u>	<u>-</u>	<u>(2,174,323)</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends received	66,630	-	66,630	-
Net cash provided (used) by investing activities	<u>66,630</u>	<u>-</u>	<u>66,630</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	(198,219)	-	(198,219)	449,556
Pooled cash and investments, beginning of year	4,103,674	2,768,232	6,871,906	4,385,735
Pooled cash and investments, end of year	<u>\$ 3,905,455</u>	<u>\$ 2,768,232</u>	<u>\$ 6,673,687</u>	<u>\$ 4,835,291</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ (407,504)	\$ -	\$ (407,504)	\$ 694,565
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	2,229,203	-	2,229,203	-
(Increase) decrease in accounts receivable	(18,905)	-	(18,905)	(36,435)
Increase (decrease) in accounts payable and accrued expenses	106,552	-	106,552	(121,930)
Increase (decrease) in compensated absences payable & accrued salaries	129	-	129	(15,862)
Total adjustments	<u>2,316,978</u>	<u>-</u>	<u>2,316,978</u>	<u>(174,228)</u>
Net cash provided by operating activities	<u>\$ 1,909,475</u>	<u>\$ -</u>	<u>\$ 1,909,475</u>	<u>\$ 520,337</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, 2017

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General Statement

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

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

B. Financial Reporting Entity

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

C. Basis of Presentation

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

Government-Wide Financial Statements:

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

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

Fund Financial Statements:

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

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

Governmental Funds - Restricted and Unrestricted Resources:

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

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

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

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

C. Basis of Presentation (Continued)

Major Governmental Funds:

General Fund -

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

Capital Projects Fund -

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

GOW 2016 Capital Projects Fund -

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

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

Special Revenue Funds -

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

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

Other Capital Projects Fund -

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

Blended Component Unit

Parks & Recreation Board

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

Proprietary Funds:

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

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

C. Basis of Presentation (Continued)

Sewer Fund - Major Proprietary Fund

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

Redevelopment Fund - Non Major Proprietary Fund

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

Internal Service Funds -

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

The Health Insurance Funds are used to account for all health and dental insurance related costs for employees and retirees, including those participating in cobra. In fiscal year 2009, 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.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

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

D. Measurement Focus/Basis of Accounting (Continued)

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

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

On and after the first day of October 2016, all municipal taxes due to the City of Hoover, Alabama, shall be based and due on State and County assessment of the property within the limits of said City for the preceding tax year, and shall be due and delinquent at the time when State and County taxes for the preceding year are due and delinquent. The taxes are due October 1 and delinquent after December 31.

E. Budgetary Information

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

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

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

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

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

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

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(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, the 2016 GOW Capital Projects 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, 2017, most all of the City's depositories are participating in the SAFE program, with a bank balance of \$90,020,812 and a carrying balance of \$87,277,277.

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

As of September 30, 2017, the City had the following investments and maturities.

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-2	3-5	6-9
Certificates of Deposit	\$ 3,642,136	\$ 1,982,792	\$ 1,659,344	\$ -	\$ -
US Government Agencies:					
US Treasuries	30,989,898	30,989,898	-	-	-
US Treasury STRIPS	6,992,261	-	6,992,261	-	-
Total US Government Agencies	37,982,159	30,989,898	6,992,261	-	-
Grand total all investments	\$ 41,624,295	\$ 32,972,690	\$ 8,651,605	\$ -	\$ -

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

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

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

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

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

G. Prepaid Items

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

H. Parts and Supplies

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

I. Interfund Balances

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

J. Compensated Absences

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

K. Unearned Revenue

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

L. Net Position

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

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

M. Fund Equity

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

N. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has one item that qualifies for reporting in this category: (1) deferred amount on property tax levy.

O. Pensions

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

P. Capital Assets

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

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

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

Q. Use of Estimates

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

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

R. Long-term Obligations

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

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

S. Other Post-employment Benefit Obligations (OPEB)

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

T. Blended Component Units

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(2) CAPITAL ASSETS

	Balance Beginning of Year	Classification Reclasses or Adjustments	Adjusted Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities						
Capital assets not being depreciated						
Land	\$ 38,619,640	\$ -	\$ 38,619,640	\$ 2,004,000	\$ -	\$ 40,623,640
Construction in progress	19,343,446	-	19,343,446	10,822,971	(17,284,157)	12,882,260
Total capital assets not being depreciated	<u>57,963,086</u>	<u>-</u>	<u>57,963,086</u>	<u>12,826,971</u>	<u>(17,284,157)</u>	<u>53,505,900</u>
Other capital assets						
Buildings/improvements to buildings	108,725,802	-	108,725,802	38,442,517	-	147,168,319
Equipment and vehicles	46,528,587	-	46,528,587	9,603,073	(609,954)	55,521,706
Improvements o/t buildings	20,583,004	-	20,583,004	4,632,317	-	25,215,321
Infrastructure:						
Street system	230,121,781	-	230,121,781	-	-	230,121,781
Street system improvements	13,774,333	-	13,774,333	3,637,211	-	17,411,544
Storm sewer	59,045,194	-	59,045,194	-	-	59,045,194
Bridges	9,077,370	-	9,077,370	300,000	-	9,377,370
Other infrastructure (sidewalks, traffic signals)	10,206,636	-	10,206,636	789,750	-	10,996,387
Total other capital assets at historical cost	<u>498,062,707</u>	<u>-</u>	<u>498,062,707</u>	<u>57,404,869</u>	<u>(609,954)</u>	<u>554,857,622</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	30,422,912	1,776,582	32,199,494	2,559,442	-	34,758,936
Equipment and vehicles	33,923,620	-	33,923,620	3,701,675	(555,756)	37,069,540
Improvements o/t buildings	9,731,921	-	9,731,921	785,753	-	10,517,674
Infrastructure:						
Street system	84,377,986	-	84,377,986	15,341,452	-	99,719,438
Street system improvements	1,748,029	-	1,748,029	823,406	-	2,571,436
Storm sewer	30,412,727	-	30,412,727	1,276,733	-	31,689,460
Bridges	1,435,060	-	1,435,060	303,131	-	1,738,191
Other infrastructure (sidewalks, traffic signals)	2,952,593	-	2,952,593	344,165	-	3,296,758
Total accumulated depreciation	<u>195,004,849</u>	<u>1,776,582</u>	<u>196,781,431</u>	<u>25,135,757</u>	<u>(555,756)</u>	<u>221,361,433</u>
Other capital assets, net	<u>303,057,858</u>	<u>(1,776,582)</u>	<u>301,281,276</u>	<u>32,269,112</u>	<u>(54,199)</u>	<u>333,496,189</u>
Governmental activities capital assets, net	<u>\$ 361,020,944</u>	<u>\$ (1,776,582)</u>	<u>\$ 359,244,362</u>	<u>\$ 45,096,083</u>	<u>\$ (17,338,356)</u>	<u>\$ 387,002,090</u>
Business Type Activities						
Capital assets not being depreciated						
Land	\$ 1,670,000	\$ -	\$ 1,670,000	\$ -	\$ -	\$ 1,670,000
Construction in progress	1,706,093	-	1,706,093	45,317	-	1,751,410
Total capital assets not being depreciated	<u>3,376,092</u>	<u>-</u>	<u>3,376,092</u>	<u>45,317</u>	<u>-</u>	<u>3,421,409</u>
Other capital assets						
Buildings/improvements to buildings	26,626,760	-	26,626,760	-	-	26,626,760
Equipment and vehicles	886,237	-	886,237	84,200	-	970,437
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>84,200</u>	<u>-</u>	<u>73,349,016</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	13,626,329	-	13,626,329	517,610	-	14,143,940
Equipment and vehicles	841,636	-	841,636	18,758	-	860,393
Improvements o/t buildings	12,316,342	-	12,316,342	1,193,429	-	13,509,770
Infrastructure improvements	14,830,344	-	14,830,344	499,406	-	15,329,750
Total accumulated depreciation	<u>41,614,650</u>	<u>-</u>	<u>41,614,650</u>	<u>2,229,203</u>	<u>-</u>	<u>43,843,853</u>
Other capital assets, net	<u>31,650,166</u>	<u>-</u>	<u>31,650,166</u>	<u>(2,145,003)</u>	<u>-</u>	<u>29,505,163</u>
Business-type activities capital assets, net	<u>\$ 35,026,259</u>	<u>\$ -</u>	<u>\$ 35,026,259</u>	<u>\$ (2,099,687)</u>	<u>\$ -</u>	<u>\$ 32,926,572</u>

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

Governmental activities:	
General government and administration	\$ 1,304,608
Public safety	3,071,782
Library	315,322
Municipal court	20,916
Highway and roadway improvements	18,308,414
Recreational services	2,114,716
Total depreciation expense - Governmental activities	<u>\$ 25,135,757</u>
Business-type activities:	
Sewer services	\$ 2,229,203
Total depreciation expense - Business-type activities	<u>\$ 2,229,203</u>

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

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(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, 2017, bonds payable consisted of the following individual issues:

	<u>Governmental</u>	<u>Business-type</u>
\$58,510,000 general obligation warrants dated November 1, 2010; due \$5,025,000 to \$8,830,000 annually beginning March 1, 2011; interest at 2.00% to 5.00% due semiannually commencing March 1, 2011	40,280,000	-
\$68,615,000 general obligation warrants dated July 15, 2016; due \$3,750,000 to \$6,245,000 annually beginning July 01, 2023; interest at 2.00% to 4.00% due semiannually commencing January 01, 2017	68,615,000	-
\$8,915,000 series 2013a general obligation sewer warrant; due \$680,000 to \$1,250,000 annually beginning March 1, 2014; interest at 1.00% to 3.00% due semiannually commencing September 1, 2013	-	4,390,000
\$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	-	18,180,000
Total Bonds Payable	<u>\$ 108,895,000</u>	<u>\$ 22,570,000</u>
Plus deferred amounts:		
For issue premiums (2010)	1,791,641	-
For issue premiums (2013)	-	45,001
For issue premiums (2014)	-	1,323,350
For issue premiums (2016)	<u>10,483,486</u>	<u>-</u>
Total Bonds Payable, net	\$ 121,170,126	\$ 23,938,351
Loans Payable	<u>\$ 3,804,800</u>	<u>\$ -</u>
Grand Total Long-Term Debt, net	<u><u>\$ 124,974,926</u></u>	<u><u>\$ 23,938,351</u></u>

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(3) LONG-TERM DEBT (CONTINUED):

Changes in Long-term Liabilities

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017	Due within one year
Governmental activities					
Bonds payable	\$ 117,775,000	\$ -	\$ (8,880,000)	\$ 108,895,000	\$ 7,415,000
Less deferred amounts:					
For issue premiums (2010)	2,366,394	-	(574,753)	1,791,641	546,124
For issue premiums (2013)	4,583	-	(4,583)	-	-
For issue premiums (2016)	11,751,808	-	(1,268,322)	10,483,486	845,548
Bonds and warrants payable, net	<u>131,897,784</u>	<u>-</u>	<u>(10,727,658)</u>	<u>121,170,126</u>	<u>8,806,672</u>
Loans payable	<u>-</u>	<u>4,756,000</u>	<u>(951,200)</u>	<u>3,804,800</u>	<u>951,200</u>
Compensated absences	<u>12,296,904</u>	<u>4,893,766</u>	<u>(4,551,094)</u>	<u>12,639,576</u>	<u>4,687,626</u>
Internal service funds					
Claims payable - other post employment benefits	\$ 3,198,093	\$ 525,833	\$ (651,747)	\$ 3,072,179	\$ -
Claims payable - workers compensation	716,444	426,536	(338,515)	804,465	122,102
Claims payable - property & casualty	1,177,816	147,816	(254,958)	1,070,674	484,168
Total claims payable	<u>5,092,353</u>	<u>1,100,185</u>	<u>(1,245,220)</u>	<u>4,947,318</u>	<u>606,270</u>
Total governmental activities	<u>\$ 149,287,041</u>	<u>\$ 10,749,951</u>	<u>\$ (17,475,172)</u>	<u>\$ 142,561,821</u>	<u>\$ 15,051,768</u>
Business-type activities - sewer					
Bonds payable	\$ 23,775,000	\$ -	\$ (1,205,000)	\$ 22,570,000	\$ 1,240,000
Less deferred amounts:					
For issue premiums (2013)	83,459	-	(38,458)	45,001	23,198
For issue premiums (2014)	1,431,596	-	(108,246)	1,323,350	108,137
Bonds and warrants payable, net	<u>25,290,055</u>	<u>-</u>	<u>(1,351,704)</u>	<u>23,938,351</u>	<u>1,371,335</u>
Compensated absences	<u>23,411</u>	<u>14,633</u>	<u>(14,584)</u>	<u>23,460</u>	<u>15,021</u>
Total proprietary fund types	<u>\$ 25,313,466</u>	<u>\$ 14,633</u>	<u>\$ (1,366,288)</u>	<u>\$ 23,961,811</u>	<u>\$ 1,386,356</u>

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

Due within one year includes above FY 2017 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.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2017 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2018	\$ 7,415,000	\$ 4,366,206	\$ 1,240,000	\$ 798,670	\$ 13,819,876
2019	7,655,000	4,131,175	1,270,000	773,470	13,829,645
2020	7,985,000	3,798,475	1,275,000	758,995	13,817,470
2021	8,395,000	3,388,975	765,000	745,085	13,294,060
2022	8,830,000	2,958,350	795,000	719,175	13,302,525
2023	3,750,000	2,737,600	835,000	678,425	8,001,025
2024	3,900,000	2,592,600	880,000	635,550	8,008,150
2025	4,060,000	2,436,600	925,000	590,425	8,012,025
2026	4,220,000	2,274,200	970,000	543,050	8,007,250
2027	4,390,000	2,105,400	1,020,000	493,300	8,008,700
2028	4,565,000	1,929,800	1,070,000	441,050	8,005,850
2029	4,745,000	1,749,200	1,115,000	397,575	8,006,775
2030	4,935,000	1,559,400	1,150,000	363,600	8,008,000
2031	5,135,000	1,362,000	1,185,000	328,575	8,010,575
2032	5,340,000	1,156,600	1,220,000	292,500	8,009,100
2033	5,550,000	943,000	1,260,000	249,000	8,002,000
2034	5,775,000	721,000	1,315,000	197,500	8,008,500
2035	6,005,000	490,000	1,370,000	143,800	8,008,800
2036	6,245,000	249,800	1,425,000	87,900	8,007,700
2037	-	-	1,485,000	29,700	1,514,700
Total	<u>\$ 108,895,000</u>	<u>\$ 40,950,381</u>	<u>\$ 22,570,000</u>	<u>\$ 9,267,345</u>	<u>\$ 181,682,726</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 \$40,280,000 at the end of fiscal year 2017. 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 \$4,390,000 at the end of fiscal year 2017. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately \$128,446 and obtained an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$121,956.

On December 30, 2014, the City issued Series 2014-A warrants for the purpose of (i) refunding the City's 2007 General Obligation Sewer Warrants issued in the aggregate principal amount of \$18,000,000 and outstanding in the aggregate principal amount of \$18,000,000, and, (ii) paying the issuance costs of the 2014-A Warrants. The 2014-A warrants have a 22 year amortization and a principal amount of \$18,485,000, with a balance of \$18,180,000 at the end of fiscal year 2017. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately \$2,371,260 and obtained an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$1,592,361.

On July 15, 2016, the City issued Series 2016 warrants in the amount of \$68,615,000 for the purpose of (i) constructing an event facility and other park improvements at the Hoover Metropolitan Complex. The 2016 warrants have a 20 year amortization and a principal amount of \$68,615,000, with a balance of \$68,615,000 at the end of fiscal year 2017.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for the loan related to the public safety motorola radio upgrade project at September 30, 2017 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2018	\$ 951,200	\$ -	\$ -	\$ -	\$ 951,200
2019	951,200	-	-	-	951,200
2020	951,200	-	-	-	951,200
2021	951,200	-	-	-	951,200
Total	<u>\$ 3,804,800</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,804,800</u>

(4) LEASES:

There are currently no lease arrangements to report.

(5) INTERNAL BALANCES:

Internal Balances represent short-term loans to help supplement various funds. At September 30, 2017, the outstanding internal balances were as follows:

Fund	Internal Balances Due To	Internal Balances Due From
General Fund	\$ 30,070	\$ -
Other Governmental Funds	-	30,070
Total	<u>\$ 30,070</u>	<u>\$ 30,070</u>

(6) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2017 were as follows:

(Transfers out)	Transfers in					Total
	General Fund	Major Governmental Funds	Parks & Recreation Board	Non-Major Governmental Fund	Proprietary Fund	
General Fund	\$ (4,595,626)	\$ 2,136,754	\$ -	\$ 2,458,872	\$ -	\$ -
Capital Projects Fund	-	(10,239,842)	10,239,842	-	-	-
Non-Major Govt Funds	178	-	-	(178)	-	-
Proprietary Funds	-	70,781	-	-	(70,781)	-
Total	<u>\$ (4,595,448)</u>	<u>\$ (8,032,307)</u>	<u>\$ 10,239,842</u>	<u>\$ 2,458,694</u>	<u>\$ (70,781)</u>	<u>\$ -</u>

Transfers are primarily used to move funds from the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers for fiscal year 2017 were as follows: \$40,313 - Stormwater Fund, \$2,388,637 - Court and Corrections fund, \$29,922 - General Grants fund, and \$2,136,754 - Capital Projects fund, which totaled \$4,595,626 in transfers from the general fund.

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

For fiscal year 2017, transfers were also made from the Capital Projects Fund (\$54,896) and GOW 2016 Capital Projects Fund (\$10,184,945) to the Parks & Recreation Board for improvements at the Hoover Metropolitan Complex. In addition, a transfer was made from the Property & Casualty Internal Service Fund to the Capital Projects Fund related to insurance proceeds to offset the replacement of a vehicle, in the amount of \$70,781.

See independent auditor's report

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2017

(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. Assets of the ERS are pooled for investment purposes. However, separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of its employees only. 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 Tier 1 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, Tier 1 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.

See independent auditor's report

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2017

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

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

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

The ERS serves approximately 875 local participating employers. These participating employers include 294 cities, 65 counties, and 516 other public entities. The ERS membership includes approximately 85,874 participants. As of September 30, 2016, membership consisted of:

Retirees and beneficiaries currently receiving benefits	23,007
Terminated employees entitled to but not yet receiving benefits	1,155
Terminated employees not entitled to a benefit	6,654
Active members	<u>55,058</u>
 Total	 <u><u>85,874</u></u>

The City of Hoover ERS membership includes approximately 947 participants. As of September 30, 2016, membership consisted of:

Retired Members or Their Beneficiaries Currently Receiving Benefits	222
Vested Inactive Members	19
Non-vested Inactive Members	47
Active Members	649
Post-DROP Retired Members Still in Active Service	<u>10</u>
 Total	 <u><u>947</u></u>

See independent auditor's report

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2017

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Contributions: Tier 1 covered members of the ERS contributed 5% of earnable compensation to the ERS as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, covered members of the ERS (except State Police, certified law enforcement, correctional officers, and firefighters) were required by statute to contribute 7.25% of earnable compensation. Effective October 1, 2012, Tier 1 covered members of the ERS (except State Police, certified law enforcement, correctional officers, and firefighters) are required by statute to contribute 7.50% of earnable compensation. Certified law enforcement, correctional officers, and firefighters of the ERS contributed 6% of earnable compensation as required by statute until September 30, 2011. From October 1, 2011, to September 30, 2012, certified law enforcement, correctional officers, and firefighters of the ERS were required by statute to contribute 8.25% of earnable compensation. Effective October 1, 2012, Tier 1 certified law enforcement, correctional officers, and firefighters of the ERS are required by statute to contribute 8.50% of earnable compensation. Tier 1 State Police of the ERS contribute 10% of earnable compensation. ERS local participating employers are not required by statute to increase contribution rates for their members. Through fiscal year 2017, the City of Hoover had not increased its contribution rates for their members.

Tier 2 covered members of the ERS (except certified law enforcement, correctional officers, and firefighters) 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 contribution 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, 2017, the City's active employee contribution rate ranged between 11.99% (Tier 1) and 9.36% (Tier 2) of covered employee payroll, and the City's average contribution rate to fund the normal and accrued liability costs was 11.67% of covered employee payroll.

The City's contractually required contribution rate for the year ended September 30, 2017 was 11.99% of pensionable pay for Tier 1 employees, and 9.36% of pensionable pay for Tier 2 employees. These required contribution rates are based upon the actuarial valuation dated September 30, 2014, a percent of annual pensionable payroll, and actuarially determined as an amount that, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, with an additional amount to finance any unfunded accrued liability. Total employer contributions to the pension plan from the City were \$5,146,565 for the year ended September 30, 2017.

See independent auditor's report

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2017

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Net Pension Liability

The City's net pension liability was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as September 30, 2015 rolled forward to September 30, 2016 using standard roll-forward techniques as shown in the following table:

	Expected	Actual - 2015 Valuation Assumptions	Actual - 2016 Valuation Assumptions
Total Pension Liability as of September 30, 2015 (a)	\$ 192,865,580	\$ 193,691,061	\$ 202,039,710
Discount rate	8.00%	8.00%	7.75%
Entry Age Normal Cost for the period October 1, 2015 - September 30, 2016 (b)	3,430,862	3,430,862	3,485,821
Transfers Among Employers:	-	1,417,051	1,417,051
Actual Benefit Payments and Refunds for the period October 1, 2015 - September 30, 2016 (c)	(9,185,989)	(9,185,989)	(9,185,989)
Total Pension Liability as of September 30, 2016 [(a) x (1.08)] + (b) - [(c) x (1.04)]	\$ 202,172,260	\$ 204,480,830	\$ 213,058,713
Difference between expected and actual experience (Gain)/Loss		\$ 2,308,570	
Less Liability Transferred for Immediate Recognition		<u>1,417,051</u>	
Experience (Gain)/Loss		\$ 891,519	
Difference between Actual (2015 Assumptions) and Actual (2016 Assumptions): Assumption Change (Gain)/Loss			\$ 8,577,883

Actuarial assumptions: The total pension liability in the September 30, 2016 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%, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

See independent auditor's report

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2017

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

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

The actuarial assumptions used in the September 30, 2015 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.

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

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

*Includes assumed rate of inflation of 2.50%.

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

See independent auditor's report

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2017

(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, 2015	\$ 192,865,580	\$ 134,727,953	\$ 58,137,627
Changes for the year:			
Service cost	3,430,862	-	3,430,862
Interest	15,061,807	-	15,061,807
Changes of assumptions	8,577,883	-	8,577,883
Differences between expected and actual experience	891,519	-	891,519
Contributions - employer	-	4,880,617	(4,880,617)
Contributions - employee	-	2,682,264	(2,682,264)
Net investment income	-	13,710,378	(13,710,378)
Benefit payments, including refunds of employee contributions	(9,185,989)	(9,185,989)	-
Administrative expense	-	-	-
Transfers among employers	1,417,051	1,417,051	-
Net changes	<u>20,193,133</u>	<u>13,504,321</u>	<u>6,688,812</u>
Balances at September 30, 2016	<u>\$ 213,058,713</u>	<u>\$ 148,232,274</u>	<u>\$ 64,826,439</u>

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

	1% Decrease (6.75%)	Current Rate (7.75%)	1% Increase (8.75%)
City's net pension liability (asset)	\$ 89,330,965	\$ 64,826,439	\$ 44,185,409

See independent auditor's report

CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
For Year Ended September 30, 2017

(7) EMPLOYEE RETIREMENT PLAN (CONTINUED):

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued RSA Comprehensive Annual Report for the fiscal year ended September 30, 2016. The supporting actuarial information is included in the GASB Statement No. 68 Report for the ERS prepared as of September 30, 2016. The auditor's report dated September 18, 2017 on the Schedule of Changes in Fiduciary Net Position by Employer and accompanying notes is also available. The additional financial and actuarial information is available at www.rsa-al.gov.

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

For the year ended September 30, 2017, the City recognized pension expense of \$6,986,857. At September 30, 2017, 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	\$ 2,616,856	\$ -
Changes of assumptions	7,386,510	
Net difference between projected and actual earnings on pension plan investments	1,190,221	-
Employer contributions subsequent to the measurement date	5,146,565	-
Total	\$ 16,340,152	\$ -

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

Year Ended September 30:	Deferred Outflows of Resources
2018	\$ 1,946,446
2019	1,946,445
2020	2,918,731
2021	1,089,699
2022	1,677,775
Thereafter	1,614,491

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2017

(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, 2017, the City of Hoover's portion of health care funding cost for retired employees totaled \$651,747. 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, 2016 is \$582,856, as set forth below:

		Medical
Normal Cost	\$	241,873
30-year UAL amortization amount		340,983
Annual required contribution (ARC)	\$	582,856

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2017

(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, 2017:

	Medical
1. Beginning Net OPEB Obligation (Asset) 10/1/2016	\$3,198,093
2. Annual required contribution	582,856
3. Interest on Net OPEB Obligation (Asset): .04 X [1]	127,924
4. ARC Adjustment: [1]/17.292	184,946
5. OPEB Cost: [2]+[3]-[4]	525,833
6. Contribution	0
7. Current year retiree premium	651,747
8. Change in Net OPEB Obligation: [5]-[6]-[7]	-125,914
9. Ending Net OPEB Obligation: (Asset) 9/30/2017: [1]+[8]	\$3,072,179

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, 2017	\$525,833	123.95%	\$3,072,179
Medical	September 30, 2016	\$502,970	104.97%	\$3,198,093
Medical	September 30, 2015	\$570,982	66.34%	\$3,223,088

Funded Status and Funding Progress. In the fiscal year ending September 30, 2017, 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, 2017, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$6,132,104, 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 2016/2017, the entire actuarial accrued liability of \$6,132,104 was unfunded.

Actuarial Accrued Liability (AAL)	\$	Medical 6,132,104
Actuarial Value of Plan Assets		0
Unfunded Act. Accrued Liability (UAAL)		6,132,104
Funded Ratio (Act. Val. Assets/AAL)		0%
Covered Payroll (active plan members)		46,216,817
UAAL as a percentage of covered payroll		13.27%

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2017

(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%

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.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2017

(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.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2017

(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 2015	FY 2016	FY 2017
OPEB Cost	\$ 570,982	\$ 502,970	\$ 525,833
Contribution	0	0	0
Retiree premium	<u>378,808</u>	<u>527,965</u>	<u>651,747</u>
Total contribution and premium	<u>378,808</u>	<u>527,965</u>	<u>651,747</u>
Change in net OPEB obligation	\$ <u>192,174</u>	\$ <u>(24,995)</u>	\$ <u>(125,914)</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	66.34%	104.97%	123.95%

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(9) FUND BALANCES - GOVERNMENTAL FUNDS

As of September 30, 2017, fund balances for the governmental funds are classified as follows:

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

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

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

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

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

Fund Balances				
	General Fund	All Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
Non-spendable:				
Non-current receivable	\$ 32,764	-	-	32,764
Parts and supplies	66,517	-	-	66,517
Prepaid items	9,721	-	-	9,721
Restricted for:				
Dispatch/E911	-	-	953,243	953,243
Police/Forfeitures			1,073,638	1,073,638
Police/Other			684,067	684,067
Municipal court	-	-	1,862,436	1,862,436
Highways/Paving	-	-	9,181,150	9,181,150
Municipal Impr/Capital	-	-	4,470,395	4,470,395
Recreation services	-	-	-	-
Committed:				
Capital projects	-	63,521,475	-	63,521,475
Assigned:				
Library	211,432			211,432
Recreation services	1,269,708	-	-	1,269,708
Unassigned:				
	30,509,858	-	-	30,509,858
Total fund balances	\$ 32,100,000	\$ 63,521,475	\$ 18,224,929	\$ 113,846,404

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(10) OTHER INFORMATION:

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The City manages these risks under a limited risk management program, which is administered by the City through two professional claims-handling firms. The City purchases commercial insurance to cover individual workers' compensation claims in excess of \$750,000 and to cover aggregate compensation claims in excess of \$3,344,941 for a two-year policy ending 2/1/2018. 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 2016 and 2017 are as follows:

Workers compensation (retention)	2016	2017	Difference
Unpaid claims, beginning	\$ 290,100	\$ 323,869	\$ 33,769
Incurred claims, (including IBNRs)	179,257	383,204	203,947
Claim Payments, net of recoveries	<u>(145,488)</u>	<u>(327,231)</u>	<u>(181,743)</u>
Unpaid claims, ending	<u>\$ 323,869</u>	<u>\$ 379,842</u>	<u>\$ 55,973</u>
Property and casualty (retention)	2016	2017	Difference
Unpaid claims, beginning	\$ 659,350	\$ 581,821	\$ (77,529)
Incurred claims, (including IBNRs)	322,335	294,968	(27,367)
Claim Payments, net of recoveries	<u>(399,864)</u>	<u>(206,961)</u>	<u>192,903</u>
Unpaid claims, ending	<u>\$ 581,821</u>	<u>\$ 669,828</u>	<u>\$ 88,007</u>

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

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

	FY 2015	FY 2016	FY 2017
Property and casualty	1	2	0
Workers compensation	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>1</u>	<u>2</u>	<u>0</u>

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(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, 2017, the City has approved items related to construction projects for all governmental fund types in the amount of \$147,516,852. Of this amount, \$68,092,934 has been incurred to date creating a total remaining commitment of \$79,423,918. The City is responsible for funding \$59,050,288 of this commitment with the remaining \$20,373,630 to be funded by other governmental units.

Of this \$79,423,918 remaining commitment, \$20,516,211 is from the capital projects fund, \$31,944,420 is from the GOW 2016 capital projects fund (both major funds), and \$26,963,287 is from non-major governmental funds.

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.

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(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	\$ 108,895,000
Loans payable	3,804,800
Issuance premium - 2010 and 2016 issue	12,275,126
Accrued interest payable - 2004, 2010, and 2013b	2,200,751
Compensated absences	<u>12,639,576</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 <u><u>\$ 139,815,254</u></u>

(12) RESTRICTED NET POSITION

A. Explanation for restrictions on net position

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

Restricted for:	
Dispatch/E911	\$ 953,243
Police/Forfeitures	1,073,638
Police/Other	684,067
Municipal court	1,862,436
Highways/Paving	9,181,150
Municipal Improvements/Capital	4,470,395
Recreation services	-
Total restricted net position	<u><u>\$ 18,224,929</u></u>

See independent auditor's report

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(13) DEFERRED INFLOWS AND OUTFLOWS

Changes of Deferred Inflows and Outflows

	Balance October 1, 2016	Additions	Reductions	Balance September 30, 2017	Due within one year
Governmental activities					
Deferred outflows of resources/Debt refundings					
For deferred gain (loss) on refunding (2010)	(2,323,555)	-	457,093	(1,866,462)	(457,093)
Deferred gain (loss) on refundings	(2,323,555)	-	457,093	(1,866,462)	(457,093)
Total governmental fund types	\$ (2,323,555)	\$ -	\$ 457,093	\$ (1,866,462)	\$ (457,093)
Business-type activities - sewer					
Deferred outflows of resources					
For deferred gain (loss) on refunding (2013)	(56,801)	-	12,393	(44,408)	(12,393)
For deferred gain (loss) on refunding (2014)	(1,507,825)	-	74,461	(1,433,365)	(74,461)
Deferred gain (loss) on refundings	(1,564,626)	-	86,853	(1,477,773)	(86,853)
Total proprietary fund types	\$ (1,564,626)	\$ -	\$ 86,853	\$ (1,477,773)	\$ (86,853)

(14) FAIR VALUE

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at September 30, 2017:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments:				
Certificates of Deposit	3,642,136	-	3,642,136	-
US Treasuries	30,989,898	30,989,898	-	-
US Treasuries/STRIPS	6,992,261	6,992,261	-	-
Total Investments	\$ 41,624,294	\$ 37,982,159	\$ 3,642,135	\$ -

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes in the methodologies used during the year ended September 30, 2017.

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2017

(15) PRIOR PERIOD ADJUSTMENTS

During the fiscal year ending September 30, 2017, management discovered that accounts receivable and accumulated depreciation had been misstated in the prior year. The City did not record a receivable for consumers and sellers use tax receivable at September 30, 2016. The City also understated accumulated depreciation on the Public Safety Center, resulting in a decrease in net position totaling \$688,983 in the government wide financial statements. Additionally, the change in net position decreased by \$116,673 for the year ended September 30, 2016. Since accumulated depreciation is not recorded in the fund financial statements, the prior period adjustment related to accounts receivable increased fund balance by \$1,087,599 in the fund financial statements and accordingly, the change in fund balance decreased \$69,376 for the year ended September 30, 2016.

(16) TAX REBATES

The City directly enters into various tax rebate agreements with local businesses, developers, and/or owners under Amendment 772 to the Constitution of Alabama of 1901, which authorizes the City to lend its credit to or grant public funds and things of value in aid of or to any corporation or other business entity for the purpose of promoting the economic development of the City. The following is a list of agreements in effect as of the fiscal year ending 2017.

Purpose	Type of Tax or Revenue Abated	% of Taxes Abated During the Fiscal Year of Qualifying Formula	Amount of Taxes Abated During the Fiscal Year
Business Development/Galleria (Riverchase Anchor Acq, LLC)	Sales Tax	50%	\$ 719,691
Economic Development (The Comedy Club, Inc)	Sales Tax	50%	-
Economic Development (MJB Boot, LLC)	Sales Tax	50%	-
Business Development/Whole Foods (Riverchase Lorna, LP)	Sales Tax	50%	-
Economic Development (Estes Hoover, LLC)	Sales Tax	50%	17,207
Business Development/Field & Stream (PC L7, LLC)	Sales Tax	50%	138,180
Business Development/Village @ Brocks Gap (Altera Dev Co)	Sales Tax	50%	-
Business Development/Stadium Trace Village (Broad Metro, LLC)	Sales Tax	50%	-
	Permit Fees	100%	-
Economic Development (Comedy Club)	Sales Tax	50%	-
Economic Development/The Grove (KD Hoover)	Sales Tax	50%	349,952
Economic Development (McPherson Companies, Inc)	Sales Tax	50%	\$ 7,828
			<u>\$ 1,232,857</u>

(17) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 29, 2018, the date in which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Schedule of Required Supplementary Information
Schedule of Funding Progress
Post-Employment Benefit Plan
For the Year Ended September 30, 2017

Post-Employment Benefit Health Insurance Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
10/1/2014	\$ -	\$ 6,904,117	\$ 6,904,117	0.0%	\$ 43,564,439	15.85%
10/1/2015	-	5,896,254	5,896,254	0.0%	46,220,321	12.76%
10/1/2016	-	6,132,104	6,132,104	0.0%	46,216,817	13.27%

For information regarding assumptions and amortization methods, see Note 8.

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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total pension liability										
Service cost								\$ 3,265,628	\$ 3,326,857	\$ 3,430,862
Interest								13,523,768	14,175,319	15,061,807
Changes of benefit terms								-	-	-
Differences between expected & actual experience								-	2,574,319	891,519
Changes of assumptions								-	-	8,577,883
Benefit payments, including refunds of employee contributions								(8,485,192)	(8,804,809)	(9,185,989)
Transfers among employers								-	-	1,417,051
Net change in total pension liability								<u>8,304,204</u>	<u>11,271,686</u>	<u>20,193,133</u>
Total pension liability - beginning								<u>173,289,690</u>	<u>181,593,894</u>	<u>192,865,580</u>
Total pension liability - ending								<u>\$ 181,593,894</u>	<u>\$ 192,865,580</u>	<u>\$ 213,058,713</u>
Plan fiduciary net position										
Contributions - employer								\$ 4,444,038	\$ 4,449,246	\$ 4,880,617
Contributions - member								2,309,545	2,443,812	2,682,264
Net investment income								14,596,387	1,592,336	13,710,378
Benefit payments, including refunds of employee contributions								(8,485,192)	(8,804,809)	(9,185,989)
Transfers among employers								(232,040)	(254,334)	1,417,051
Net change in plan fiduciary net position								<u>12,632,737</u>	<u>(573,749)</u>	<u>13,504,321</u>
Plan net position - beginning								<u>122,668,965</u>	<u>135,301,702</u>	<u>134,727,953</u>
Plan net position - ending								<u>\$ 135,301,702</u>	<u>\$ 134,727,953</u>	<u>\$ 148,232,274</u>
Net pension liability (asset)										
Net pension liability (asset) - beginning								\$ 50,620,725	\$ 46,292,192	\$ 58,137,627
Net pension liability (asset) - ending (a) - (b)								<u>46,292,192</u>	<u>58,137,627</u>	<u>64,826,439</u>
Net change in pension liability (asset)								<u>\$ (4,328,533)</u>	<u>\$ 11,845,435</u>	<u>\$ 6,688,812</u>
Plan fiduciary net position as a percentage of the total pension liability										
								74.51%	69.86%	69.57%
Covered-employee payroll										
								\$ 39,181,275	\$ 40,432,460	\$ 44,609,370
Net pension liability (asset) as a percentage of covered-employee payroll										
								118.15%	143.79%	145.32%
Pension Expense (Income)										
								\$ 4,004,637	\$ 5,794,533	\$ 6,986,857

¹ Implementation of this schedule began with Fiscal Year 2014; Thus, fiscal years 2007 to 2013 were unavailable.

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

	Fiscal Year									
1	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially determined contribution								\$ 4,589,405	\$ 4,873,464	\$ 5,146,565
Contributions in relation to the actuarially determined contribution								<u>4,589,405</u>	<u>4,873,464</u>	<u>5,146,565</u>
Contribution deficiency (excess)								<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll								\$ 40,432,460	\$ 44,609,370	\$ 44,098,641
Contributions as a percentage of covered-employee payroll								11.35%	10.92%	11.67%

¹ Implementation of this schedule began with Fiscal Year 2015; Thus, fiscal years 2008 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 2016, the fiscal year is the twelve month period beginning after 06/15/2015.

(This page intentionally left blank)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
Pension Plan Practices
For the Year Ended September 30, 2017

Actuarially determined contribution rates are calculated as of September 30, three years prior to the end of the fiscal year in which contributions are reported. Contributions for fiscal year 2017 were based on the September 30, 2014 actuarial valuation.

Methods and assumptions used to determine contribution rates for the period October 1, 2016 to September 30, 2017:

Actuarial cost method	Entry Age
Amortization method	Level percent closed
Remaining amortization period	26 years
Asset valuation method	Five year smoothed market
Inflation	3.00%
Salary increases	3.75 - 7.25%, including inflation
Investment rate of return	7.75%, net of pension plan investment expenses, including inflation

See independent auditor's report

(This page intentionally left blank)

COMBINING FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2017

	Special Revenue										
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	Stormwater	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice	Federal Drug Dept of Treasury	CDBG
Assets											
Pooled cash and investments	\$ 282,083	\$ 535,705	\$ 3,744,624	\$ 3,745,771	\$ 562,838	\$ -	\$ 4,535,395	\$ 380,891	\$ 508,035	\$ 227,365	\$ -
Receivables											
Taxes	-	-	-	-	985,109	-	-	-	-	-	-
Accounts	132,755	41,900	-	-	-	-	9,401	982	439	-	
Due from other governments	-	-	90,458	54,082	-	-	-	-	-	-	
Inventories	-	-	-	-	-	-	-	-	-	-	
Prepaid items	-	-	-	-	-	-	-	-	-	-	
Total assets	\$ 414,838	\$ 577,605	\$ 3,835,083	\$ 3,799,853	\$ 1,547,948	\$ -	\$ 4,535,395	\$ 390,293	\$ 509,016	\$ 227,804	\$ -
Liabilities and fund balances											
Accounts payable and accrued liabilities	\$ 39,200	\$ -	\$ -	\$ -	\$ 5,317	\$ -	\$ 65,000	\$ -	\$ 12,507	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-	-	40,968	-	-	-
Internal balances	-	-	-	-	-	-	-	-	-	-	-
Refundable deposits	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	39,200	-	-	-	5,317	-	65,000	40,968	12,507	-	-
Fund balances											
Restricted	375,638	577,605	3,835,083	3,799,853	1,542,631	-	4,470,395	349,324	496,510	227,804	-
Total fund balances	375,638	577,605	3,835,083	3,799,853	1,542,631	-	4,470,395	349,324	496,510	227,804	-
Total liabilities and fund balances	\$ 414,838	\$ 577,605	\$ 3,835,083	\$ 3,799,853	\$ 1,547,948	\$ -	\$ 4,535,395	\$ 390,293	\$ 509,016	\$ 227,804	\$ -

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet - Continued
Non-Major Governmental Funds
September 30, 2017

	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	\$ 74,202	\$ 137,556	\$ 68,074	\$ 63,826	\$ 1,170,171	\$ 445,158	\$ 652,418	\$ 17,134,112	\$ -	\$ 17,134,112
Receivables										
Taxes	-	-	-	-	-	-	-	985,109	-	985,109
Accounts	-	-	-	10,288	-	-	35,232	230,997	140,593	371,590
Due from other governments	-	-	-	-	-	-	-	144,540	-	144,540
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 74,202	\$ 137,556	\$ 68,074	\$ 74,115	\$ 1,170,171	\$ 445,158	\$ 687,650	\$ 18,494,759	\$ 140,593	\$ 18,635,352
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 74,202	\$ -	\$ 2,613	\$ 14,058	\$ 12,710	\$ 3,256	\$ -	\$ 228,862	\$ 110,523	\$ 339,385
Unearned revenue	-	-	-	-	-	-	-	40,968	-	40,968
Internal balances	-	-	-	-	-	-	-	-	30,070	30,070
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	74,202	-	2,613	14,058	12,710	3,256	-	269,831	140,593	410,424
Fund balances										
Restricted	-	137,556	65,461	60,056	1,157,461	441,902	687,650	18,224,929	-	18,224,929
Total fund balances	-	137,556	65,461	60,056	1,157,461	441,902	687,650	18,224,929	-	18,224,929
Total liabilities and fund balances	\$ 74,202	\$ 137,556	\$ 68,074	\$ 74,115	\$ 1,170,171	\$ 445,158	\$ 687,650	\$ 18,494,759	\$ 140,593	\$ 18,635,352

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, 2017

	Special Revenue										CDBG	
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	Stormwater	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice	Federal Drug Dept of Treasury		
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	913,683	599,288	1,095,796	-	692,698	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	46,756	182,681	-	-	-
Investment income	-	-	-	-	-	-	-	6,863	10,030	4,227	-	-
Rents and royalties	-	-	-	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	1,593,056	700,919	-	-	-	110,148	-	-	-	-	-	-
Other	-	-	-	-	-	164	-	-	148	-	-	-
Total revenues	<u>1,593,056</u>	<u>700,919</u>	<u>913,683</u>	<u>599,288</u>	<u>1,095,796</u>	<u>110,313</u>	<u>692,698</u>	<u>53,619</u>	<u>192,859</u>	<u>4,227</u>	<u>-</u>	<u>-</u>
Expenditures												
Current operations												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	1,529,272	1,000,000	-	-	-	27,500	-	11,197	66,190	-	-	-
Library	-	-	-	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	123,126	-	-	-	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,529,272	1,000,000	-	-	-	150,626	-	11,197	66,190	-	-	-
Capital outlays	-	-	914,662	160,604	1,106,232	-	150,545	-	251,772	29,997	-	-
Total expenditures	<u>1,529,272</u>	<u>1,000,000</u>	<u>914,662</u>	<u>160,604</u>	<u>1,106,232</u>	<u>150,626</u>	<u>150,545</u>	<u>11,197</u>	<u>317,962</u>	<u>29,997</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	63,783	(299,081)	(979)	438,684	(10,436)	(40,313)	542,153	42,423	(125,103)	(25,770)	-	-
Other financing sources (uses)												
Transfers in	-	-	-	-	-	40,313	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	63,783	(299,081)	(979)	438,684	(10,436)	-	542,153	42,423	(125,103)	(25,770)	-	-
Fund balances, beginning of year	311,854	876,686	3,836,062	3,361,169	1,553,067	-	3,928,242	306,902	621,613	253,574	-	-
Fund balances, end of year	<u>\$ 375,638</u>	<u>\$ 577,605</u>	<u>\$ 3,835,083</u>	<u>\$ 3,799,853</u>	<u>\$ 1,542,631</u>	<u>\$ -</u>	<u>\$ 4,470,395</u>	<u>\$ 349,324</u>	<u>\$ 496,510</u>	<u>\$ 227,804</u>	<u>\$ -</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, 2017

	Special Revenue - Continued							Capital Projects	Total Nonmajor Governmental Funds	
	Court and Corrections	Municipal Court Clerk	Court Training	Court Referral Officer Program	Traffic Safety	Municipal Court Judicial Admin	General Grants	Total		Other Capital Projects Fund
Revenues										
Taxes	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	63,144	-	-	295,250	3,659,859	1,561,221	5,221,080
Fines and forfeits	654,017	-	17,338	-	207,575	198,285	-	1,306,652	-	1,306,652
Investment income	-	-	-	-	-	-	-	21,120	-	21,120
Rents and royalties	-	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	40,659	40,659	-	40,659
Charges for services	1,750	21,875	-	123,165	-	-	538	2,551,451	-	2,551,451
Other	42	-	-	-	-	-	-	354	-	354
Total revenues	<u>655,809</u>	<u>21,875</u>	<u>17,338</u>	<u>186,309</u>	<u>207,575</u>	<u>198,285</u>	<u>336,448</u>	<u>7,580,096</u>	<u>1,561,221</u>	<u>9,141,317</u>
Expenditures										
Current operations										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	1,913,892	-	-	-	-	-	75,596	4,623,646	-	4,623,646
Library	-	-	-	-	-	-	6,509	6,509	-	6,509
Municipal court	1,130,554	-	6,260	174,866	218,063	347,843	-	1,877,586	-	1,877,586
Sanitation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	-	150	123,276	89,883	213,158
Recreation services	-	-	-	-	-	-	24,695	24,695	-	24,695
Health	-	-	-	-	-	-	-	-	-	-
Total	<u>3,044,446</u>	<u>-</u>	<u>6,260</u>	<u>174,866</u>	<u>218,063</u>	<u>347,843</u>	<u>106,950</u>	<u>6,655,713</u>	<u>89,883</u>	<u>6,745,595</u>
Capital outlays	-	-	-	-	38,322	-	110,539	2,762,673	1,471,338	4,234,011
Total expenditures	<u>3,044,446</u>	<u>-</u>	<u>6,260</u>	<u>174,866</u>	<u>256,385</u>	<u>347,843</u>	<u>217,489</u>	<u>9,418,385</u>	<u>1,561,221</u>	<u>10,979,606</u>
Excess of revenues over (under) expenditures	<u>(2,388,637)</u>	<u>21,875</u>	<u>11,078</u>	<u>11,443</u>	<u>(48,810)</u>	<u>(149,558)</u>	<u>118,959</u>	<u>(1,838,289)</u>	<u>-</u>	<u>(1,838,289)</u>
Other financing sources (uses)										
Transfers in	2,388,637	-	-	-	-	-	29,922	2,458,872	-	2,458,872
Transfers out	-	-	-	-	-	-	(178)	(178)	-	(178)
Total other financing sources (uses)	<u>2,388,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,744</u>	<u>2,458,694</u>	<u>-</u>	<u>2,458,694</u>
Net change in fund balances	-	21,875	11,078	11,443	(48,810)	(149,558)	148,703	620,404	-	620,404
Fund balances, beginning of year	-	115,681	54,383	48,613	1,206,270	591,460	538,947	17,604,524	-	17,604,524
Fund balances, end of year	<u>\$ -</u>	<u>\$ 137,556</u>	<u>\$ 65,461</u>	<u>\$ 60,056</u>	<u>\$ 1,157,461</u>	<u>\$ 441,902</u>	<u>\$ 687,650</u>	<u>\$ 18,224,929</u>	<u>\$ -</u>	<u>\$ 18,224,929</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Net Position
Internal Service Funds
September 30, 2017

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 1,883,951	\$ 1,714,491	\$ 751,825	\$ 485,024	\$ 4,835,291
Prepaid items	-	-	33,974	171,169	205,143
Internal balances	-	-	-	-	-
Accounts/stop loss receivable	-	-	-	1,584	1,584
Statutory actuarial receivable	-	-	36,862	137,846	174,708
Total current assets	1,883,951	1,714,491	822,661	795,623	5,216,726
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	-	-	387,761	263,000	650,761
Total noncurrent assets	-	-	387,761	263,000	650,761
Total assets	\$ 1,883,951	\$ 1,714,491	\$ 1,210,422	\$ 1,058,623	\$ 5,867,487
Liabilities					
Current liabilities:					
General obligation warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	29,254	-	10,134	6,182	45,570
Retainage payable	-	-	-	-	-
Unearned revenue	201	-	-	-	201
Accrued expenses	508,325	51,915	-	-	560,240
Claims payable	-	726,445	122,102	484,168	1,332,715
Compensated absences	-	-	-	-	-
Internal balances	-	-	-	-	-
Total current liabilities	537,780	778,360	132,236	490,350	1,938,726
Noncurrent liabilities:					
Compensated absences	-	-	-	-	-
Claims payable	-	2,420,432	682,363	586,506	3,689,301
Total noncurrent liabilities	-	2,420,432	682,363	586,506	3,689,301
Total liabilities	537,780	3,198,792	814,599	1,076,856	5,628,027
Net Position					
Net investment in capital assets	-	-	-	-	-
Unrestricted (deficit)	1,346,171	(1,484,301)	395,823	(18,233)	239,460
Total net position	\$ 1,346,171	\$ (1,484,301)	\$ 395,823	\$ (18,233)	\$ 239,460

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, 2017

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property and Casualty	Total
Operating revenues					
Charges for services - internal	\$ 7,847,304	\$ 846,006	\$ 185,504	\$ 500,000	\$ 9,378,814
Participant premiums	1,502,529	259,778	-	-	1,762,307
Late fees	-	-	-	-	-
Stop loss reimbursements	126,323	-	11,284	47,997	185,604
Subrogation recoveries	-	-	6,725	90,885	97,609
Public assistance/school reimbursements	-	-	-	-	-
Rebates or refunds	384,057	37,609	6,916	-	428,582
Other	-	-	-	-	-
Total operating revenue	<u>9,860,213</u>	<u>1,143,393</u>	<u>210,429</u>	<u>638,881</u>	<u>11,852,917</u>
Operating expenses					
Costs of services	8,944,524	940,580	476,127	797,121	11,158,352
Administration	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	<u>8,944,524</u>	<u>940,580</u>	<u>476,127</u>	<u>797,121</u>	<u>11,158,352</u>
Operating income (loss)	915,690	202,813	(265,698)	(158,239)	694,565
Non-operating revenues (expenses)					
Actuarial adjustment	-	125,914	(55,973)	(88,007)	(18,066)
Investment earnings	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>125,914</u>	<u>(55,973)</u>	<u>(88,007)</u>	<u>(18,066)</u>
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,781)</u>	<u>(70,781)</u>
Change in net position	915,690	328,727	(321,671)	(317,027)	605,718
Total net position, beginning of year	<u>430,481</u>	<u>(1,813,028)</u>	<u>717,494</u>	<u>298,795</u>	<u>(366,259)</u>
Total net position, end of year	<u>\$ 1,346,171</u>	<u>\$ (1,484,301)</u>	<u>\$ 395,823</u>	<u>\$ (18,233)</u>	<u>\$ 239,460</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended September 30, 2017

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Cash flows from operating activities					
Cash received from government	\$ 7,847,304	\$ 846,006	\$ 185,504	\$ 500,000	\$ 9,378,814
Cash received from participants	1,502,731	224,478	-	-	1,727,209
Cash received from stop loss reimbursements	126,323	-	11,531	46,413	184,267
Cash received from subrogation	-	-	6,725	90,885	97,609
Cash received from public assistance reimbursements	-	-	-	-	-
Cash received from rebates/overpayments	384,057	37,609	6,916	-	428,582
Payments to suppliers	(9,110,530)	(907,691)	(466,887)	(811,036)	(11,296,144)
Other cash receipts	-	-	-	-	-
Net cash provided (used) by operating activities	<u>749,885</u>	<u>200,403</u>	<u>(256,211)</u>	<u>(173,739)</u>	<u>520,337</u>
Cash flows from noncapital financing activities					
Transfer to other funds	-	-	-	(70,781)	(70,781)
Transfer from other funds	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(70,781)</u>	<u>(70,781)</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	749,885	200,403	(256,211)	(244,520)	449,556
Pooled cash and investments, beginning of year	1,134,066	1,514,088	1,008,036	729,544	4,385,735
Pooled cash and investments, end of year	<u>\$ 1,883,951</u>	<u>\$ 1,714,491</u>	<u>\$ 751,825</u>	<u>\$ 485,024</u>	<u>\$ 4,835,291</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 915,690	\$ 202,813	\$ (265,698)	\$ (158,239)	\$ 694,565
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	-	-	-	-	-
(Increase) decrease in accounts receivable	201	(35,300)	247	(1,584)	(36,435)
Increase (decrease) in accounts payable and accrued expenses	(166,006)	32,890	9,240	1,946	(121,930)
(Increase) decrease in compensated absences payable & accrued salaries	-	-	-	(15,862)	(15,862)
Total adjustments	<u>(165,805)</u>	<u>(2,410)</u>	<u>9,487</u>	<u>(15,500)</u>	<u>(174,228)</u>
Net cash provided by operating activities	<u>\$ 749,885</u>	<u>\$ 200,403</u>	<u>\$ (256,211)</u>	<u>\$ (173,739)</u>	<u>\$ 520,337</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, 2017

	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	-	-	-	-
Total revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,593,056</u>	<u>(6,944)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	1,644,542	1,644,542	1,529,272	115,270
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,644,542</u>	<u>1,644,542</u>	<u>1,529,272</u>	<u>115,270</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,644,542</u>	<u>1,644,542</u>	<u>1,529,272</u>	<u>115,270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,542)</u>	<u>(44,542)</u>	<u>63,783</u>	<u>108,325</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	(44,542.00)	(44,542.00)	63,783	108,325
Fund balances, beginning of year	<u>311,854</u>	<u>311,854</u>	<u>311,854</u>	<u>-</u>
Fund balances, end of year	<u>\$ 267,312</u>	<u>\$ 267,312</u>	<u>\$ 375,638</u>	<u>\$ 108,325</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, 2017

	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	705,000	705,000	700,919	(4,081)
Other	-	-	-	-
Total revenues	<u>705,000</u>	<u>705,000</u>	<u>700,919</u>	<u>(4,081)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	1,000,000	1,000,000	1,000,000	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(295,000)</u>	<u>(295,000)</u>	<u>(299,081)</u>	<u>(4,081)</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	(295,000)	(295,000)	(299,081)	(4,081)
Fund balances, beginning of year	<u>876,686</u>	<u>876,686</u>	<u>876,686</u>	<u>-</u>
Fund balances, end of year	<u>\$ 581,686</u>	<u>\$ 581,686</u>	<u>\$ 577,605</u>	<u>\$ (4,081)</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	867,500	867,500	913,683	46,183
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>867,500</u>	<u>867,500</u>	<u>913,683</u>	<u>46,183</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	1,328,807	1,328,807	914,662	414,145
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,328,807</u>	<u>1,328,807</u>	<u>914,662</u>	<u>414,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(461,307)</u>	<u>(461,307)</u>	<u>(979)</u>	<u>460,328</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	(461,307)	(461,307)	(979)	460,328
Fund balances, beginning of year	<u>3,836,062</u>	<u>3,836,062</u>	<u>3,836,062</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,374,755</u>	<u>\$ 3,374,755</u>	<u>\$ 3,835,083</u>	<u>\$ 460,328</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	575,000	575,000	599,288	24,288
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>575,000</u>	<u>575,000</u>	<u>599,288</u>	<u>24,288</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	25,714	25,714	-	25,714
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>25,714</u>	<u>25,714</u>	<u>-</u>	<u>25,714</u>
Capital outlays	2,018,816	1,972,104	160,604	1,811,500
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,044,530</u>	<u>1,997,818</u>	<u>160,604</u>	<u>1,837,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,469,530)</u>	<u>(1,422,818)</u>	<u>438,684</u>	<u>1,861,502</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	(1,469,530)	(1,422,818)	438,684	1,861,502
Fund balances, beginning of year	<u>3,361,169</u>	<u>3,361,169</u>	<u>3,361,169</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,891,639</u>	<u>\$ 1,938,351</u>	<u>\$ 3,799,853</u>	<u>\$ 1,861,502</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	975,000	975,000	1,095,796	120,796
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>1,095,796</u>	<u>120,796</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	2,302,481	2,302,481	1,106,232	1,196,249
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,302,481</u>	<u>2,302,481</u>	<u>1,106,232</u>	<u>1,196,249</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,327,481)</u>	<u>(1,327,481)</u>	<u>(10,436)</u>	<u>1,317,045</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	(1,327,481)	(1,327,481)	(10,436)	1,317,045
Fund balances, beginning of year	<u>1,553,067</u>	<u>1,553,067</u>	<u>1,553,067</u>	<u>-</u>
Fund balances, end of year	<u>\$ 225,586</u>	<u>\$ 225,586</u>	<u>\$ 1,542,631</u>	<u>\$ 1,317,045</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Stormwater
For the year ended September 30, 2017

	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	110,000	110,000	110,148	148
Other	-	-	164	164
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>110,313</u>	<u>313</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	35,000	35,000	27,500	7,500
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	118,000	133,000	123,126	9,874
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>153,000</u>	<u>168,000</u>	<u>150,626</u>	<u>17,374</u>
Capital outlays				
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>153,000</u>	<u>168,000</u>	<u>150,626</u>	<u>17,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,000)</u>	<u>(58,000)</u>	<u>(40,313)</u>	<u>17,687</u>
Other financing sources (uses)				
Transfers in	43,000	58,000	40,313	(17,687)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>43,000</u>	<u>58,000</u>	<u>40,313</u>	<u>(17,687)</u>
Net change in fund balances	-	-	-	0
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	700,000	700,000	692,698	(7,302)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>700,000</u>	<u>700,000</u>	<u>692,698</u>	<u>(7,302)</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	3,152,404	3,152,404	150,545	3,001,859
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,152,404</u>	<u>3,152,404</u>	<u>150,545</u>	<u>3,001,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,452,404)</u>	<u>(2,452,404)</u>	<u>542,153</u>	<u>2,994,557</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,452,404)	(2,452,404)	542,153	2,994,557
Fund balances, beginning of year	<u>3,928,242</u>	<u>3,928,242</u>	<u>3,928,242</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,475,838</u>	<u>\$ 1,475,838</u>	<u>\$ 4,470,395</u>	<u>\$ 2,994,557</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	46,756	46,756
Investment income	-	-	6,863	6,863
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>53,619</u>	<u>53,619</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	55,000	55,000	11,197	43,803
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>55,000</u>	<u>55,000</u>	<u>11,197</u>	<u>43,803</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>55,000</u>	<u>55,000</u>	<u>11,197</u>	<u>43,803</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,000)</u>	<u>(55,000)</u>	<u>42,423</u>	<u>97,423</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	(55,000)	(55,000)	42,423	97,423
Fund balances, beginning of year	<u>306,902</u>	<u>306,902</u>	<u>306,902</u>	<u>-</u>
Fund balances, end of year	<u>\$ 251,902</u>	<u>\$ 251,902</u>	<u>\$ 349,324</u>	<u>\$ 97,423</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	182,681	182,681
Investment income	-	-	10,030	10,030
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	148	148
Total revenues	<u>-</u>	<u>-</u>	<u>192,859</u>	<u>192,859</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	304,497	304,497	66,190	238,307
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>304,497</u>	<u>304,497</u>	<u>66,190</u>	<u>238,307</u>
Capital outlays	271,250	296,250	251,772	44,478
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>575,747</u>	<u>600,747</u>	<u>317,962</u>	<u>282,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(575,747)</u>	<u>(600,747)</u>	<u>(125,103)</u>	<u>475,644</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	(575,747)	(600,747)	(125,103)	475,644
Fund balances, beginning of year	<u>621,613</u>	<u>621,613</u>	<u>621,613</u>	<u>-</u>
Fund balances, end of year	<u>\$ 45,866</u>	<u>\$ 20,866</u>	<u>\$ 496,510</u>	<u>\$ 475,644</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	4,227	4,227
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>4,227</u>	<u>4,227</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	105,000	105,000	29,997	75,003
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>105,000</u>	<u>105,000</u>	<u>29,997</u>	<u>75,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(105,000)</u>	<u>(105,000)</u>	<u>(25,770)</u>	<u>79,230</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	(105,000)	(105,000)	(25,770)	79,230
Fund balances, beginning of year	<u>253,574</u>	<u>253,574</u>	<u>253,574</u>	<u>-</u>
Fund balances, end of year	<u>\$ 148,574</u>	<u>\$ 148,574</u>	<u>\$ 227,804</u>	<u>\$ 79,230</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	-	-	-	-
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>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	685,000	685,000	654,017	(30,983)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	1,750	1,750
Other	-	-	42	42
Total revenues	<u>685,000</u>	<u>685,000</u>	<u>655,809</u>	<u>(29,191)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,292,281	2,292,281	1,913,892	378,389
Library	-	-	-	-
Municipal court	1,174,488	1,174,088	1,130,554	43,534
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>3,466,769</u>	<u>3,466,369</u>	<u>3,044,446</u>	<u>421,923</u>
Capital outlays				
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,466,769</u>	<u>3,466,369</u>	<u>3,044,446</u>	<u>421,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,781,769)</u>	<u>(2,781,369)</u>	<u>(2,388,637)</u>	<u>392,732</u>
Other financing sources (uses)				
Transfers in	2,781,769	2,781,369	2,388,637	(392,732)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>2,781,769</u>	<u>2,781,369</u>	<u>2,388,637</u>	<u>(392,732)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Municipal Court Clerk
For the year ended September 30, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	15,000	15,000	21,875	6,875
Other	-	-	-	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>21,875</u>	<u>6,875</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,000</u>	<u>15,000</u>	<u>21,875</u>	<u>6,875</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,000	15,000	21,875	6,875
Fund balances, beginning of year	<u>115,681</u>	<u>115,681</u>	<u>115,681</u>	<u>-</u>
Fund balances, end of year	<u>\$ 130,681</u>	<u>\$ 130,681</u>	<u>\$ 137,556</u>	<u>\$ 6,875</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	15,000	15,000	17,338	2,338
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>17,338</u>	<u>2,338</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	10,820	10,820	6,260	4,560
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>10,820</u>	<u>10,820</u>	<u>6,260</u>	<u>4,560</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>10,820</u>	<u>10,820</u>	<u>6,260</u>	<u>4,560</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,180</u>	<u>4,180</u>	<u>11,078</u>	<u>6,898</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	4,180	4,180	11,078	6,898
Fund balances, beginning of year	<u>54,383</u>	<u>54,383</u>	<u>54,383</u>	<u>-</u>
Fund balances, end of year	<u>\$ 58,563</u>	<u>\$ 58,563</u>	<u>\$ 65,461</u>	<u>\$ 6,898</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	61,727	61,727	63,144	1,417
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	95,000	95,000	123,165	28,165
Other	-	-	-	-
Total revenues	<u>156,727</u>	<u>156,727</u>	<u>186,309</u>	<u>29,582</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	167,133	185,333	174,866	10,467
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>167,133</u>	<u>185,333</u>	<u>174,866</u>	<u>10,467</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>167,133</u>	<u>185,333</u>	<u>174,866</u>	<u>10,467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,406)</u>	<u>(28,606)</u>	<u>11,443</u>	<u>40,049</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	(10,406)	(28,606)	11,443	40,049
Fund balances, beginning of year	<u>48,613</u>	<u>48,613</u>	<u>48,613</u>	<u>-</u>
Fund balances, end of year	<u>\$ 38,207</u>	<u>\$ 20,007</u>	<u>\$ 60,056</u>	<u>\$ 40,049</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	150,000	150,000	207,575	57,575
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>207,575</u>	<u>57,575</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	485,777	515,937	218,063	297,874
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>485,777</u>	<u>515,937</u>	<u>218,063</u>	<u>297,874</u>
Capital outlays	115,331	85,171	38,322	46,849
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>601,108</u>	<u>601,108</u>	<u>256,385</u>	<u>344,723</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(451,108)</u>	<u>(451,108)</u>	<u>(48,810)</u>	<u>402,298</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	(451,108)	(451,108)	(48,810)	402,298
Fund balances, beginning of year	<u>1,206,270</u>	<u>1,206,270</u>	<u>1,206,270</u>	<u>-</u>
Fund balances, end of year	<u>\$ 755,162</u>	<u>\$ 755,162</u>	<u>\$ 1,157,461</u>	<u>\$ 402,298</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	195,000	195,000	198,285	3,285
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>195,000</u>	<u>195,000</u>	<u>198,285</u>	<u>3,285</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	289,905	377,905	347,843	30,062
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>289,905</u>	<u>377,905</u>	<u>347,843</u>	<u>30,062</u>
Capital outlays	22,750	22,750	-	22,750
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>312,655</u>	<u>400,655</u>	<u>347,843</u>	<u>52,812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(117,655)</u>	<u>(205,655)</u>	<u>(149,558)</u>	<u>56,097</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	(117,655)	(205,655)	(149,558)	56,097
Fund balances, beginning of year	<u>591,460</u>	<u>591,460</u>	<u>591,460</u>	<u>-</u>
Fund balances, end of year	<u>\$ 473,805</u>	<u>\$ 385,805</u>	<u>\$ 441,902</u>	<u>\$ 56,097</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	44,592	59,703	295,250	235,547
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	40,000	40,000	40,659	659
Charges for services	-	-	538	538
Other	-	-	-	-
Total revenues	<u>84,592</u>	<u>99,703</u>	<u>336,448</u>	<u>236,745</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	121,410	151,632	75,596	76,036
Library	7,000	7,000	6,509	491
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	3,283	3,283	150	3,133
Recreation services	30,066	30,066	24,695	5,371
Health	-	-	-	-
Total	<u>161,759</u>	<u>191,981</u>	<u>106,950</u>	<u>85,031</u>
Capital outlays	112,000	112,000	110,539	1,461
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>273,759</u>	<u>303,981</u>	<u>217,489</u>	<u>86,492</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(189,167)</u>	<u>(204,278)</u>	<u>118,959</u>	<u>323,237</u>
Other financing sources (uses)				
Transfers in	41,022	56,133	29,922	(26,211)
Transfers out	(178)	(178)	(178)	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>40,844</u>	<u>55,955</u>	<u>29,744</u>	<u>(26,211)</u>
Net change in fund balances	(148,323)	(148,323)	148,703	297,026
Fund balances, beginning of year	<u>538,947</u>	<u>538,947</u>	<u>538,947</u>	<u>-</u>
Fund balances, end of year	<u>\$ 390,624</u>	<u>\$ 390,624</u>	<u>\$ 687,650</u>	<u>\$ 297,026</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, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	23,798,686	23,798,686	1,561,221	(22,237,465)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>23,798,686</u>	<u>23,798,686</u>	<u>1,561,221</u>	<u>(22,237,465)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	328,000	353,022	89,883	263,139
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>328,000</u>	<u>353,022</u>	<u>89,883</u>	<u>263,139</u>
Capital outlays	23,470,686	23,445,664	1,471,338	21,974,326
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>23,798,686</u>	<u>23,798,686</u>	<u>1,561,221</u>	<u>22,237,465</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
For the year ended September 30, 2017

	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	1,550,244	1,550,244	184,692	(1,365,552)
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>1,550,244</u>	<u>1,550,244</u>	<u>184,692</u>	<u>(1,365,552)</u>
Expenditures				
Current operations				
General government	1,340,789	1,327,396	360,050	967,346
Public safety	199,085	411,605	384,457	27,148
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	643,181	589,437	245,344	344,093
Recreation services	181,995	1,542,211	1,404,377	137,834
Health	-	-	-	-
Total	<u>2,365,050</u>	<u>3,870,649</u>	<u>2,394,229</u>	<u>1,476,420</u>
Capital outlays	29,611,070	27,401,424	13,575,029	13,826,395
Debt service				
Principal	1,902,654	1,902,654	951,200	951,454
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>33,878,774</u>	<u>33,174,727</u>	<u>16,920,458</u>	<u>16,254,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,328,530)</u>	<u>(31,624,483)</u>	<u>(16,735,767)</u>	<u>14,888,716</u>
Other financing sources (uses)				
Transfers in	-	2,207,486	2,207,535	49
Transfers out	(3,478,443)	(3,899,243)	(54,896)	3,844,347
Proceeds from debt	-	-	4,756,000	4,756,000
Total other financing sources (uses)	<u>(3,478,443)</u>	<u>(1,691,757)</u>	<u>6,908,638</u>	<u>8,600,395</u>
Special Items				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	(35,806,973)	(33,316,240)	(9,827,128)	23,489,111
Fund balances, beginning of year	<u>40,855,544</u>	<u>40,855,544</u>	<u>40,855,544</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,048,571</u>	<u>\$ 7,539,304</u>	<u>\$ 31,028,416</u>	<u>\$ 23,489,112</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
GOW 2016 Capital Projects Fund
For the year ended September 30, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	-	-	-	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	700	489,180	488,480
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>700</u>	<u>489,180</u>	<u>488,480</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	917,997	613,372	580,514	32,858
Health	-	-	-	-
Total	<u>917,997</u>	<u>613,372</u>	<u>580,514</u>	<u>32,858</u>
Capital outlays	28,505,100	28,809,725	26,197,046	2,612,679
Debt service				
Principal	-	-	-	-
Issuance costs	-	-	-	-
Interest and fiscal charges	-	700	697	3
Total expenditures	<u>29,423,097</u>	<u>29,423,797</u>	<u>26,778,257</u>	<u>2,645,540</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,423,097)</u>	<u>(29,423,097)</u>	<u>(26,289,077)</u>	<u>3,134,020</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(39,483,831)	(39,483,831)	(10,184,945)	29,298,886
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	<u>(39,483,831)</u>	<u>(39,483,831)</u>	<u>(10,184,945)</u>	<u>29,298,886</u>
Special Items				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	(68,906,928)	(68,906,928)	(36,474,022)	32,432,906
Fund balances, beginning of year	<u>68,967,081</u>	<u>68,967,081</u>	<u>68,967,081</u>	<u>-</u>
Fund balances, end of year	<u>\$ 60,153</u>	<u>\$ 60,153</u>	<u>\$ 32,493,059</u>	<u>\$ 32,432,906</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Parks and Recreation Board
For the year ended September 30, 2017

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	-	-	-	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	39,538,728	39,538,728	10,239,842	29,298,886
Debt service				
Principal	-	-	-	-
Issuance costs	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>39,538,728</u>	<u>39,538,728</u>	<u>10,239,842</u>	<u>29,298,886</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,538,728)</u>	<u>(39,538,728)</u>	<u>(10,239,842)</u>	<u>29,298,886</u>
Other financing sources (uses)				
Transfers in	39,538,728	39,538,728	10,239,842	(29,298,886)
Transfers out	-	-	-	-
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Total other financing sources (uses)	<u>39,538,728</u>	<u>39,538,728</u>	<u>10,239,842</u>	<u>(29,298,886)</u>
Special Items				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(This page intentionally left blank)

STATISTICAL SECTION

(This page intentionally left blank)

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	134
<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	139
<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	149
<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	153
<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	155
<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	158-160
<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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 299,036,189	\$ 300,474,712	\$ 315,155,565	\$ 320,407,177	\$ 315,688,443	\$ 304,515,007	\$ 304,558,480	\$ 299,427,874	\$ 304,691,842	\$ 299,225,002
Restricted capital projects	18,749,479	14,921,949	21,707,247	-	-	-	-	-	-	-
Restricted for enabling legislation	3,318,260	4,104,890	6,121,528	9,999,398	11,032,748	15,513,389	17,259,510	18,412,862	17,604,524	18,224,928
Unrestricted (deficit)	23,342,942	25,030,075	22,944,883	45,276,047	50,794,003	49,629,314	55,806,575	15,803,631	8,524,236	(2,801,119)
Total governmental activities net position	344,446,870	344,531,626	365,929,222	375,682,621	377,515,193	369,657,710	377,624,564	333,644,368	330,820,602	314,648,811
Prior period adjustment ¹	-	-	-	-	(487,808)	-	(46,176,687)	-	(688,983)	-
Total governmental activities net position, restated	<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>	<u>\$ 330,131,619</u>	<u>\$ 314,648,811</u>
Business-type activities										
Net investment in capital assets	\$ 22,413,719	\$ 20,744,083	\$ 19,258,810	\$ 17,577,471	\$ 16,041,550	\$ 14,548,454	\$ 13,354,039	\$ 12,632,753	\$ 11,458,243	\$ 10,496,432
Restricted capital projects	-	-	-	-	-	-	-	-	-	-
Restricted for enabling legislation	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	5,037,955	5,396,604	5,161,471	8,186,960	7,764,046	6,962,090	6,905,729	6,801,984	6,943,292	6,795,371
Total business-type activities net position	<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>	<u>\$ 18,401,534</u>	<u>\$ 17,291,804</u>
Primary government										
Net investment in capital assets	\$ 321,449,908	\$ 321,218,795	\$ 334,414,375	\$ 337,984,648	\$ 331,729,993	\$ 319,063,461	\$ 317,912,519	\$ 312,060,628	\$ 316,150,085	\$ 309,721,434
Restricted capital projects	18,749,479	14,921,949	21,707,247	-	-	-	-	-	-	-
Restricted for enabling legislation	3,318,260	4,104,890	6,121,528	9,999,398	11,032,748	15,513,389	17,259,510	18,412,862	17,604,524	18,224,928
Unrestricted (deficit)	28,380,897	30,426,678	28,106,354	53,463,006	58,558,049	56,591,404	62,712,304	22,605,615	15,467,528	3,994,252
Total primary government net position	<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>	<u>\$ 349,222,137</u>	<u>\$ 331,940,614</u>
Prior period adjustment	-	-	-	-	(487,808)	-	(46,176,687)	-	(688,983)	-
Total primary government net position, restated	<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>	<u>\$ 348,533,154</u>	<u>\$ 331,940,614</u>

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

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 12,159,259	\$ 12,843,118	\$ 12,459,943	\$ 11,895,501	\$ 12,404,558	\$ 12,848,852	\$ 13,822,304	\$ 13,788,965	\$ 16,802,434	\$ 18,176,731
Public safety	43,244,312	43,857,205	42,186,343	43,231,843	42,984,050	45,105,811	46,571,430	46,824,862	49,579,647	50,172,991
Library	5,668,188	6,123,208	6,217,356	6,262,401	6,384,696	6,566,225	6,821,645	7,097,783	7,517,909	7,726,717
Municipal court	1,479,847	1,617,927	1,560,283	1,738,663	1,709,638	1,612,455	1,711,093	1,827,071	1,961,501	2,019,744
Sanitation	5,478,464	5,658,314	5,843,793	6,075,253	6,222,487	6,290,465	6,398,905	6,523,566	7,054,541	7,226,459
Education	7,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,345,881	2,546,000	5,000,000
Highway and roadway improvements	9,226,304	12,148,929	7,831,687	14,673,216	22,198,428	24,627,788	28,449,260	23,596,944	26,045,969	25,620,377
Recreation services	8,116,588	9,002,873	8,908,303	8,721,903	8,507,207	9,557,624	9,859,747	10,201,973	10,892,415	14,283,602
Health	287,748	268,116	268,098	282,764	292,368	234,855	69,022	71,658	72,440	74,729
Interest and fiscal charges	4,475,264	4,282,869	4,118,153	2,823,206	3,093,138	3,379,455	2,720,810	2,526,584	2,717,454	4,509,288
Total governmental activities expenses	<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>	<u>125,190,309</u>	<u>134,810,639</u>
Business-type activities:										
Redevelopment	-	-	-	-	75,557	9,124	-	-	-	-
Sewer services	3,637,809	5,259,834	5,779,443	5,870,227	5,668,850	5,728,105	5,426,087	5,011,715	5,071,445	5,330,066
Total business-type activities expenses	<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>	<u>5,071,445</u>	<u>5,330,066</u>
Total primary government expenses	<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>	<u>\$ 130,261,754</u>	<u>\$ 140,140,705</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 5,446,391	\$ 5,220,064	\$ 5,329,379	\$ 5,429,872	\$ 5,709,437	\$ 5,818,193	\$ 6,142,122	\$ 6,310,446	\$ 6,451,107	\$ 6,425,814
Public safety	5,646,968	2,608,890	4,907,942	4,785,120	5,635,298	4,847,602	5,635,528	5,739,816	6,434,191	5,274,732
Library	328,096	334,370	378,425	380,718	411,500	363,621	376,357	385,235	386,188	374,542
Municipal court	2,322,209	3,554,359	2,924,037	2,303,115	2,345,711	2,280,864	2,271,471	2,423,590	1,844,618	1,914,409
Sanitation	7,200	7,350	7,050	6,825	7,556	7,800	7,644	7,408	7,356	7,313
Highway and roadway improvements	170,904	118,153	150,419	195,188	144,167	120,796	-	203,927	113,225	110,863
Recreation services	1,508,068	1,512,610	1,546,139	1,587,456	1,419,588	1,571,631	152,715	1,512,562	1,374,357	1,201,239
Health	150	-	1,000	1,000	4,095	3,550	1,522,240	-	-	-
Operating grants and contributions	3,900,377	5,596,094	3,569,003	3,627,644	3,765,312	3,620,721	3,860,242	3,497,085	2,958,966	3,190,304
Capital grants and contributions	2,720,341	1,447,809	15,333,481	11,347,086	2,814,007	499,703	11,649,800	1,207,074	4,332,586	2,090,512
Total governmental activities program revenues	<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>	<u>23,902,594</u>	<u>20,589,728</u>
Business-type activities:										
Charges for services:										
Sewer services	4,623,611	3,924,511	4,050,686	4,195,985	3,760,435	3,729,376	4,130,508	4,139,558	3,993,577	4,147,413
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<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>	<u>3,993,577</u>	<u>4,147,413</u>
Total primary government program revenues	<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>	<u>\$ 27,896,171</u>	<u>\$ 24,737,141</u>

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	Continued									
Net (expense)/revenue										
Governmental activities	\$ (75,585,268)	\$ (77,402,858)	\$ (57,247,085)	\$ (68,040,726)	\$ (83,539,899)	\$ (93,089,048)	\$ (86,806,095)	\$ (93,518,144)	\$(101,287,714)	\$(114,220,911)
Business-type activities	985,802	(1,335,323)	(1,728,757)	(1,674,241)	(1,983,973)	(2,007,853)	(1,295,579)	(872,156)	(1,077,868)	(1,182,653)
Total primary government net expense	<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>	<u>\$ (102,365,582)</u>	<u>\$ (115,403,564)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Sales and use taxes	56,570,198	53,182,053	54,755,461	56,503,270	60,522,929	61,607,730	68,237,337	68,640,577	71,498,456	71,376,645
Property taxes	10,212,487	10,475,368	10,346,796	10,040,757	10,108,447	10,022,691	10,354,931	10,448,442	11,137,083	11,326,664
Franchise taxes	799,548	845,086	905,611	956,823	1,049,546	1,130,533	1,183,170	1,312,676	1,316,598	1,228,120
Gross receipts taxes	4,548,169	4,364,862	4,592,061	4,749,260	4,695,226	5,601,293	5,926,033	6,594,662	6,206,616	6,386,307
Other taxes	3,602,409	3,343,913	3,575,726	3,992,038	4,106,051	4,332,999	4,617,968	4,892,797	5,141,650	5,263,018
Intergovernmental shared revenues	2,630,712	2,998,692	2,517,021	2,375,635	2,744,975	3,923,181	2,895,221	2,918,648	3,148,841	3,107,514
Investment earnings	2,876,275	2,218,558	1,776,945	1,602,949	964,364	(1,254,273)	1,343,548	2,099,396	944,319	829,540
Other revenue	195,698	145,068	175,059	573,346	306,235	205,346	231,953	324,955	369,983	341,749
Gain (loss) on sale of assets	89,151	(85,987)	-	-	121,729	149,871	223,742	51,946	179,487	111,401
Special items	-	-	-	-	752,969	-	(240,953)	(1,569,466)	(1,479,085)	(1,232,857)
Total governmental activities	<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>	<u>98,463,949</u>	<u>98,738,103</u>
Business-type activities:										
Investment earnings	159,212	24,335	8,352	11,650	24,387	35,234	35,602	47,125	44,665	72,922
Gain (loss) on sale of assets	-	-	-	-	-	(123,095)	9,200	-	-	-
Other revenues	10	-	-	6,789	751	-	-	-	-	-
Total business-type activities	<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>	<u>44,665</u>	<u>72,922</u>
Transfers:										
Governmental activities	-	-	-	(2,999,952)	-	-	-	-	-	-
Business-type activities	-	-	-	2,999,952	-	-	-	-	-	-
Total transfers	<u>-</u>	<u>-</u>								
Total primary government	<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>	<u>\$ 98,508,614</u>	<u>\$ 98,811,025</u>
Change in Net Position										
Governmental activities	5,939,380	84,756	21,397,596	9,753,399	1,832,572	(7,369,675)	7,966,854	2,196,491	(2,823,766)	(15,482,808)
Business-type activities	1,145,023	(1,310,988)	(1,720,405)	1,344,150	(1,958,835)	(2,095,714)	(1,250,776)	(825,031)	(1,033,203)	(1,109,731)
Total primary government	<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>	<u>(3,856,969)</u>	<u>(16,592,539)</u>

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

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

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Pre GASB Statement No. 54:										
General fund										
Reserved for non-current receivable	\$ 289,706	\$ 260,306	\$ 234,581							
Reserved other	135,011	102,556	104,598							
Unreserved	¹ 30,775,283	30,937,137	31,060,821							
Total general fund	<u>31,200,000</u>	<u>31,300,000</u>	<u>31,400,000</u>							
All other governmental funds										
Reserved for capital projects	¹ \$ 18,072,292	\$ 13,439,823	\$ 12,483,560							
Unreserved, reported in:										
Special revenue funds	3,995,447	5,587,016	8,016,726							
Capital projects funds	1,621,564	3,299,444	7,328,489							
Total all other governmental funds	<u>23,689,303</u>	<u>22,326,283</u>	<u>27,828,774</u>							
Total all governmental funds	<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	\$ 181,970	\$ 109,002
Assigned				833,837	649,938	1,048,088	1,246,109	1,078,603	1,104,248	1,481,140
Unassigned				30,335,830	30,615,882	30,369,909	30,321,534	30,630,928	30,713,782	30,509,858
Total general fund				<u>31,500,000</u>	<u>31,600,000</u>	<u>31,700,000</u>	<u>31,800,000</u>	<u>31,900,000</u>	<u>32,000,000</u>	<u>32,100,000</u>
All other governmental funds										
Restricted				\$ 9,999,397	\$ 11,032,748	\$ 15,513,389	\$ 17,259,510	\$ 18,412,862	\$ 17,604,524	\$ 18,224,929
Committed				¹ 20,705,474	24,975,201	25,524,130	32,591,768	39,932,260	109,822,626	63,521,475
Total all other governmental funds				<u>30,704,871</u>	<u>36,007,949</u>	<u>41,037,519</u>	<u>49,851,278</u>	<u>58,345,122</u>	<u>127,427,150</u>	<u>81,746,404</u>
Total all governmental funds				<u>\$ 62,204,871</u>	<u>\$ 67,607,950</u>	<u>\$ 72,737,519</u>	<u>\$ 81,651,277</u>	<u>\$ 90,245,121</u>	<u>\$ 159,427,150</u>	<u>\$ 113,846,404</u>

¹ Fiscal year 2008 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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 75,732,812	\$ 72,211,282	\$ 74,175,655	\$ 76,242,148	\$ 80,482,200	\$ 82,695,247	\$ 90,319,438	\$ 91,889,155	\$ 95,300,403	\$ 95,580,755
Licenses and permits	9,046,084	6,229,574	6,875,431	7,069,269	8,247,786	7,736,743	8,396,166	8,340,461	8,741,489	8,168,451
Intergovernmental	6,116,648	6,290,266	5,409,712	5,694,091	5,937,256	6,683,614	7,278,961	6,089,259	8,187,381	7,196,729
Fines and forfeits	2,877,027	3,716,045	4,054,336	2,752,503	2,569,717	2,520,752	2,811,396	2,988,406	2,707,985	2,163,345
Investment income	2,929,797	2,222,208	1,778,099	1,604,899	968,319	(1,250,044)	1,348,710	2,107,769	956,283	850,741
Rents and royalties	867,877	815,932	879,945	915,600	1,004,765	974,756	1,007,391	1,223,863	968,029	808,119
Contributions and reimbursements	1,518,762	3,702,758	1,061,255	1,078,960	1,283,304	1,331,676	1,479,866	1,239,078	574,808	519,146
Charges for services	2,585,195	2,590,304	3,433,024	3,949,779	3,848,768	3,776,945	3,887,706	4,021,148	4,181,415	4,147,633
Other	320,355	212,088	216,739	713,180	812,835	549,904	486,940	833,298	576,534	835,370
Total revenues	101,994,557	97,990,456	97,884,197	100,020,428	105,154,948	105,019,593	117,016,573	118,732,437	122,194,326	120,270,288
Expenditures										
General government	\$ 11,710,365	\$ 11,587,522	\$ 11,344,500	\$ 10,742,143	\$ 11,229,103	\$ 11,341,615	\$ 12,056,108	\$ 12,845,497	\$ 14,055,084	\$ 15,014,544
Public safety	42,161,966	40,873,486	41,051,186	42,623,081	42,230,120	42,276,810	43,929,875	43,981,307	45,913,826	47,409,835
Library	5,395,337	5,754,381	5,970,683	5,963,107	6,126,269	6,225,160	6,485,874	6,686,214	7,085,770	7,397,155
Municipal court	1,475,630	1,573,105	1,575,472	1,749,568	1,721,809	1,593,864	1,683,165	1,791,187	1,858,337	1,993,931
Sanitation	5,478,464	5,658,314	5,843,793	6,075,253	6,222,487	6,290,465	6,398,905	6,523,566	7,054,541	7,226,459
Education	7,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,345,881	2,546,000	5,000,000
Highway and roadway improvements	6,088,176	6,074,324	5,081,039	5,124,642	4,419,917	4,259,678	4,569,721	4,633,792	5,067,278	5,428,645
Recreation services	6,891,524	7,217,549	7,626,551	7,581,964	7,213,887	8,012,244	8,274,814	8,399,690	8,955,296	12,262,723
Health	281,702	256,706	262,444	279,050	288,451	272,476	69,022	71,658	72,440	74,729
Capital outlays	17,151,186	9,098,607	2,500,123	6,487,935	10,273,790	9,216,373	13,370,087	12,269,320	29,905,657	54,459,593
Debt service										
Principal	4,805,000	5,020,000	5,050,000	5,970,000	5,760,000	5,970,000	6,595,000	6,875,000	7,075,000	9,831,200
Interest	4,331,633	4,134,583	3,971,966	3,072,173	3,263,593	3,087,983	2,425,240	2,143,815	1,942,469	4,430,625
Issuance costs	-	-	-	538,697	-	134,710	-	-	543,529	-
Fiscal agent fees	4,900	4,900	3,950	2,200	2,447	2,200	4,050	2,200	3,300	3,116
Total expenditures	113,275,882	99,253,477	92,281,706	98,209,812	100,751,870	100,683,579	107,861,862	108,569,126	132,078,526	170,532,557
Excess of revenues over (under) expenditures	(11,281,324)	(1,263,021)	5,602,492	1,810,616	4,403,079	4,336,014	9,154,711	10,163,311	(9,884,200)	(50,262,269)
Other financing sources (uses)										
Transfers in	27,599,752	25,383,211	28,097,325	32,356,880	33,666,195	33,684,255	40,970,203	41,161,705	39,660,869	40,274,706
Transfers out	(27,599,752)	(25,383,211)	(28,097,325)	(35,356,832)	(33,666,195)	(33,684,255)	(40,970,203)	(41,161,705)	(39,660,869)	(40,203,925)
Bonds issued	-	-	-	58,510,000	-	11,280,000	-	-	68,615,000	4,756,000
Premium on bonds issued	-	-	-	6,276,046	-	70,801	-	-	11,930,312	-
Payment to bond refunding escrow agent	-	-	-	(60,620,613)	-	(10,557,245)	-	-	-	-
Discount on refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,165,481	-	793,556	-	-	80,545,312	4,826,781
Special items	-	-	-	-	1,000,000	-	(240,953)	(1,569,466)	(1,479,085)	(1,232,857)
Net changes in fund balances	\$ (11,281,324)	\$ (1,263,021)	\$ 5,602,492	\$ 2,976,097	\$ 5,403,079	\$ 5,129,570	\$ 8,913,758	\$ 8,593,846	\$ 69,182,027	\$ (46,668,345)
Debt service as a percentage of noncapital expenditures	9.32%	9.64%	9.89%	9.82%	9.93%	9.58%	8.97%	9.27%	8.60%	12.10%

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

Fiscal Year	Sales & Use Taxes	Real Property Taxes	Motor Vehicle Property Taxes	In Lieu of Property Taxes	Residential Rental Taxes	Gross Receipts & Franchise Taxes	Lease/Rental Taxes	Lodging Taxes	Liquor Taxes	Wine Distributor Taxes	Total
2008	\$ 56,570,198	\$ 9,327,227	\$ 885,260	\$ -	\$ 778,752	\$ 5,347,718	\$ 811,968	\$ 1,328,834	\$ 578,876	\$ 103,979	\$ 75,732,812
2009	53,182,053	9,645,981	829,388	8,847	644,966	5,209,947	840,822	1,180,392	564,273	104,613	72,211,282
2010	54,755,461	9,537,895	808,901	-	766,826	5,497,673	891,985	1,245,767	560,657	110,491	74,175,655
2011	56,503,270	9,171,222	869,535	-	763,658	5,706,083	1,034,944	1,507,629	567,112	118,695	76,242,148
2012	60,522,929	9,149,342	959,105	-	800,752	5,744,772	965,358	1,603,469	613,970	122,502	80,482,200
2013	61,607,730	9,030,123	992,568	-	881,328	6,731,826	1,126,227	1,594,786	608,102	122,557	82,695,247
2014	68,237,337	9,355,136	999,795	-	895,209	7,109,203	1,252,482	1,752,327	591,047	126,902	90,319,438
2015	68,640,577	9,394,421	1,054,022	-	895,042	7,907,338	1,367,623	1,859,487	638,021	132,624	91,889,155
2016	71,498,456	9,990,589	1,146,495	-	997,089	7,523,214	1,412,069	1,872,176	730,689	129,627	95,300,403
2017	71,376,645	10,231,083	1,095,581	-	979,973	7,614,427	1,381,403	1,943,757	829,351	128,534	95,580,755

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

		Fiscal Year									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Merchandise Retail	1	\$ 40,436,378	\$ 38,014,531	\$ 39,139,204	\$ 40,388,537	\$ 43,261,790	\$ 44,037,206	\$ 48,776,048	\$ 49,064,284	\$ 51,107,097	\$ 51,020,026
Auto Dealers and Supplies	1	4,621,785	4,344,974	4,473,521	4,616,317	4,944,723	5,033,352	5,574,990	5,607,935	5,841,424	5,831,472
Grocery Stores	1	3,077,419	2,893,104	2,978,697	3,073,778	3,292,447	3,351,461	3,712,111	3,734,047	3,889,516	3,882,889
Restaurants	1	4,836,752	4,547,066	4,681,592	4,831,030	5,174,710	5,267,461	5,834,292	5,868,769	6,113,118	6,102,703
Home Furnishings & Appliances	1	622,272	585,003	602,310	621,536	665,752	677,685	750,611	755,046	786,483	785,143
Pharmacy	1	395,991	372,274	383,288	395,523	423,661	431,254	477,661	480,484	500,489	499,637
Other Sales	1	2,579,601	2,425,102	2,496,849	2,576,549	2,759,846	2,809,312	3,111,623	3,130,010	3,260,330	3,254,775
Total		\$ 56,570,198	\$ 53,182,053	\$ 54,755,461	\$ 56,503,270	\$ 60,522,929	\$ 61,607,730	\$ 68,237,337	\$ 68,640,577	\$ 71,498,456	\$ 71,376,645

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>
	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%
	2016	3.0%	2.0%	4.0%	9.0%
	2017	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>
	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%
	2016	3.0%	1.0%	4.0%	8.0%
	2017	3.0%	1.0%	4.0%	8.0%

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

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

2 As of August 1, 2017, the Jefferson County 1% education tax was replaced by a 1% special revenue tax.

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>
	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%
	2016	1.000%	0.750%	2.000%	3.750%
	2017	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>
	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%
	2016	1.000%	0.375%	2.000%	3.375%
	2017	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	
	2017	2008
	Rank	Rank
Costco	1	3
Wal-mart - 280 location	2	2
Wal-mart - 150 location (formerly US 31 location)	3	1
Sam's Club	4	4
AT&T Supply LLC	5	
Target	6	
Home Depot (Galleria)	7	9
CarMax	8	
Belk (formerly Parisian)	9	5
Publix - Highway 280 location	10	6
Best Buy		8
Macy's (Galleria/Rich's)		7
Publix (Highway 150 location)		10
Total Sales and Use Taxes - Principal Payers	24.28%	26.16%

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

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

Source: The City of Hoover Revenue Department

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

Jefferson County:

Fiscal Year	Public Utility Property Class I		Real, Personal & Other Property Class II (A)		Real & Other Property Class III		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
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%
2016	37,373,340	124,577,800	645,104,220	3,225,521,100	407,623,600	4,076,236,000	1,090,101,160	7,426,334,900	14.68%
2017	33,942,200	113,140,667	653,291,200	3,266,456,000	423,502,020	4,235,020,200	1,110,735,420	7,614,616,867	14.59%

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	
2008	\$ 5,940,120	\$ 19,800,400	\$ 280,149,860	\$ 1,400,749,300	\$ 268,947,880	\$ 2,689,478,800	\$ 555,037,860	\$ 4,110,028,500	13.50%
2009	6,194,540	20,648,467	294,800,740	1,474,003,700	280,945,540	2,809,455,400	581,940,820	4,304,107,567	13.52%
2010	6,545,880	21,819,600	289,384,600	1,446,923,000	280,170,560	2,801,705,600	576,101,040	4,270,448,200	13.49%
2011	6,270,580	20,901,933	288,877,300	1,444,386,500	275,155,360	2,751,553,600	570,303,240	4,216,842,033	13.52%
2012	6,120,860	20,402,867	288,226,180	1,441,130,900	273,299,180	2,732,991,800	567,646,220	4,194,525,567	13.53%
2013	6,346,240	21,154,133	281,830,740	1,409,153,700	272,946,360	2,729,463,600	561,123,340	4,159,771,433	13.49%
2014	8,352,780	27,842,600	304,605,740	1,523,028,700	277,100,060	2,771,000,600	590,058,580	4,321,871,900	13.65%
2015	8,572,500	28,575,000	297,471,980	1,487,359,900	279,675,380	2,796,753,800	585,719,860	4,312,688,700	13.58%
2016	8,671,960	28,906,533	322,475,900	1,612,379,500	292,320,580	2,923,205,800	623,468,440	4,564,491,833	13.66%
2017	8,444,920	28,149,733	331,686,620	1,658,433,100	301,709,720	3,017,097,200	641,841,260	4,703,680,033	13.65%

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

(A) Excludes motor vehicles

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		
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
2016	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2017	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26

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		
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
2016	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2017	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65

Source: Jefferson and Shelby County Tax Collectors

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

Jefferson County:

Fiscal Year	Estimated Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections*	Total Fiscal Year Property Tax Collections
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
2016	6,500,907	6,325,568	97.30	18,655	6,344,223
2017	6,640,701	6,504,347	97.95	7,916	6,512,263

Shelby County:

Fiscal Year	Estimated Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections*	Total Property Tax Collections
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
2016	3,676,601	3,618,096	98.41	28,270	3,646,366
2017	3,791,776	3,716,392	98.01	2,428	3,718,820

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

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

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

	Fiscal Year			
	2017		2008	
	City Only Ad Valorem Taxes	Rank	City Only Ad Valorem Taxes	Rank
Hoover Mall Limited LP (Jeffco)	\$ 215,483	1	\$ 187,633	2
AT&T Services (Jeffco)	185,435	2	97,210	7
Alabama Power Co (Jeffco)	123,383	3	60,403	9
Blue Cross & Blue Shield (Jeffco)	103,361	4	165,074	3
Regions Bank Successor to Merger to Amsouth (Shelco)	97,225	5		
STV One Nineteen Senior Living LLC (Shelco)	95,426	6		
Amsouth Bank (Jeffco)	84,907	7		
Star Ridge Crossings LLC (Jeffco)	81,714	8		
Regions Bank (Jeffco) formerly Amsouth	73,223	9	110,056	6
Bellsouth Telecommunications LLC (Jeffco)	70,728	10	376,152	1
Teachers Insurance & Annuity Assoc of America (Shelco)			114,535	5
AIG Baker Hoover LLC (Jeffco)			158,098	4
Amsouth Riverchase Inc (Shelco)			82,308	8
Meadowbrook Properties			57,955	10
I&G Inverness Retail LLC	1		49,384	11
Total - Principal Property Taxpayers	\$ 1,130,884		\$ 1,458,808	
Total - All Real Property Taxpayers	\$ 10,231,083		\$ 9,327,227	

¹ FY 2008 had combined Amsouth Bank in two separate counties, so it shows 11 taxpayers listed here.

Source: Jefferson and Shelby County Tax Collectors

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

Similar property owners are listed separately

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

Rate Per 100 Cubic Feet of Water Consumption

<u>Fiscal Year ¹</u>	<u>Commercial</u>	<u>Residential (15% Discount)</u>
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
2016	5.39	4.58
2017	5.39	4.58

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

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>	<u>Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Population</u>		<u>Per Capita</u>
	<u>General Obligation Warrants</u>	<u>General Obligation Warrants</u>						
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	²	1,297
2012	74,505,000	27,345,000	101,850,000	3,537,580,500	2.88%	84,530	²	1,205
2013	69,705,000	26,915,000	96,620,000	3,567,670,650	2.71%	85,249	²	1,133
2014	63,110,000	25,830,000	88,940,000	3,671,449,650	2.42%	86,245	²	1,031
2015	59,222,221	26,622,125	85,844,346	3,855,936,768	2.23%	87,128	²	985
2016	131,897,784	25,290,055	157,187,839	3,939,499,224	3.99%	88,393	²	1,778
2017	124,974,926	23,938,351	148,913,277	4,047,957,435	3.68%	88,393	²	1,685

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>
2008	\$ 125,255,000	\$ 10,628,756,069	1.18%	80,933 ¹	1,548
2009	119,415,000	11,164,653,220	1.07%	81,616 ¹	1,463
2010	113,515,000	11,114,886,050	1.02%	81,619 ²	1,391
2011	108,525,000	10,969,827,867	0.99%	83,649 ¹	1,297
2012	101,850,000	10,941,774,435	0.93%	84,530 ¹	1,205
2013	96,620,000	10,804,799,008	0.89%	85,249 ¹	1,133
2014	88,940,000	11,061,720,933	0.80%	86,245 ¹	1,031
2015	85,844,346	11,269,610,567	0.76%	87,128 ¹	985
2016	157,187,839	11,990,826,733	1.31%	88,393 ¹	1,778
2017	148,913,277	12,318,296,900	1.21%	88,393 ¹	1,685

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, 2017

	<u>Total Debt Outstanding</u>	<u>Estimated Percentage Applicable to City of Hoover</u> ¹	<u>Amount Applicable to City of Hoover</u>
Direct Debt:			
City of Hoover	<u>\$ 124,974,926</u>	100.00%	<u>\$ 124,974,926</u>
Total direct debt	<u>124,974,926</u>		<u>124,974,926</u>
Overlapping Debt:			
Hoover City Board of Education	172,640,000	100.00%	172,640,000
Jefferson County	466,645,000	9.59%	44,749,704
Jefferson County Board of Education	144,917,104	9.59%	13,897,069
Shelby County	31,725,000	12.01%	3,810,107
Shelby County Board of Education	<u>184,944,152</u>	12.01%	<u>22,211,411</u>
Total overlapping debt	<u>1,000,871,257</u>		<u>257,308,290</u>
Total direct and overlapping debt	<u><u>\$ 1,125,846,183</u></u>		<u><u>\$ 382,283,216</u></u>

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

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

Source:
Hoover Board of Education
Jefferson County Board of Education
Shelby County Board of Education
Jefferson County Commission
Shelby County Commission

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 334,944,924	\$ 347,029,661	\$ 342,547,931	\$ 339,234,792	\$ 340,676,828	\$ 337,394,643	\$ 346,478,748	\$ 352,810,727	\$ 380,314,802	\$ 386,863,346
Total net debt applicable to limit	125,255,000	119,415,000	113,515,000	108,525,000	101,850,000	96,620,000	88,940,000	81,180,000	141,550,000	135,269,800
Legal debt margin	<u>\$ 209,689,924</u>	<u>\$ 227,614,661</u>	<u>\$ 229,032,931</u>	<u>\$ 230,709,792</u>	<u>\$ 238,826,828</u>	<u>\$ 240,774,643</u>	<u>\$ 257,538,748</u>	<u>\$ 271,630,727</u>	<u>\$ 238,764,802</u>	<u>\$ 251,593,546</u>
Total net debt applicable to the limit as a percentage of debt limit	37.40%	34.41%	33.14%	31.99%	29.90%	28.64%	25.67%	23.01%	37.22%	34.97%

Legal Debt Margin Calculation for Fiscal Year 2017

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

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

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

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (Birmingham-Hoover MSA) ⁵</u>	<u>School Enrollment ³</u>	<u>Unemployment Rate ⁴</u>
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%
2016	88,393 ²	3,939,499,224	44,568	13,938	4.2%
2017	88,393 ²	4,047,957,435	45,795	13,983	3.2%

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	2017			2008		
	Employees ¹	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Regions Bank (formerly Amsouth)	3,782	1	na	1,765	3	na
Blue Cross Blue Shield of Alabama	2,926	2		4,000	1	
Hoover Board of Education	1,867	3		1,983	2	
Bellsouth Telecommunications	1,496	4		1,143	4	
Southern Company Services/Southern Nuclear	1,413	5		1,251	6 & 7	²
Wal-mart - 2 locations/Sam's Club - 1 location/ Neighborhood Market - 1 location	928	6		527	9	
City of Hoover	805	7		745	5	
DST Health Solutions	629	8		na		
Cahaba Government Benefit	544	9		397	10	
Publix - 4 locations	517	10		na		
T-Mobile Call Center	na			549	8	
Total top 10	14,907			12,360		
Total all employees in the City	na		¹	na		

Source: The City of Hoover Revenue Department estimates

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

² Southern Company Services and Southern Nuclear were separate employers in 2008

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

	Fiscal Year																			
	2008		2009		2010		2011		2012		2013		2014		2015		2016		2017	
	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	15	8	14	8	14	8	14	8	15	8	15	8	15	8	15	9	17	8
Building services	14	0	16	0	15	0	15	0	15	0	14	0	14	0	14	0	14	0	14	0
Development	0	0	0	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	9	0	6	0	6	0	6	0	6	0	5	0
Information & Reporting	0	0	0	0	0	0	0	0	0	0	5	0	6	0	6	0	6	0	7	0
Fleet	7	0	6	0	6	0	6	0	6	0	6	0	6	0	7	0	7	0	8	0
Human resources	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0
Purchasing	0	0	0	0	0	0	0	0	1	0	2	0	2	0	2	0	2	0	2	0
Revenue	10	0	10	0	9	0	9	0	8	0	8	0	8	0	8	0	9	0	9	0
Technology	8	0	8	0	8	0	8	0	8	0	6	0	6	0	7	0	7	0	7	0
Total general government	68	8	68	8	65	8	65	8	66	8	67	8	68	8	70	8	71	9	74	8
Public safety																				
Police																				
Officers	157	0	157	0	157	0	157	0	157	0	157	8	157	10	157	10	167	12	167	14
Civilians	33	3	33	2	33	2	35	2	35	2	37	2	37	2	37	2	37	4	37	4
Fire																				
Firefighters and officers	158	12	159	12	160	9	160	9	160	9	160	9	160	12	160	12	160	17	160	17
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	0	0	0	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	0	27	0	27	0	27	0	27	0	27	0	28	2	29	1	32	1	32	1
Inspection services	21	0	21	0	18	0	18	0	18	0	18	0	18	0	18	0	20	0	17	0
Total public safety	399	15	399	14	397	11	399	11	399	11	401	19	402	26	403	25	418	34	415	36
Library	44	59	44	59	44	59	44	59	44	59	43	64	43	65	44	64	47	65	47	65
Municipal court	14	0	14	0	14	0	14	0	14	0	15	1	16	0	16	0	15	0	15	0
Highway and roadway																				
Engineering and horticulture	5	0	6	0	5	0	5	0	6	0	6	0	6	0	6	0	7	0	9	0
Public works	33	0	31	0	30	0	30	0	30	0	30	0	30	0	29	3	29	5	32	4
Total highway and roadway	38	0	37	0	35	0	35	0	36	0	36	0	36	0	35	3	36	5	41	4
Recreation services																				
Recreation & Senior center	23	32	24	32	24	32	20	32	20	32	20	33	20	33	21	32	22	32	22	31
Park maintenance & Met	36	6	36	6	37	6	37	6	37	6	39	6	39	6	39	8	39	8	38	8
Total recreation services	59	38	60	38	61	38	57	38	57	38	59	39	59	39	60	40	61	40	60	39
Health																				
Animal control	2	0	2	0	2	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0
Total health	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	625	120	625	119	619	116	617	116	619	116	622	131	625	138	629	140	649	153	653	152

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

¹ Changes from FY 2016 to FY 2017 are as follows:

General govt: Transferred TP City Administrator to FT Executive Director (0310) to 5/31/17; Added 1 FT Economic Developer (0310); Transferred FT City Planner from 2210 to 0310; Transferred 1 FT Accountant from 1110 to 1010; Added 1 FT

Automotive Mechanic (4560); Transferred 1 FT Irrigation Specialist from 5040 to 4030; Transferred 1 FT Tradesworker from 4030 to 5040;

Public safety : Transferred 2 FT Subdivision Inspectors from 2210 to 0410; Transferred City Planner from 2210 to 0310; Added 2 PT Police Officer Reserve SRO;

Hwy and roadway: Transferred 2 FT Subdivision Inspectors from 2210 to 0410; Transferred 5 FT Equipment Operators from 5040 to 4020; Transferred 4 FT Crew Workers from 5040 to 4020; Transferred 1 FT Supervisor from 5040 to 4020;

Transferred 1 FT Supervisor from 4020 to 5040; Transferred 7 FT Crew Workers from 4020 to 5040; Transferred 1 FT Equipment Operator from 4020 to 5040; Increased 1 Admin Asst PT to FT (4020); Deleted 1 FT Equipment

Operator Senior (4020); Added 2 FT Crew Workers (4020);

Recreation: Delete 1 PT Accounting Specialist (5020); Transferred 5 FT Equipment Operators from 5040 to 4020; Transferred 4 FT Crew Workers from 5040 to 4020; Transferred 1 FT Supervisor from 5040 to 4020; Transferred 1 FT Supervisor

from 4020 to 5040; Transferred 7 FT Crew Workers from 4020 to 5040; Transferred 1 FT Equipment Operator from 4020 to 5040; Transferred 1 FT Irrigation Specialist from 5040 to 4030; Transferred 1 FT Tradesworker from 4030 to 5040;

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

		Fiscal Year									
		2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Function											
General Government											
	7	96	79	86	74	77	108	88	113	126	116
	8	9,462	9,247	9,265	9,355	9,463	9,642	9,811	10,009	10,015	9,802
Public safety:											
Police											
	3	3,507	4,241	3,976	3,625	3,329	3,621	3,386	3,330	3,119	3,430
Fire											
	6										
		5,716	5,955	6,146	6,171	6,296	6,309	6,673	6,888	6,756	7,171
		1,527	1,296	1,480	1,355	1,407	1,262	1,337	1,357	1,443	1,419
		1,450	1,715	2,034	2,047	1,690	1,530	1,901	1,912	2,013	2,106
		8,693	8,966	9,660	9,573	9,393	9,101	9,911	10,157	10,212	10,696
Inspections											
		1,611	1,368	1,748	1,832	1,976	1,698	1,711	1,920	1,977	2,395
Library											
	9	1,487,497	1,630,981	1,663,743	1,631,044	1,575,465	1,537,483	1,486,501	1,417,070	1,437,316	1,379,230
Municipal court											
	5	3,533	3,911	3,544	3,072	2,788	3,213	2,451	3,088	2,792	2,967
	5	19,429	25,063	17,583	13,800	16,995	13,142	12,943	10,847	10,644	14,759
	5	21,075	28,143	21,508	15,827	16,341	15,679	15,675	14,256	12,214	15,690
	5	5,191	5,856	4,609	3,507	3,456	3,494	3,859	3,956	2,557	3,007
	5	3,304	2,036	1,413	939	679	1,156	831	707	582	734
Sanitation											
Single homes:											
	4	22,400	22,680	23,074	23,434	23,757	23,992	24,253	24,578	25,086	25,365
		50	50	50	58	65	84	101	114	239	278
Recreation services											
	2	579	634	666	682	600	613	559	526	601	585
Sewer											
Average daily flow (gallons per day):											
	10	920,000	926,000	802,000	946,000	995,000	990,000	925,250	922,000	898,000	890,000
	10	1,054,000	1,649,000	1,321,000	1,207,000	1,207,000	1,278,000	1,180,500	1,232,000	1,048,000	1,213,000

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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Vehicles	38	38	38	38	39	38	35	39	41	43
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	4	4	4	4	4	4	4	4	5	5
Vehicles	211	211	211	215	256	260	246	267	257	259
Fire:										
Fire stations	8	9	9	9	9	9	10	10	10	10
Vehicles	49	51	52	53	65	61	63	65	61	63
Other public safety:										
Vehicles	21	19	15	15	13	13	17	20	14	13
Library										
Vehicles	2	2	2	2	2	2	1	0	2	2
Municipal Court										
Vehicles	4	4	4	4	4	4	4	5	4	4
Highway and roadways										
Streets (miles) ¹	293	293	306	306	306	306	306	306	306	306
Streetlights ³	490	490	492	492	504	504	507	507	507	507
Traffic signals & flashers:										
Jefferson County	69	74	75	75	78	78	77	80	81	85
Shelby County	30	30	30	30	30	30	30	30	31	29
Vehicles	55	56	56	57	61	56	58	62	58	60
Recreation services										
Lakes ²	6	6	6	6	6	8	8	8	8	8
Acres ²	24	24	24	24	24.25	34.65	34.65	34.65	34.65	34.65
Parks ²	23	23	23	23	25	28	28	28	28	27
Acres ²	837	837	837	837	1,012.50	1,054.50	1,054.50	1,054.50	1,054.50	1,150.50
Vehicles	39	39	40	40	46	43	48	45	40	44
Health										
Vehicles	3	3	3	3	3	0	0	0	0	0
Sewer										
Sanitary sewer miles	86	89	89	95	95	95	95	95	98	98
Vehicles	1	1	1	3	1	1	1	0	0	1

na - not available

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

² Source: Risk management

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

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

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenues										
Taxes	\$ 75,732,812	\$ 72,211,282	\$ 74,175,655	\$ 76,242,148	\$ 80,482,200	\$ 82,695,247	\$ 90,319,438	\$ 91,889,155	\$ 95,300,403	\$ 95,580,755
Licenses and permits	9,046,084	6,229,574	6,875,431	7,069,269	8,247,786	7,736,743	8,396,166	8,340,461	8,741,489	8,168,451
Intergovernmental	2,463,309	1,351,460	1,185,123	1,370,354	1,374,773	1,564,665	1,644,068	1,719,614	2,093,474	1,975,649
Fines and forfeits	1,608,963	2,041,619	1,828,929	1,554,483	1,445,970	1,309,657	1,257,371	1,125,878	822,488	856,693
Investment income	2,879,949	2,219,454	1,777,052	1,602,359	962,731	(1,254,153)	1,343,663	2,091,745	884,921	340,440
Rents and royalties	757,877	815,932	879,945	915,600	1,004,765	974,756	1,007,391	1,223,863	968,029	808,119
Contributions and reimbursements	1,386,740	1,141,824	1,041,763	1,070,154	1,012,160	1,207,298	1,157,617	1,113,450	282,192	293,795
Charges for services	1,501,939	1,507,850	1,698,856	1,938,012	1,691,326	1,669,595	1,568,726	1,593,581	1,724,447	1,596,183
Other	319,299	212,088	216,739	322,309	747,091	549,779	486,376	829,371	572,493	835,016
Total revenues	95,696,972	87,731,082	89,679,493	92,084,686	96,968,802	96,453,588	107,180,816	109,927,119	111,389,935	110,455,100
Expenditures										
Personnel expenditures	48,218,558	48,989,721	49,731,893	50,274,586	49,717,446	49,483,887	52,363,451	52,668,806	55,711,848	59,194,186
Operating expenditures	22,804,616	20,859,644	21,072,024	22,685,814	22,538,316	23,543,736	24,547,175	24,819,509	26,069,829	27,893,498
Total operating	71,023,174	69,849,364	70,803,917	72,960,400	72,255,761	73,027,622	76,910,626	77,488,315	81,781,677	87,087,684
Education	7,500,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,345,881	2,546,000	5,000,000
Total operating with education	78,523,174	71,849,364	72,803,917	74,960,400	74,255,761	75,027,622	78,910,626	79,834,195	84,327,677	92,087,684
Capital expenditures	984,261	463,420	51,064	282,350	644,096	409,657	352,875	576,429	348,541	213,665
Debt service:										
Principal	4,805,000	5,020,000	5,050,000	5,970,000	5,760,000	5,970,000	6,595,000	6,875,000	7,075,000	8,880,000
Interest	4,331,633	4,134,583	3,971,966	3,072,173	3,263,593	3,087,983	2,417,535	2,143,815	1,942,469	4,429,929
Issuance costs	-	-	-	538,697	-	134,710	-	-	-	-
Fiscal agent fees	4,900	4,900	3,950	2,200	2,447	2,200	4,050	2,200	2,200	3,116
Total expenditures	88,648,968	81,472,267	81,880,897	84,825,820	83,925,897	84,632,173	88,280,086	89,431,639	93,695,886	105,614,394
Excess (deficiency) of revenues over (under) expenditures	7,048,004	6,258,816	7,798,596	7,258,866	13,042,905	11,821,414	18,900,730	20,495,480	17,694,049	4,840,706
Other financing sources (uses)										
Transfers in	20,646,815	19,212,170	19,537,761	20,859,333	20,723,291	21,169,285	22,415,673	22,332,288	23,545,905	25,368,458
Transfers out	(27,594,820)	(25,370,986)	(27,236,357)	(32,183,633)	(33,666,195)	(33,684,255)	(40,967,744)	(41,158,302)	(39,660,869)	(29,963,906)
Capital portion of refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	58,510,000	-	11,280,000	-	-	-	-
Premium on bonds issued	-	-	-	6,276,046	-	70,801	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	(60,620,613)	-	(10,557,245)	(7,705)	-	-	-
Total other financing sources (uses)	(6,948,004)	(6,158,816)	(7,698,596)	(7,158,866)	(12,942,905)	(11,721,414)	(18,559,776)	(18,826,014)	(16,114,964)	(4,595,447)
Special Items										
Revenue rebate to developer	-	-	-	-	-	-	(240,953)	(1,569,466)	(1,479,085)	(1,232,857)
Total special items	-	-	-	-	-	-	(240,953)	(1,569,466)	(1,479,085)	(1,232,857)
Net change in fund balances	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	(987,599)
Fund balances, beginning of year	31,100,000	31,200,000	31,300,000	31,400,000	31,500,000	31,600,000	31,700,000	31,800,000	31,900,000	32,000,000
Prior period adjustment	-	-	-	-	-	-	-	-	-	1,087,599
Fund balances, end of year	\$ 31,200,000	\$ 31,300,000	\$ 31,400,000	\$ 31,500,000	\$ 31,600,000	\$ 31,700,000	\$ 31,800,000	\$ 31,900,000	\$ 32,000,000	\$ 32,100,000

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

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
% Increase in revenue over prior year	-0.72%	-8.32%	2.22%	2.68%	5.30%	-0.53%	11.12%	2.56%	1.33%	-0.84%
% Increase in personnel \$ over prior year	5.25%	1.60%	1.51%	1.09%	-1.11%	-0.47%	5.82%	0.58%	5.78%	6.25%
% Personnel to revenue	50.39%	55.84%	55.46%	54.60%	51.27%	51.30%	48.86%	47.91%	50.02%	53.59%
% Payroll to all expenditures & transfers out (excludes transfers to fund 303)	52.18%	57.68%	59.57%	55.43%	57.18%	56.01%	57.46%	56.50%	57.05%	54.17%
% Increase in gf departmental expenditures and net transfers out except fund 303	5.51%	-2.35%	0.77%	3.37%	-0.47%	0.74%	5.21%	1.04%	5.21%	6.30%
Transfer to fund 101 (general fund)	\$ (4,932)	\$ (12,225)	\$ (453)	\$ (374)	\$ -	\$ -	\$ (2,459)	\$ (3,403)	\$ -	\$ (178)
Transfer to fund 201 (e911)	1,356,322	1,337,360	96,776	-	-	508,333	-	-	-	-
Transfer to fund 214 (stormwater)	-	-	-	-	-	-	-	-	-	40,313
Transfer to fund 215 (court corrections)	2,240,967	1,863,362	1,227,736	2,362,566	2,531,983	2,607,003	2,571,781	2,179,118	2,369,515	2,388,637
Transfer to fund 218 (court referral)	9,217	-	-	-	-	-	-	-	-	-
Transfer to fund 230 (cdbg)	-	-	-	38,482	-	-	-	-	-	-
Transfer fo fund 235 (general grants)	148,070	263,806	286,076	386,098	463,602	334,481	35,891	38,164	102,350	29,922
Transfer to fund 262 (fed forfeiture)	-	-	-	-	30,400	-	-	-	-	-
Transfer to fund 303 (capital projects)	3,198,362	2,706,509	6,088,461	4,917,959	9,913,517	8,659,018	15,946,858	16,612,135	13,643,098	2,136,754
Transfer to fund 304 (gow 2010 projects)	-	-	-	3,619,568	-	-	-	-	-	-
Transfer to fund 306 (gow 2013 projects)	-	-	-	-	-	406,135	-	-	-	-
Transfer to fund 390 (aldot projects)	-	3	-	-	3,403	-	-	-	-	-
Net (transfers in) out	\$ 6,948,004	\$ 6,158,816	\$ 7,698,596	\$ 11,324,299	\$ 12,942,905	\$ 12,514,970	\$ 18,552,071	\$ 18,826,014	\$ 16,114,964	\$ 4,595,447

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 2017

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)
2017	88,393	(B)

Estimated number of housing units:

Owner occupied (townhomes or single family detached)	25,805	(B)
Renter occupied (multi-family or group quarters)	<u>11,709</u>	(B)
Total	<u><u>37,514</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): 48.62 (D)

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