

# City of Mountain Brook, Alabama

September 30, 1996



**CITY OF MOUNTAIN BROOK, ALABAMA  
CITY OFFICIALS  
SEPTEMBER 30, 1996**

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**MAYOR**

	Term Expiration September 30
The Honorable L. Terry Oden .....	2000
The Honorable Margaret M. Porter .....	1996
The Honorable William E. Matthews, IV .....	July 22, 1996

**CITY COUNCIL**

Mr. William J. Grayson, Jr., President .....	2000
Mr. William D. Tynes, Jr., President .....	1996
Mr. Tom Clark .....	2000
Ms. Helene S. Elkus .....	2000
Mr. William J. Long .....	2000
Ms. Alice Williams .....	2000
Mr. J. Robert Doody .....	1996
Mr. L. Terry Oden .....	1996

**CITY MANAGER**

Mr. Sam S. Gaston

**DEPARTMENT SUPERVISORS**

Building Inspections .....	Mr. Jerry Weems
City Clerk .....	Ms. Ann R. McCutcheon
Finance .....	Mr. Steven Boone
Fire Department .....	Mr. Robert W. (Zeke) Ezekiel
Police Department .....	Mr. C. M. Keely
Street and Sanitation .....	Mr. Lowell H. Shipp



**CITY OF MOUNTAIN BROOK, ALABAMA  
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SEPTEMBER 30, 1996**

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## INDEPENDENT AUDITOR'S REPORT

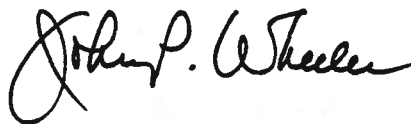
**The Honorable Mayor and Members of the City Council  
City of Mountain Brook, Alabama**

I have audited the accompanying general purpose financial statements of the City of Mountain Brook, Alabama (the "City") as and for the year ended September 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Mountain Brook, Alabama, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements listed in the table of contents present fairly, in all material respects, the financial position of the City of Mountain Brook, as of September 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

The audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and other information included in supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



January 17, 1997

**CITY OF MOUNTAIN BROOK, ALABAMA  
 COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT  
 GROUPS, AND DISCRETELY PRESENTED COMPONENT UNIT  
 SEPTEMBER 30, 1996**

	<u>Governmental Fund Types</u>		
	General	Special Revenue	Debt Service
<b>ASSETS</b>			
Cash and temporary investments	\$ 2,987,470	\$ 352,243	\$ 4,247
Receivables	1,102,392	97,626	-
Due from other funds	-	-	-
Prepaid expenses	45,908	-	-
Property and equipment, net	-	-	-
Amount to be provided for retirement of general obligation warrants and compensated absences	-	-	-
Amount available in Debt Service Fund	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 4,135,770</u>	<u>\$ 449,869</u>	<u>\$ 4,247</u>
 <b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 406,425	\$ 2,500	\$ -
Accrued salaries and wages	544,149	-	-
Other liabilities	126,363	-	-
Due to other funds	136,970	-	-
Accrued compensated absences	56,816	-	-
Long-term debt	-	-	-
<b>TOTAL LIABILITIES</b>	1,270,723	2,500	-
<b>FUND EQUITY</b>			
Investment in general fixed assets	-	-	-
Fund balance (deficit):			
Reserved	-	5,211	-
Unreserved	2,865,047	442,158	4,247
<b>TOTAL FUND EQUITY</b>	<u>2,865,047</u>	<u>447,369</u>	<u>4,247</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 4,135,770</u>	<u>\$ 449,869</u>	<u>\$ 4,247</u>

See accompanying notes to financial statements.



Capital Projects	Account Groups		Totals (Memo Only) Primary Government	Component Unit	Totals (Memo Only) Reporting Entity
	General Fixed Assets	General Long-Term Debt			
\$ 4,268,980	\$ -	\$ -	\$ 7,612,940	\$ 308,705	\$ 7,921,645
505,802	-	-	1,705,820	2,799	1,708,619
136,970	-	-	136,970	-	136,970
316,053	-	-	361,961	-	361,961
-	6,547,264	-	6,547,264	-	6,547,264
-	-	7,320,602	7,320,602	-	7,320,602
-	-	4,247	4,247	-	4,247
<u>\$ 5,227,805</u>	<u>\$ 6,547,264</u>	<u>\$ 7,324,849</u>	<u>\$ 23,689,804</u>	<u>\$ 311,504</u>	<u>\$ 24,001,308</u>
\$ 315,877	\$ -	\$ -	\$ 724,802	\$ 5,736	\$ 730,538
-	-	-	544,149	-	544,149
-	-	-	126,363	-	126,363
-	-	-	136,970	74,973	211,943
-	-	839,849	896,665	-	896,665
-	-	6,485,000	6,485,000	-	6,485,000
315,877	-	7,324,849	8,913,949	80,709	8,994,658
-	6,547,264	-	6,547,264	-	6,547,264
-	-	-	5,211	156,747	161,958
4,911,928	-	-	8,223,380	74,048	8,297,428
4,911,928	6,547,264	-	14,775,855	230,795	15,006,650
<u>\$ 5,227,805</u>	<u>\$ 6,547,264</u>	<u>\$ 7,324,849</u>	<u>\$ 23,689,804</u>	<u>\$ 311,504</u>	<u>\$ 24,001,308</u>

**CITY OF MOUNTAIN BROOK, ALABAMA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND  
 TYPES AND DISCRETELY PRESENTED COMPONENT UNIT  
 YEAR ENDED SEPTEMBER 30, 1996**

	<b>Governmental Fund Types</b>		
	<b>General</b>	<b>Special Revenue</b>	<b>Debt Service</b>
<b>REVENUES</b>			
Taxes	\$ 14,118,596	\$ 395,137	\$ -
Licenses and permits	1,857,494	-	-
Intergovernmental	30,000	47,907	-
Charges for services	1,454,381	108,882	-
Fines and forfeitures	272,985	-	-
Grants	-	392,491	-
Other operating revenues	243,144	15,640	1,094
<b>TOTAL REVENUES</b>	<b>17,976,600</b>	<b>960,057</b>	<b>1,094</b>
<b>EXPENDITURES</b>			
General government	3,854,964	-	-
Public safety	5,543,735	9,476	-
Street and sanitation	3,511,677	145,870	-
Recreational	364,130	610,152	-
Debt service	-	-	688,613
<b>TOTAL EXPENDITURES</b>	<b>13,274,506</b>	<b>765,498</b>	<b>688,613</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>4,702,094</b>	<b>194,559</b>	<b>(687,519)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	59,384	688,146
Operating transfers out	(3,024,494)	-	-
Operating transfers to component unit	(797,254)	-	-
Proceeds from the issuance of debt	-	-	-
Donations	6,404	6,699	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>(3,815,344)</b>	<b>66,083</b>	<b>688,146</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	<b>886,750</b>	<b>260,642</b>	<b>627</b>
Fund balances, beginning	1,978,297	186,727	3,620
<b>FUND BALANCES, ENDING</b>	<b>\$ 2,865,047</b>	<b>\$ 447,369</b>	<b>\$ 4,247</b>

See accompanying notes to financial statements.

<b>Capital Projects</b>	<b>Totals (Memo Only) Primary Government</b>	<b>Component Unit</b>	<b>Totals (Memo Only) Reporting Entity</b>
\$ -	\$ 14,513,733	\$ -	\$ 14,513,733
-	1,857,494	-	1,857,494
5,000	82,907	-	82,907
-	1,563,263	-	1,563,263
-	272,985	31,650	304,635
390,934	783,425	17,967	801,392
263,440	523,318	20,851	544,169
<u>659,374</u>	<u>19,597,125</u>	<u>70,468</u>	<u>19,667,593</u>
489,138	4,344,102	-	4,344,102
647,507	6,200,718	-	6,200,718
3,147,610	6,805,157	-	6,805,157
11,967	986,249	902,841	1,889,090
-	688,613	-	688,613
<u>4,296,222</u>	<u>19,024,839</u>	<u>902,841</u>	<u>19,927,680</u>
(3,636,848)	572,286	(832,373)	(260,087)
2,240,308	2,987,838	-	2,987,838
-	(3,024,494)	-	(3,024,494)
-	(797,254)	797,254	-
4,000,000	4,000,000	-	4,000,000
208,784	221,887	51,286	273,173
<u>6,449,092</u>	<u>3,387,977</u>	<u>848,540</u>	<u>4,236,517</u>
2,812,244	3,960,263	16,167	3,976,430
<u>2,099,684</u>	<u>4,268,328</u>	<u>214,628</u>	<u>4,482,956</u>
<u>\$ 4,911,928</u>	<u>\$ 8,228,591</u>	<u>\$ 230,795</u>	<u>\$ 8,459,386</u>

**CITY OF MOUNTAIN BROOK, ALABAMA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 YEAR ENDED SEPTEMBER 30, 1996**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>REVENUES</b>			
Taxes	\$ 13,644,138	\$ 14,118,596	\$ 474,458
Licenses and permits	1,919,000	1,857,494	(61,506)
Intergovernmental	30,000	30,000	-
Charges for services	1,475,600	1,454,381	(21,219)
Fines and forfeitures	210,000	272,985	62,985
Grants	-	-	-
Other operating revenues	155,300	243,144	87,844
<b>TOTAL REVENUES</b>	<u>17,434,038</u>	<u>17,976,600</u>	<u>542,562</u>
<b>EXPENDITURES</b>			
General government	3,918,674	3,854,964	63,710
Public safety	5,530,208	5,543,735	(13,527)
Street and sanitation	3,790,009	3,511,677	278,332
Recreational	408,778	364,130	44,648
Debt service	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>13,647,669</u>	<u>13,274,506</u>	<u>373,163</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,786,369	4,702,094	915,725
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	-	-
Operating transfers out	(2,697,993)	(3,024,494)	(326,501)
Operating transfers to component unit	(811,654)	(797,254)	14,400
Proceeds from the issuance of debt	-	-	-
Donations	20,000	6,404	(13,596)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>(3,489,647)</u>	<u>(3,815,344)</u>	<u>(325,697)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	296,722	886,750	590,028
Fund balances, beginning	1,978,297	1,978,297	-
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,275,019</u>	<u>\$ 2,865,047</u>	<u>\$ 590,028</u>

See accompanying notes to financial statements.

Budgeted Special Revenue Funds			Capital Project Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 308,400	\$ 395,137	\$ 86,737	\$ -	\$ -	\$ -
-	-	-	-	-	-
46,000	47,907	1,907	-	5,000	5,000
114,000	108,882	(5,118)	-	-	-
-	-	-	-	-	-
-	-	-	380,964	390,934	9,970
5,700	15,640	9,940	96,230	263,440	167,210
<u>474,100</u>	<u>567,566</u>	<u>93,466</u>	<u>477,194</u>	<u>659,374</u>	<u>182,180</u>
15,000	8,030	6,970	462,694	489,138	(26,444)
148,400	145,870	2,530	748,562	647,507	101,055
187,000	159,723	27,277	4,705,606	3,147,610	1,557,996
-	-	-	25,665	11,967	13,698
-	-	-	-	-	-
<u>350,400</u>	<u>313,623</u>	<u>36,777</u>	<u>5,942,527</u>	<u>4,296,222</u>	<u>1,646,305</u>
123,700	253,943	130,243	(5,465,333)	(3,636,848)	1,828,485
-	-	-	2,078,880	2,240,308	161,428
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	4,000,000	4,000,000	-
3,000	6,699	3,699	72,742	208,784	136,042
<u>3,000</u>	<u>6,699</u>	<u>3,699</u>	<u>6,151,622</u>	<u>6,449,092</u>	<u>297,470</u>
126,700	260,642	133,942	686,289	2,812,244	2,125,955
186,727	186,727	-	2,099,684	2,099,684	-
<u>\$ 313,427</u>	<u>\$ 447,369</u>	<u>\$ 133,942</u>	<u>\$ 2,785,973</u>	<u>\$ 4,911,928</u>	<u>\$ 2,125,955</u>



**NOTES TO FINANCIAL STATEMENTS**





**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Mountain Brook, Alabama (the City) was incorporated on March 24, 1942. The City operates under a Council-Manager form of government organized to comply with the provisions of Title 11, Chapter 43, Sections 20-22 of the Code of Alabama 1975, as amended. The City Council is composed of five officials elected at-large for concurrent four-year terms. The Mayor is elected at the same time as Council members and serves as the political leader of the community. The City Manager is appointed by the City Council as the executive officer to serve at the will and pleasure of that body. The Mayor and members of the City Council receive no salary or other compensation for their service to the City.

The financial statements of the City have been prepared in conformity with Generally Accepted Accounting Principles as applied to governmental units.

**A. REPORTING ENTITY**

The accompanying Financial Statements present the City's primary government and component unit (The Emmet O'Neal Library) over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). The City appoints a voting majority of the Board of Trustees of The Emmet O'Neal Library (the Library) and provides most of the financial support of the Library. Accordingly, the component unit is discretely reported in the accompanying financial statements to emphasize that although legally separate from the City, the City remains financially accountable.

During 1996, the City transferred \$797,254 to the Library to subsidize its operations and for the purchase of books and related materials. At September 30, 1996, the City reported a receivable from the Library in the amount of \$74,973 (Note 3).

The Library's financial statements may be viewed at the Library's administrative offices.

**B. RELATED ORGANIZATION**

The City is also responsible for appointing the Board of Trustees of the Mountain Brook Board of Education (the Board). However, the City has no control nor influence in the preparation or adoption of the Board's annual operating budget; the City is not responsible for any budget deficits incurred by the Board; and the Board has the authority to issue debt securities which are neither secured by the City's revenues or obligations of the City. Accordingly, the financial statements of the Board are not presented in the accompanying financial statements because the City is not considered to be financially accountable for the Board.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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During 1996, the City reported the following revenues from the Board:

Occupational taxes	\$163,576
DARE Program subsidy	47,907
Athletic fields shared maintenance	30,000
Sewer service fees	7,200
Donation for the sidewalk/trail enhancement project (Note 5)	<u>5,000</u>
<b>Total</b>	<b><u>\$253,683</u></b>

The above amounts are included in the General Fund revenues except for the DARE Program subsidy and the sidewalk donation which are reported in the Special Revenue and Capital Project Funds, respectively. At September 30, 1996, the City reported a receivable from the Board in the amount of \$37,148 (Note 3).

In 1996, the City incurred expenses of approximately \$125,000 representing the City's one-third shared costs regarding the Board's improvements to the community fields. This expense is included in general government expenditures of the General Fund in the accompanying financial statements. At September 30, 1996, the City owed the Board approximately \$23,290 which is included in accounts payable of the General Fund.

**C. FUND ACCOUNTING**

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

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

Governmental funds are accounted for using the current financial resources focus. Only current assets and current liabilities are generally recorded in the balance sheet of a governmental fund. The reported fund balance (net assets) is considered a measure of available spendable resources. Accordingly, these operating statements present a summary of sources and uses of available spendable resources during the year. The City utilizes the following governmental funds:

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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**GOVERNMENTAL FUNDS**

**1. GENERAL FUND**

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

**2. SPECIAL REVENUE FUNDS**

Special Revenue Funds are operating funds for which the use of revenues is restricted or designated by outside sources. These funds account for activities carried out by the City under certain intergovernmental contracts and grants.

**3. DEBT SERVICE FUNDS**

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, as well as any other non-current obligations.

**4. CAPITAL PROJECTS FUNDS**

The Capital Projects Funds are used to account for and demonstrate compliance with legal and contractual provisions and to compile data related to financial resources to be used for the acquisition or construction of major fixed assets other than those financed by special assessments.

**ACCOUNT GROUPS**

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in funds because they do not directly affect net expendable available financial resources. Account groups are concerned only with the measurement of financial position. They do not measure nor report results of operations. The City utilizes the following account groups:

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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**1. GENERAL FIXED ASSETS**

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group rather than in governmental funds. The City has adopted the accounting policy of not capitalizing infrastructure general fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and other similar assets that are immovable and considered to be of value only to the City.

All expenditures for non-infrastructure assets which materially increase values or extend useful lives are capitalized while replacements, maintenance, and repairs that do not extend the useful lives of the respective assets are charged to operations as incurred. Donated fixed assets are recorded at their estimated fair value on the date donated.

Depreciation has been provided on general fixed assets utilizing the straight-line method of depreciation over the estimated useful life of the asset and is reported as a reduction in the investment in general fixed assets.

The City does not capitalize interest costs incurred during the construction of assets.

**2. GENERAL LONG-TERM DEBT**

Long-term liabilities expected to be financed from the operations of governmental funds are accounted for in the General Long-Term Debt Account Group.

**D. BASIS OF ACCOUNTING**

Basis of accounting refers to the timing of the recognition of revenues and expenditures in the accounts and financial statements. All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when measurable and available or collected within the current period or soon enough thereafter to pay current liabilities. Expenditures are recorded upon the impairment of an asset provided the obligation is reasonably determinable, except in the case of general obligation warrants payable where principal and interest payments are reported as expenditures when paid.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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**E. BUDGETS AND BUDGETARY ACCOUNTING**

The City has adopted and adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed budget for the fiscal year commencing October 1. The budget includes proposed expenditures and the means of financing those expenditures.
2. A public hearing is conducted to obtain taxpayers' comments.
3. The budget is legally enacted through the passage of a resolution.
4. The City Manager is authorized to transfer budgeted amounts among departments within any fund; however, any revisions that alter the total expenditures of any fund or transfer of funds between departments must be approved by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General, Special Revenue, and Capital Project Funds. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is effectively achieved through warrant indenture provisions.
6. At the end of the year, unencumbered appropriations automatically lapse.

**F. ENCUMBRANCES**

The City does not utilize encumbrance accounting techniques meaning fund balances are not reserved upon the issuance of purchase orders. Expenditures are recorded upon the impairment of an asset.

**G. WORKERS' COMPENSATION**

The City provides workers' compensation coverage to its employees as required by law. The City has elected to self-insure with respect to its workers' compensation claims risk and has contracted with a third-party administrator to provide claims management services. In order to limit its exposure to claims risk, the City has purchased excess loss insurance coverage. The excess loss insurance pays the remainder of statutory obligations over the first \$250,000 for specific claims and up to \$1,000,000 after the first \$900,000 in the aggregate during the two year policy term. Workers' compensation costs charged to General Fund operations during 1996 was approximately \$180,000. The accompanying financial statements include an estimated accrual of reported but unpaid workers' compensation claims as of September 30, 1996.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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**H. CASH AND TEMPORARY INVESTMENTS**

Cash resources of various funds are combined to form a cash and investment pool. Interest from this pool is allocated monthly to each fund based on their respective month-end cash and investment balances.

**I. FUND EQUITY**

The unreserved fund balances for governmental funds represent spendable resources available to fund future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

**J. COMPENSATED ABSENCES**

Full-time City employees earn sick leave at the rate of one day per month of service and can accumulate up to sixty days of sick leave. Vacation leave is earned at graduated rates based on length of service (one day per month of service initially, one and one-half days per month of service after twelve years, and two days per month of service after twenty-five years). Employees are allowed to accumulate up to forty days of vacation leave.

A full-time employee may retire after twenty-five years of service or after attaining sixty years of age with at least ten years of creditable service. A retiring employee or separating employee in good standing receives termination pay equivalent to their unused vacation pay not to exceed forty days. In addition, a retiring employee or separating employee in good standing with five years of service receives termination pay based on 50% of their accrued sick leave limited to thirty days pay.

The current portion of the accrued vacation and sick pay at September 30, 1996 reported in the General Fund totaled \$56,816. The remaining portion of the accrued vacation and sick pay at September 30, 1996 reported in the General Long-Term Debt Account Group totaled \$839,849.

**K. LONGEVITY PAY PLAN**

The City has a longevity pay plan which covers all full-time employees that have completed a minimum of six years of service as of September 30. Longevity pay for a qualifying employee is the product of the percentage factor (which is based on the number of years of completed services) and their annual rate of pay. The percentage factor is 1.5% after six years and increases 0.5% per year to a maximum rate of 8.5% which is attained after twenty years of service. The City has adopted the informal policy of liquidating the liability for longevity pay in November of each year. The liability for longevity pay as of September 30, 1996 reported in the General Fund totaled approximately \$283,000.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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**L. HOLIDAY PAY**

Holiday pay can be accumulated (principally police and fire personnel) up to 80 hours. Accumulations in excess of 80 hours are not permitted and such time is paid to employees as earned.

**M. PENSION EXPENSE**

All full-time employees participate in the City's defined benefit pension plan. The City funds pension expense as actuarially determined and required by the plan (Note 8).

**N. TOTAL COLUMNS ON COMBINED STATEMENTS**

Included in certain of the combined financial statements is a "Totals (Memo Only)" column that aggregates the columnar statements. These totals are presented to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles nor is such data comparable to a consolidation.

**O. INTRAFUND TRANSACTIONS**

During the course of normal operations, the City incurs numerous transactions between funds to provide services, construct assets, service debt, etc. These transactions are generally reported as operating transfers except in instances where the transfer represents the reimbursement to a fund for expenditures incurred for the benefit of another fund. Remaining fund balances in discontinued funds and non-recurring, non-routine transfers are accounted for as residual equity transfers.

**P. PROPERTY TAXES**

All ad valorem real property taxes levied by municipalities in Jefferson County, Alabama are assessed by the Jefferson County Tax Assessor and collected by the Jefferson County Tax Collector. The Jefferson County Tax Assessor attaches taxes as enforceable liens on property as of September 30 and taxes become due October 1 through December 31. Property taxes not paid by January 1 are considered delinquent. Personal property taxes are also collected by the Jefferson County Tax Collector and are due throughout the year. After collecting property taxes, the Jefferson County Tax Collector remits the City's portion by check monthly. Taxes collected by the Jefferson County Tax Collector before the fiscal year end but remitted to the City after September 30 are accrued in the General Fund.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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For the year beginning October 1, 1995 assessed values were calculated by multiplying the 1993 market value (as adjusted) by the following percentages:

Residential owner occupant	10%
All other	20%

Property revaluations are conducted by the Jefferson County Commission every five-years. The next revaluation is scheduled to be conducted during fiscal 1999 the effect of which will be realized in fiscal 2000.

Millage distributions for real and personal property located within the City's corporate limits are as follows:

Entity	Mills	Amount Per \$100 of Assessed Value
State of Alabama	6.5	\$ .65
Jefferson County	21.7	2.17
Mountain Brook Board of Education	44.7	4.47
City of Mountain Brook General Fund	<u>26.1</u>	<u>2.61</u>
Total	<u>99.0</u>	<u>\$9.90</u>

**Q. SALES AND USE TAX**

Effective November 1, 1995, the City increased its sales tax to 3% from 2%. The additional one cent sales tax was imposed to provide funds for improvements to the public portions of the City's three commercial villages (Notes 5 and 6). The additional one cent sales tax will expire October 31, 2000.

**R. MAJOR REVENUE SOURCES AND TAX PAYERS**

The City's primary sources of revenue include ad valorem taxes, sales and use taxes, occupational taxes, and business licenses. Collectively, these taxes and licenses totaled approximately \$13.4 million or 74% of the total General Fund revenues during the year ended September 30, 1996. Of the City's tax payers, Rich's Department Store, Western Supermarket, and Piggly Wiggly grocery store collectively provided approximately \$2.3 million or 12% of the City's total General Fund revenues during the year ended September 30, 1996.



**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

**2. DEPOSITS AND INVESTMENTS**

The carrying value of the City's cash and temporary investments at September 30, 1996 was as follows:

Pooled cash and equivalents:		
General Fund	\$1,426,244	
Special Revenue Funds	352,243	
Capital Project Funds	<u>4,268,980</u>	
	6,047,467	
Cash on-hand and other cash and equivalents:		
General Fund	546,915	
Debt Service Fund	<u>3,726</u>	
	550,641	
Investments - General Fund	1,014,311	
Cash held by trustee under debt indenture agreements - Debt Service Fund	<u>521</u>	
<b>Total Cash and Temporary Investments</b>	<b><u>\$7,612,940</u></b>	

At September 30, 1996, the bank balance or cost, carrying value, and fair value of the City's cash and temporary investments was as follows:

	Bank Balance or Cost	Carrying Value	Fair Value
Pooled cash and equivalents	\$6,900,449	\$6,047,467	\$6,047,467
Cash on-hand	2,860	2,860	2,860
Other cash and equivalents	555,257	547,781	547,781
Investments:			
Federal government obligations (Par value \$1,060,000)	1,014,309	1,014,309	1,038,760
Cash	2	2	2
Cash held by trustee under debt indenture agreements	<u>521</u>	<u>521</u>	<u>521</u>
<b>Total Cash and Temporary Investments</b>	<b><u>\$8,473,398</u></b>	<b><u>\$7,612,940</u></b>	<b><u>\$7,637,391</u></b>

Of the \$8.47 million bank balance or cost above, \$300,000 was insured by Federal Depository Insurance (FDIC), approximately \$6.9 million was collateralized under a deposit collateral agreement with securities held by the pledging bank's trust department, approximately \$1 million was invested in securities issued by the United States government or agencies thereof, and approximately \$297,000 was uninsured and uncollateralized.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

**3. RECEIVABLES**

Receivables at September 30, 1996 consisted of the following:

	General Fund	Special Revenue	Capital Projects
Taxes	\$ 973,721	\$ 36,901	\$ -
Contractor	-	-	505,802
Emmet O'Neal Library (Note 1. A.)	74,973	-	-
Alabama Emergency Management Agency (Note 7)	-	44,999	-
Emergency Communication District (E-911) surcharge	-	8,578	-
Mountain Brook Board of Education (Note 1. B.)	30,000	7,148	-
Other	<u>23,698</u>	<u>-</u>	<u>-</u>
<b>Totals</b>	<b><u>\$1,102,392</u></b>	<b><u>\$ 97,626</u></b>	<b><u>\$ 505,802</u></b>

**4. GENERAL FIXED ASSETS**

Following is a summary of the changes in the City's investment in general fixed assets for the year ended September 30, 1996:

	Balance at October 1, 1995	Additions	Disposals/ Retirements	Balance at September 30, 1996
<b>General Fixed Assets</b>				
Land	\$ 242,591	\$ 452,139	\$ -	\$ 694,730
Land improvements	2,706,526	-	-	2,706,526
Buildings	2,680,897	3,634	-	2,684,531
Furniture and equipment	3,950,862	827,151	-	4,778,013
Construction in progress	<u>-</u>	<u>7,560</u>	<u>-</u>	<u>7,560</u>
<b>Total Cost</b>	<b>9,580,876</b>	<b>1,290,484</b>	<b>-</b>	<b>10,871,360</b>
<b>Accumulated Depreciation</b>				
Land improvements	64,114	7,313	-	71,427
Buildings	1,286,501	91,913	-	1,378,414
Furniture and equipment	<u>2,474,348</u>	<u>399,907</u>	<u>-</u>	<u>2,874,255</u>
<b>Total Accumulated Depreciation</b>	<b><u>3,824,963</u></b>	<b><u>499,133</u></b>	<b><u>-</u></b>	<b><u>4,324,096</u></b>
<b>Net Investment in General Fixed Assets</b>	<b><u>\$ 5,755,913</u></b>	<b><u>\$ 791,351</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,547,264</u></b>

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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**5. CONSTRUCTION IN PROGRESS AND INFRASTRUCTURE IMPROVEMENTS**

At September 30, 1996, the had City expended \$7,560 (Note 4) for design services related to an expansion and improvement project of one of the City's fire stations. The project is expected to be completed during the fiscal year ended September 30, 1997 at a total cost of approximately \$100,000. The City had not entered into any commitments related to this project as of September 30, 1996.

During 1993, the City applied for a federally funded Transportation Enhancement Project award to be passed through the State of Alabama Highway Department. The funds requested of approximately \$544,000 were for the construction and improvement of the City's sidewalks and walkway system. The total cost of the project was originally estimated at approximately \$775,000. The project was substantially completed as of September 30, 1996. During 1996, the City expended approximately \$785,000 toward the walkway system improvement project including City labor costs of approximately \$120,000 and donated materials and services from Jefferson County, Alabama valued at approximately \$150,000. Also during 1996, the City received federal awards of approximately \$391,000, donated services from Jefferson County, Alabama as described above, and outside donations totaling approximately \$68,000. The operations related to the project are included in the Capital Projects Fund for financial reporting purposes. Because the project involved improvements to the City's infrastructure, such costs have been excluded from the City's net investment in general fixed assets.

During 1996, the City began a renovation project involving the public areas in the City's three commercial villages. The total cost of the project has been estimated at approximately \$4 million and was financed through the issuance of \$4,000,000 General Obligation Warrants, Series 1996 (Note 6). During 1996, the City expended approximately \$2.23 million in connection with this project. The project is expected to be completed during the fiscal year ended September 30, 1997.

**6. LONG-TERM DEBT**

Long-term debt outstanding as of September 30, 1996, consisted of the following:

	Balance
\$4,000,000 General Obligation Warrants, Series 1996 dated February 15, 1996 maturing annually on December 1 through the year 2000 plus interest payable on December 1 and June 1 at rates ranging from 3.20% to 3.80%	\$4,000,000

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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\$2,300,000 General Obligation Warrants, Series 1995 dated January 10, 1995 with semiannual principal and interest payments due each January 15 and July 15 through January 15, 2000 plus interest at rates ranging from 5.75% to 6.00%	1,665,000
\$1,130,000 General Obligation Warrants, Series 1993 dated May 1, 1993 maturing annually on May 1 through the year 2003 plus interest payable on May 1 and November 1 at rates ranging from 5.75% to 6.00%	<u>820,000</u>
Total	<u>\$6,485,000</u>

The total interest paid by the City during 1996 relative to the above general obligation warrants was \$195,268.

Following is a summary of long-term debt principal transactions for the year ended September 30, 1996:

General obligation warrant balances at October 1, 1995	\$3,015,000
Proceeds from the issuance of \$4,000,000 General Obligation Warrants, Series 1996	4,000,000
Principal payments:	
\$2,300,000 General Obligation Warrants, Series 1995	(425,000)
\$1,130,000 General Obligation Warrants, Series 1993	<u>(105,000)</u>
General obligation warrant balances at September 30, 1996	<u>\$6,485,000</u>

The Series 1996 warrants were issued to finance the cost of improvements to the public portions of the City's three commercial villages (Note 5). The warrants will be paid from the proceeds of the additional one cent sales tax that became effective November 1, 1995 (Note 1. Q.).

The Series 1995 warrants were issued to finance the cost of transferring the employees' defined benefit pension plan coverage to the Employees' Retirement System of Alabama. In connection with this transfer, payments were made to employees to compensate them for the difference in benefits between the two plans.

The Series 1993 warrants were issued for the purpose of retiring and redeeming the \$500,000 General Obligation Warrants, Series 1988 and the \$1,000,000 General Obligation Warrants, Series 1987. The Series 1988 and 1987 warrants were issued to finance improvement projects at the City's athletic parks.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

The future principal and interest maturities on the general obligation warrants by fiscal year are as follows:

Fiscal Year	Principal	Interest	Total
1997	\$1,290,000	\$ 258,640	\$1,548,640
1998	1,360,000	203,105	1,563,105
1999	1,415,000	143,065	1,558,065
2000	1,220,000	78,338	1,298,338
2001	1,005,000	32,760	1,037,760
2002	145,000	9,605	154,605
2003	<u>50,000</u>	<u>2,500</u>	<u>52,500</u>
Totals	<u>\$6,485,000</u>	<u>\$ 728,013</u>	<u>\$7,213,013</u>

**7. EMERGENCY MANAGEMENT AGENCY AWARDS**

During 1996, the City experienced substantial damage from a natural disaster (hurricane Opal). The total cost incurred by the City in connection with the storm damage clean-up totaled approximately \$452,000. Accordingly, the City applied for financial assistance through the Federal Emergency Management Agency (FEMA). The City received assistance from FEMA and the Alabama Emergency Management Agency of approximately \$347,000 and \$45,000, respectively.

**8. PENSION PLAN**

**A. PLAN DESCRIPTION**

Effective January 1, 1995, City employees agreed to transfer their pension plan assets and coverage to the Employees' Retirement System of Alabama (RSA), which is a cost sharing, multi-employer, defined benefit pension plan. All full-time employees are required to be covered by the plan.

The RSA provides pension, death, and disability benefits. Members may retire after reaching the age of sixty with ten years of creditable service or anytime after accumulating twenty-five of creditable service. Pension benefits are determined at the rate of 2.0125% of the retiring employee's average of their three highest years salary out of last ten years, multiplied by the number of years of creditable service. Death benefits are available to participants after one year of creditable service and disability benefits are available after ten years of creditable service.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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**B. SECURITIES**

The Board of Control of the State System has total power and authority to invest all funds through its Secretary-Treasurer and Investment Committee which is comprised of three members of the Board of Control. Investment restrictions are the same as those imposed under the laws of the State of Alabama for domestic life insurance companies.

**C. FUNDING**

The RSA requires that covered employees contribute to the pension plan at the rate of 5% of compensation. In addition, the RSA requires that the City remit monthly matching contributions to the pension plan. The City's matching contributions are actuarially determined annually and stated as a percentage of covered compensation. The City's actuarially determined matching contributions for the fiscal year ended 1996 was 5.48% of covered compensation. The City's matching contributions for the fiscal year ended September 30, 1997 have been actuarially determined to be 6.70% of eligible compensation.

For the year ended September 30, 1996, the City's total compensation was approximately \$6.8 million and the City's total covered compensation used to determine the City's pension contribution was approximately \$6.7 million. Payments remitted to the RSA during 1996, totaled \$704,000 of which, \$368,000 represents the City's matching contribution and \$336,000 represents employee contributions.

**D. FUNDING STATUS AND PROGRESS**

The pension benefit obligation is based on a standardized measurement established by Governmental Accounting Standard Board Statement 5. The pension benefit obligation represents the actuarial present value of estimated pension benefits that will be paid in future years as a result of covered employee service to date and is adjusted for the effect of projected salary increases.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

The following information regarding the pension benefit obligation and the funding status (primary government and component unit combined) as of September 30, 1995 was obtained from the most recent actuarial valuation:

Pension benefit obligation:		
Retirees, beneficiaries, and terminated employees	\$	-
Employee contributions		2,888,583
Employer-financed - vested		2,652,501
Employer-financed - non-vested		<u>4,858,681</u>
		<u>\$10,399,765</u>
Net assets available for benefits (Market value approximately \$10,739,000)		<u>9,662,492</u>
Unfunded pension benefit obligation	\$	<u>737,273</u>

**E. TREND INFORMATION**

Following is a summary of trend information obtained from the most recent actuarial valuation prepared as of September 30, 1995:

Net assets available for benefits as a percentage of the pension benefit obligation	92.91%
Unfunded pension benefit obligation as a percentage of covered compensation of \$6,219,000	11.85%
Employer matching contributions to the pension plan as a percentage of covered compensation	5.48%

**9. POST EMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note 8, the City has periodically elected to provide post employment health insurance coverage to those employees electing early retirement provided that certain requirements have been met relating to age and length of service. Such coverage is effective for a maximum of 13 years or until the retiree attains age 65. Except for the fiscal year ended September 30, 1994, this plan has been offered in some form each year since its initial offering in 1989. However, there is no assurance that the program will be offered to employees in the future. Additionally, the continuation of benefits for early retirees taking advantage of the plan is made annually by City Council Resolution.

As of September 30, 1996, there were eighteen retirees covered under the City's post employment health insurance plan. The total cost incurred for post employment health benefits was approximately \$34,000 for the year ended September 30, 1996.

**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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**10. COMMITMENTS AND CONTINGENCIES**

The City is charged by the Jefferson County Commission for shared services. The assessments for shared services charged to the City during 1996 were as follows:

	Amount
Birmingham-Jefferson County Transit Authority	\$ 53,786
Maintenance of Maps and Appraisals	84,412
Jefferson County Board of Health	105,902

The above costs are deducted from the ad valorem property taxes remitted by the Jefferson County Tax Collector (Note 1. P.) to the City of Mountain Brook. For financial reporting purposes, the City includes these amounts in property tax revenues and expenses like amounts.

The City received a federal award (Note 5) that is subject to review and audit by the grantor agency. Such audit could lead to requests for reimbursement to the grantor agency for any expenditures that might be disallowed under the terms of the award agreement. Management does not anticipate any such disallowance of program expenditures.

The City has arranged for an independent contractor to provide for the collection and disposal of refuse. The base rates for this service for the year ended September 30, 1996, were \$22.89 per month for single and multiple family residential units and \$28.40 per month for commercial units. These rates will remain effective for the fiscal year ended September 30, 1997. The annual costs incurred under this agreement for the year ended September 30, 1996 was approximately \$1,974,000.

The City leases the land on which the Street and Sanitation buildings are located and the adjacent land which is used for organic debris disposal at an annual rate of \$12,000. The lease is scheduled to expire September 30, 2002. The Lessee can terminate the lease prior to the scheduled expiration date. Management does not anticipate the lessee to exercise their option to terminate the lease early.

**11. CONSTITUTIONAL DEBT LIMIT**

Section 225, as amended, of the Constitution of the State of Alabama, limits debt for municipalities with populations of 6,000 or more to 20 percent of the assessed value of taxable property. Excluded from this debt limitation are bonds issued for the construction of schools, waterworks, sewers, and assessed improvements.



**CITY OF MOUNTAIN BROOK, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1996**

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Following are the constitutional debt limit and legal debt margin as of October 1, 1996:

Assessed value of taxable real and personal property as provided by the Jefferson County Tax Assessor	<u>\$238,457,000</u>
Constitutional debt limit, 20 percent of assessed value	\$ 47,691,000
Outstanding long-term debt as of September 30, 1996	<u>6,485,000</u>
Legal Debt Margin as of October 1, 1996	<u>\$ 41,206,000</u>

**12. LITIGATION**

Several claims, suits, and complaints, common to municipalities, have been filed or are pending against the City. In the opinion of management, all such matters are adequately insured, without merit, or involve such amounts as would not have a material adverse effect on the City's financial statements.



**SUPPLEMENTAL INFORMATION**

**CITY OF MOUNTAIN BROOK, ALABAMA  
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS  
 SEPTEMBER 30, 1996**

	<u>State Shared Gasoline Tax Funds</u>		
	<u>Seven Cent</u>	<u>Four and Five Cent</u>	<u>Two Cent</u>
<b>ASSETS</b>			
Cash and temporary investments	\$ 47,640	\$ 289,722	\$ 7,957
Receivables	19,727	17,174	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b><u>\$ 67,367</u></b>	<b><u>\$ 306,896</u></b>	<b><u>\$ 7,957</u></b>
 <b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 2,500	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>2,500</b>	<b>-</b>	<b>-</b>
 <b>FUND EQUITY</b>			
Fund balance (deficit):			
Reserved	-	-	-
Unreserved	64,867	306,896	7,957
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUND EQUITY</b>	<b><u>64,867</u></b>	<b><u>306,896</u></b>	<b><u>7,957</u></b>
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 67,367</u></b>	<b><u>\$ 306,896</u></b>	<b><u>\$ 7,957</u></b>

<b>Emergency Communication District</b>	<b>Drug Asset Forfeitures</b>	<b>D.A.R.E. Program</b>	<b>Community Fund</b>	<b>Federal Emergency Management Agency (FEMA)</b>	<b>Totals</b>
\$ 24,435	\$ -	\$ 10,777	\$ 16,711	\$ (44,999)	\$ 352,243
8,578	-	7,148	-	44,999	97,626
<u>\$ 33,013</u>	<u>\$ -</u>	<u>\$ 17,925</u>	<u>\$ 16,711</u>	<u>\$ -</u>	<u>\$ 449,869</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500
-	-	-	-	-	2,500
-	-	-	5,211	-	5,211
33,013	-	17,925	11,500	-	442,158
33,013	-	17,925	16,711	-	447,369
<u>\$ 33,013</u>	<u>\$ -</u>	<u>\$ 17,925</u>	<u>\$ 16,711</u>	<u>\$ -</u>	<u>\$ 449,869</u>

**CITY OF MOUNTAIN BROOK, ALABAMA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS  
 YEAR ENDED SEPTEMBER 30, 1996**

	<b>State Shared Gasoline Tax Funds</b>		
	<b>Seven Cent</b>	<b>Four and Five Cent</b>	<b>Two Cent</b>
<b>REVENUES</b>			
Taxes	\$ 201,847	\$ 186,472	\$ 6,818
Intergovernmental	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Grants	-	-	-
Other operating revenues:			
Investment earnings	4,573	10,384	247
Miscellaneous	-	-	-
<b>TOTAL REVENUES</b>	<u>206,420</u>	<u>196,856</u>	<u>7,065</u>
<b>EXPENDITURES</b>			
General government	-	-	-
Public safety	-	-	-
Street and sanitation	159,723	-	-
<b>TOTAL EXPENDITURES</b>	<u>159,723</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	46,697	196,856	7,065
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	-	-	-
Donations	-	-	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	46,697	196,856	7,065
Fund balances, beginning	<u>18,170</u>	<u>110,040</u>	<u>892</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 64,867</u>	<u>\$ 306,896</u>	<u>\$ 7,957</u>

<b>Budgeted</b>					
<b>Emergency Communication District</b>	<b>Drug Asset Forfeitures</b>	<b>D.A.R.E. Program</b>	<b>Community Fund</b>	<b>Federal Emergency Management Agency (FEMA)</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,137
-	-	47,907	-	-	47,907
108,882	-	-	-	-	108,882
-	-	-	-	-	-
-	-	-	-	392,491	392,491
843	126	85	820	-	17,078
-	(1,438)	-	-	-	(1,438)
<u>109,725</u>	<u>(1,312)</u>	<u>47,992</u>	<u>820</u>	<u>392,491</u>	<u>960,057</u>
-	-	-	8,030	1,446	9,476
90,767	5,103	50,000	-	-	145,870
-	-	-	-	450,429	610,152
<u>90,767</u>	<u>5,103</u>	<u>50,000</u>	<u>8,030</u>	<u>451,875</u>	<u>765,498</u>
18,958	(6,415)	(2,008)	(7,210)	(59,384)	194,559
-	-	-	-	59,384	59,384
-	-	-	6,699	-	6,699
-	-	-	<u>6,699</u>	<u>59,384</u>	<u>66,083</u>
18,958	(6,415)	(2,008)	(511)	-	260,642
<u>14,055</u>	<u>6,415</u>	<u>19,933</u>	<u>17,222</u>	-	<u>186,727</u>
<u>\$ 33,013</u>	<u>\$ -</u>	<u>\$ 17,925</u>	<u>\$ 16,711</u>	<u>\$ -</u>	<u>\$ 447,369</u>

**CITY OF MOUNTAIN BROOK, ALABAMA  
 COMBINING BALANCE SHEET - CAPITAL PROJECT FUNDS  
 September 30, 1996**

	<b>City Capital Projects</b>	<b>Village Improvements (One Cent Sales Tax)</b>	<b>Sewer Projects</b>
<b>ASSETS</b>			
Cash and temporary investments	\$ 1,450,177	\$ 2,684,247	\$ 134,556
Receivables	-	505,802	-
Due from General Fund	-	136,970	-
Prepaid expenses	-	316,053	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,450,177</u></b>	<b><u>\$ 3,643,072</u></b>	<b><u>\$ 134,556</u></b>
 <b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 9,921	\$ 305,956	\$ -
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>9,921</b>	<b>305,956</b>	<b>-</b>
 <b>FUND EQUITY</b>			
Fund balance (deficit):			
Reserved	-	-	-
Unreserved	1,440,256	3,337,116	134,556
	<hr/>	<hr/>	<hr/>
<b>TOTAL FUND EQUITY</b>	<b><u>1,440,256</u></b>	<b><u>3,337,116</u></b>	<b><u>134,556</u></b>
 <b>TOTAL LIABILITIES AND FUND EQUITY</b>	 <b><u>\$ 1,450,177</u></b>	 <b><u>\$ 3,643,072</u></b>	 <b><u>\$ 134,556</u></b>



<b>Village Trail System (ISTEA)</b>	<b>Athletic Park</b>	<b>Totals</b>
\$ -	\$ -	\$ 4,268,980
-	-	505,802
-	-	136,970
-	-	<u>316,053</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,227,805</u>

<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,877</u>
-	-	315,877
-	-	-
-	-	<u>4,911,928</u>
-	-	<u>4,911,928</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,227,805</u>

**CITY OF MOUNTAIN BROOK, ALABAMA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - CAPITAL PROJECT FUNDS  
 YEAR ENDED SEPTEMBER 30, 1996**

	<b>City Capital Projects</b>	<b>Village Improvements (One Cent Sales Tax)</b>	<b>Sewer Projects</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ -	\$ -
Grants	-	-	-
Other operating revenues:			
Investment earnings	99,578	131,384	3,520
Proceeds from the sale of property	25,762	-	-
<b>TOTAL REVENUES</b>	<u>125,340</u>	<u>131,384</u>	<u>3,520</u>
<b>EXPENDITURES</b>			
General government	464,030	25,067	-
Public safety	647,507	-	-
Street and sanitation	134,242	2,228,592	-
Recreational	11,967	-	-
Debt service	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,257,746</u>	<u>2,253,659</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,132,406)	(2,122,275)	3,520
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	623,880	1,459,391	-
Proceeds from the issuance of debt	-	4,000,000	-
Donations	-	-	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>623,880</u>	<u>5,459,391</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	(508,526)	3,337,116	3,520
Fund balances, beginning	<u>1,948,782</u>	<u>-</u>	<u>131,036</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,440,256</u>	<u>\$ 3,337,116</u>	<u>\$ 134,556</u>

<b>Village Trail System (ISTEA)</b>	<b>Mountain Brook Athletic Parks</b>	<b>Totals</b>
\$ 5,000	\$ -	\$ 5,000
390,934	-	390,934
3,196	-	237,678
-	-	25,762
<u>399,130</u>	<u>-</u>	<u>659,374</u>
41	-	489,138
-	-	647,507
784,776	-	3,147,610
-	-	11,967
<u>-</u>	<u>-</u>	<u>-</u>
<u>784,817</u>	<u>-</u>	<u>4,296,222</u>
(385,687)	-	(3,636,848)
150,528	6,509	2,240,308
-	-	4,000,000
208,784	-	208,784
<u>359,312</u>	<u>6,509</u>	<u>6,449,092</u>
(26,375)	6,509	2,812,244
<u>26,375</u>	<u>(6,509)</u>	<u>2,099,684</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,911,928</u>

**CITY OF MOUNTAIN BROOK, ALABAMA  
SCHEDULE OF GENERAL FUND REVENUES BY SOURCE  
YEARS ENDED SEPTEMBER 30**

	1987	1988	1989	1990
<b>TAXES</b>				
Real property	\$ 2,812,769	\$ 2,965,131	\$ 4,057,761	\$ 4,248,384
Sales and use	2,086,276	2,069,897	2,151,025	2,247,303
Occupational	924,501	860,973	916,461	919,874
Utility	723,188	684,431	694,012	698,500
Personal property (automobiles)	333,450	363,029	373,719	392,464
Road and bridge	109,745	116,332	158,607	166,315
Other	268,635	296,921	262,032	242,952
	<u>7,258,564</u>	<u>7,356,714</u>	<u>8,613,617</u>	<u>8,915,792</u>
<b>LICENSES AND PERMITS</b>				
Business	386,658	676,527	773,161	731,504
Construction permits	208,176	217,093	210,966	240,488
Cable TV franchise fees	60,485	64,719	70,794	73,268
Waterworks board	51,906	61,022	63,156	57,782
Other	43,323	41,699	44,045	42,045
	<u>750,548</u>	<u>1,061,060</u>	<u>1,162,122</u>	<u>1,145,087</u>
<b>INTERGOVERNMENTAL</b>	23,289	34,805	64,172	54,900
<b>CHARGES FOR SERVICES</b>				
Garbage fees	661,898	681,311	684,294	673,069
Other	22,432	44,009	53,725	82,401
	<u>684,330</u>	<u>725,320</u>	<u>738,019</u>	<u>755,470</u>
<b>FINES AND FORFEITURES - COURTS</b>	250,337	236,871	270,480	256,012
<b>FEDERAL AWARDS</b>	-	-	-	-
<b>OTHER OPERATING REVENUE</b>				
Investment earnings	100,548	142,541	202,254	189,580
Other	35,830	63,672	42,036	90,238
	<u>136,378</u>	<u>206,213</u>	<u>244,290</u>	<u>279,818</u>
<b>TOTAL REVENUES</b>	<u>\$ 9,103,446</u>	<u>\$ 9,620,983</u>	<u>\$ 11,092,700</u>	<u>\$ 11,407,079</u>

1991	1992	1993	1994	1995	1996
\$ 4,126,279	\$ 4,330,842	\$ 4,300,663	\$ 4,385,241	\$ 5,926,376	\$ 6,015,502
2,273,681	2,470,595	2,542,968	2,953,502	3,084,886	4,740,066
940,448	940,614	1,109,570	1,132,443	1,334,116	1,314,454
692,184	717,036	712,827	759,087	748,829	741,847
378,733	364,173	314,397	447,380	474,995	500,853
161,705	168,903	167,748	-	407,135	239,535
264,845	287,934	367,643	429,459	363,926	566,339
<u>8,837,875</u>	<u>9,280,097</u>	<u>9,515,816</u>	<u>10,107,112</u>	<u>12,340,263</u>	<u>14,118,596</u>
752,214	748,685	900,484	857,850	1,236,821	1,307,387
254,382	242,300	261,363	365,168	296,569	320,791
78,329	81,063	86,830	90,161	81,039	80,642
77,705	68,904	79,957	88,481	78,877	99,506
48,864	42,898	43,241	44,763	45,225	49,168
<u>1,211,494</u>	<u>1,183,850</u>	<u>1,371,875</u>	<u>1,446,423</u>	<u>1,738,531</u>	<u>1,857,494</u>
135,747	38,798	30,090	30,922	30,000	30,000
700,051	1,166,595	1,232,587	1,311,763	1,182,621	1,206,168
91,479	154,692	149,942	145,216	147,625	248,213
<u>791,530</u>	<u>1,321,287</u>	<u>1,382,529</u>	<u>1,456,979</u>	<u>1,330,246</u>	<u>1,454,381</u>
208,950	231,162	240,321	217,468	211,791	272,985
-	-	327,100	116,214	-	-
186,825	126,566	66,163	97,091	190,478	189,367
57,975	56,061	87,457	102,080	47,039	53,777
<u>244,800</u>	<u>182,627</u>	<u>153,620</u>	<u>199,171</u>	<u>237,517</u>	<u>243,144</u>
<u>\$ 11,430,396</u>	<u>\$ 12,237,821</u>	<u>\$ 13,021,351</u>	<u>\$ 13,574,289</u>	<u>\$ 15,888,348</u>	<u>\$ 17,976,600</u>

