

CITY OF CALERA, ALABAMA

**FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

**CITY OF CALERA, ALABAMA
YEAR ENDED SEPTEMBER 30, 2007**

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YEAR ENDED SEPTEMBER 30, 2007**

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INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Calera, Alabama

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 City of Calera, Alabama (the City) as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, as of September 30, 2007 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 21, 2008, on our consideration of the City's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 7.1 through 7.8 and pages 43 through 44, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The supplementary information beginning on page 46 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Caru, Riggs & Ingram, L.L.C.

Birmingham, Alabama
May 21, 2008

**INDEPENDENT AUDITORS' REPORT ON
BOND COMPLIANCE**

To the Mayor and City Council
City of Calera, Alabama

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the City of Calera, Alabama as of and for the year ended September 30, 2007, as listed in the accompanying table of contents, and have issued our report thereon dated May 21, 2008.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Calera, Alabama failed to comply with the terms, covenants, provisions or conditions of the authorizing ordinances for the following bond issues insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

Enterprise Funds - Revenue Bonds:

- Water Revenue Bonds - Series 1998
- Water Revenue Bonds - Series 2000
- Water Revenue Bonds - Series 2005
- Sewer Revenue Bonds - Series 2005-A
- Sewer Revenue Bonds - Series 2005-B

Governmental Funds - General Obligation Warrants:

- General Obligation Warrants - Series 1999
- General Obligation Warrants - Series 2002
- General Obligation Warrants - Brentwood Sewer dated 11/27/76
- General Obligation Warrants - Series 2004

This report is intended solely for the information and use of the Mayor and City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Car, Riggs & Ingram, L.L.C.

Birmingham, Alabama
May 21, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Calera's (the "City") annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year ended September 30, 2007. Certain comparisons are made in relation to the prior fiscal year ended September 30, 2006 (as restated). Please read it in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total combined net assets decreased by \$0.2 million (0.5%) to \$39.3 million at September 30, 2007. The governmental portion of the combined net assets decreased by \$1.0 million (5%) to \$21.7 million compared to an increase of \$0.9 million (4%) for last year. The business-type activities portion increased by \$0.8 million (5%) to \$17.5 million, compared to an increase of \$1.6 million (10%) for last year.
- The City's governmental activities revenue decreased \$0.2 million (2%) to \$10.8 million.
- The total cost of the City's governmental activities programs increased by \$2.1 million (21%) to \$12.1 million. This compares to an increase of \$1.2 million (17%) for last year. Significant components of the current year's increase include a normal increase in the cost of current personnel of \$400,000 (22%), an increase in personnel cost from the addition of new personnel of \$150,000 (8%), a grant provided to a local business for purposes of economic development of \$695,000 (39%), and a purchase of land for \$729,000 (40%). No new significant programs were added this year.
- The City's business-type activities (Gas Fund, Sewer Fund, Water Works Board) revenues decreased by \$0.6 million (6%) to \$9.4 million and the net results from these activities produced an increase in net assets of \$0.8 million (5%) for the year.
- The total cost of the City's business-type activities increased by \$0.1 million (1%) to \$8.4 million. This compares to an increase of \$2.1 million (34%) for last year. Significant components of the current year's increase include increased Water operating costs of \$0.5 million (20% over last year's Water operating costs), increased Sewer operation costs of \$0.5 million (24% over last year's Sewer operating costs) and in the Gas Fund, decreased natural gas costs of \$0.9 million (50% reduction from last year). Increases in payroll costs and interest expense accounted for approximately 50% of the increase in Water and Sewer operation costs. No new significant cost centers were added this year.
- The General Fund reported a decrease in fund balance of \$0.4 million resulting in an ending fund balance of \$0.5 million, compared to a decrease of \$0.4 million (41%) for last year.
- The business-type activities reported a combined increase in net assets of \$0.8 million (5%) to \$17.5 million, compared to a combined increase of \$1.6 million (10%) for last year.
- The City's governmental activities added \$2.6 million in capital assets and costs related to projects recorded in construction in progress, the most significant of which was a land purchase for \$0.7 million. The City's business-type activities added \$3.1 million in capital assets, the most significant of which included \$1.9 million related to the construction of the Water treatment plant, and \$1.4 million for Sewer line extensions.
- The City's governmental activities added \$2.4 million in new debt, and reduced outstanding debt by \$0.5 million. The City's business-type activities added \$4.5 million in new debt, the most

significant of which was the issuance of \$4.2 million in bonds for the construction of various sewer line extension projects, and reduced other outstanding debt by \$0.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of five parts—*management's discussion and analysis* (this section), the *independent auditors' report*, the *basic financial statements*, *required supplementary information*, and *other supplementary information*.

The basic financial statements include two types of statements that present different views of the City.

- The first type of statements are *government-wide financial statements* (pages 8-9) that provide both *long-term* and *short-term* information about the City's overall financial status. These statements are presented on an accounting basis similar to that used in private industry.
- The second type of statements are *fund financial statements* (pages 10, 12-13) that focus on *individual operating components* of the government. These statements are reported on a slightly different accounting basis commonly used for government-type activities.
- Schedules (pages 11, 14) are also presented to reconcile between the two different methods of accounting.

The financial statements also include notes (pages 20-41) that explain some of the information in the financial statements and provide more detailed data.

The statements are followed by a section of *required supplementary information* (pages 43-44) that further explains and supports the information in the financial statements.

Finally, the City has included *other supplementary information* (pages 46-83) intended to further enhance the users' understanding of the City's financial position and results of operations.

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets (page 8) includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities (page 9).

The two government-wide statements report the City's net assets and how they have changed. Net assets—the difference between the City's assets and liabilities—is one way to measure the City's financial health or *position*. Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively. However, to assess the overall health of the City, one needs to also consider additional non-financial factors such as changes in the City's tax base and the overall economic health and growth prospects of the surrounding area.

The government-wide financial statements of the City include *Governmental Activities*. Most of the City's basic services are included here, such as administrative, public works, police, fire and rescue, library, park and recreation, and interest on long-term debt. Sales taxes, property taxes and grants finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of

specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants. The City Council establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has the following kinds of funds:

- *Governmental funds (pages 10, 12-13)*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds (pages 15-19)*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Summary of Net Assets

The City's combined net assets were \$39.3 million at September 30, 2007. (See Table A-1).

Table A-1
City's Net Assets
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total	
	2007	2006 (restated)	2007	2006 (restated)	2007	2006 (restated)
Current assets	\$ 1,057	\$ 1,367	\$ 3,067	\$ 3,366	\$ 4,124	\$ 4,733
Restricted assets	1,144	1,555	12,462	10,152	13,606	11,707
Noncurrent assets	201	117	813	432	1,014	549
Capital assets (net of accumulated depreciation)	31,271	29,822	31,152	28,097	62,423	57,919
Total Assets	33,673	32,861	47,494	42,047	81,167	74,908
Current liabilities	2,149	2,430	1,665	1,337	3,814	3,767
Payable from restricted assets	658	479	820	627	1,478	1,106
Long-term liabilities	9,130	7,177	27,459	23,339	36,589	30,516
Total Liabilities	11,937	10,086	29,944	25,303	41,881	35,389
Net Assets:						
Invested in capital assets, (net of related debt)	21,996	22,434	13,771	12,439	35,767	34,873
Restricted	241	292	1,291	1,099	1,532	1,391
Unrestricted	(501)	49	2,488	3,206	1,987	3,255
Total Net Assets	\$21,736	\$22,775	\$17,550	\$16,744	\$39,286	\$39,519

Changes in net assets. The City's total revenues were \$20.3 million. (See Table A-2) Significant portions of the City's revenue relates to charges for services (47%) and taxes (38%).

The total cost of all programs and services was \$20.5 million. Of this total cost, the City collected revenues related to these costs totaling \$10.6 million (52%). The remainder of the program costs is financed by various taxes, business licenses revenue, investment earnings, and other miscellaneous items of revenue.

Table A-2
Changes in City's Net Assets
(In thousands dollars)

	Governmental Activities		Business-type Activities		Total	
	2007	2006 (restated)	2007	2006 (restated)	2007	2006 (restated)
Revenues						
Program Revenues:						
Charges for services, fines	\$ 1,427	\$ 1,678	\$ 8,242	\$ 9,341	\$ 9,669	\$11,019
Operating grants	89	85	0	0	89	85
Capital grants	340	354	543	577	883	931
General Revenues:						
Taxes	7,722	7,284	0	0	7,722	7,284
Business licenses	1,139	1,052	0	0	1,139	1,052
Investment earnings	32	68	629	94	661	162
Other general revenues	89	334	0	7	89	341
Total Revenues	10,838	10,855	9,414	10,019	20,252	20,874
Program Expenses:						
General administration	1,116	934	0	0	1,116	934
Street	1,414	1,250	0	0	1,414	1,250
Garbage	430	412	0	0	430	412
Mechanic	169	146	0	0	169	146
Planning & zoning	122	121	0	0	122	121
Engineering	433	325	0	0	433	325
Inspection	577	539	0	0	577	539
Building maintenance & custodial	357	346	0	0	357	346
Police	2,483	2,389	0	0	2,483	2,389
Fire & rescue	2,388	2,119	0	0	2,388	2,119
Library	389	231	0	0	389	231
Park & recreation	794	714	0	0	794	714
Municipal court	208	199	0	0	208	199
Donations	739	38	0	0	739	38
Salem Cemetery	8	8	0	0	8	8
Bond fee & investment expenses	101	19	0	0	101	19
Interest on debt	360	244	0	0	360	244
Gas Fund	0	0	2,893	3,896	2,893	3,896
Water Works Board	0	0	2,745	2,146	2,745	2,146
Sewer Fund	0	0	2,760	2,219	2,760	2,219
Total Expenses	12,088	10,034	8,398	8,261	20,486	18,295
Excess (deficit) before transfers	(1,250)	821	1,016	1,758	(234)	2,579
Transfers	211	176	(211)	(176)	0	0
Increase (decrease) in Net Assets	(\$ 1,039)	\$ 997	\$ 805	\$ 1,582	(\$ 234)	\$ 2,579

Governmental Activities

The City's primary source of revenues is from various taxes which comprise 71% of the total governmental revenues. Of the various taxes received by the City, sales tax revenue accounts for 62% of the total revenues. Because the City anticipates the retail tax base to continue its significant growth (although at a decreased rate), revenue from sales taxes will continue to increase and continue to be a significant factor in overall government revenues.

Other significant sources of revenues for the City are charges for services & fines (13% of total revenues), business license receipts (10%), and property tax receipts (9%).

The cost of all *governmental* activities this year was \$12.1 million. However, the amount that our taxpayers paid for these *governmental* activities through property taxes was only \$1.0 million. Other sources of revenues that served to directly offset the cost of *governmental* activities were amounts paid by those who directly benefited from the programs (\$1.4 million), and amounts received through grants and contributions (\$0.4 million).

Business-type Activities

Revenues of the City's business-type activities decreased 6% to \$9.4 million, and expenses increased 1% to \$8.4 million. These items, along with investment earnings and net transfers, produced an increase in net assets of the three utility funds of \$0.8 million during the year. The Water Works Board contributing \$0.8 million (100%) toward the increase in net assets, with the Gas Fund contributing \$0.1 million (12%), and the Sewer Fund consuming \$0.1 million (-12%).

Revenues for the three utility funds should continue to grow due to the continued growth (although at a lesser rate) in new housing construction in the City.

FINANCIAL ANALYSIS OF THE CITY'S NET ASSETS

Governmental Activities

At the end of the year, the governmental activities reported a combined net asset balance of \$21.7 million which was a decrease of \$1.1 million (5%) from last year's balance of \$22.8 million. Included in the ending net assets balance is \$22.0 million invested in capital assets (net of related debt), \$0.2 million in restricted net assets, leaving a \$0.5 million deficit in unrestricted net assets.

Business-Type Activities

At the end of the year, the business-type activities reported combined net assets of \$17.5 million which was an increase of \$0.8 million (5%) over last year's balance of \$16.7 million. Included in the ending net assets balance is \$13.7 million invested in capital assets (net of related debt) and \$1.3 million in restricted net assets, leaving \$2.5 million in unrestricted net assets. This unrestricted amount is comprised of \$2.0 million from the Water Works Board, \$0.6 million from the Sewer Fund, leaving a \$0.1 million deficit from the Gas Fund.

BUDGETARY HIGHLIGHTS

Over the course of the year, the City revised various budgets several times for specific situations that arose during the year. The significant changes to the original budget related to budgeting expenditures for essential capital projects that arose during the year.

General Fund

Actual revenues were \$0.5 million (5%) below final budget amounts. Actual current expenditures were \$0.4 million (3%) above final budget amounts. Capital outlay actual expenditures were \$0.1 million (25%) below final budget amounts and debt service actual expenditures were \$0.1 million (25%) above final budget amounts.

These amounts, when combined with the net effect of various transfers, resulted in the general fund reflecting a decrease in net resources available at the end of the year of \$407,000, \$22,000 above the final budgeted amount of (\$429,000).

Business-type activities

Actual operating revenues for the three utility funds were \$300,000 (3%) below budget amounts. Of this amount, \$250,000 can be directly attributed to the Sewer Fund and the overestimates in the amount of tap and impact fees that would be received during the upcoming year.

Actual operating expenses were \$430,000 (6%) above budget amounts. The most significant component of this over budget was an underestimate of the amount of depreciation expense related to the new Sewer treatment plant of \$275,000 (64%).

These amounts, when combined with the net effect of non-operating revenues (expenses) and operating transfers, pushed the change in net assets to \$0.8 million (50%) below budget amounts. Significant components of the unfavorable variance in the change in net assets are the Gas Fund transfer from the General Fund that was under-budgeted (\$235,000), Sewer Fund depreciation expense that was under-budgeted (\$275,000); Sewer Fund tap and impact fees that were over-budgeted (\$250,000), and the Sewer Fund transfer to the General Fund that was under-budgeted (\$400,000). When these various issues are taken into account, the change in net assets for the three utility funds was only \$105,000 (6%) below budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2007, the City had invested \$77.1 million in a broad range of capital assets, including land, equipment, buildings, system improvements and vehicles. (See Table A-4) This amount represents a net increase (including additions and disposals) of \$6.5 million or 9% over last year. More detailed information about the City's capital assets is presented in the notes to the financial statements.

Table A-4
City's Capital Assets
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Pct Change 2007-2006
	2007	2006	2007	2006	2007	2006	
Land	\$ 15,506	\$ 14,767	\$ 579	\$ 549	\$ 16,085	\$ 15,316	5.0
Buildings and improvements	6,030	3,458	157	157	6,187	3,615	71.1
Vehicles	3,361	2,650	602	538	3,963	3,188	24.3
Equipment	3,098	2,675	1,730	1,730	4,828	4,405	9.6
System Improvements	9,155	8,933	32,655	30,943	41,810	39,876	4.9
Construction in process	1,228	3,403	3,031	875	4,259	4,278	(0.5)
Totals at historical cost	38,378	35,886	38,754	34,792	77,132	70,678	9.1
Total accumulated	(7,107)	(6,064)	(7,602)	(6,695)	(14,709)	(12,759)	15.3
Net capital assets	\$ 31,271	\$ 29,822	\$ 31,152	\$ 28,097	\$ 62,423	\$ 57,919	7.8

In addition to the amounts shown above, the Water Works Board is holding \$7.5 million and the Sewer Fund is holding \$2.9 million in bond proceeds that are restricted for use on Water-related and Sewer-related (respectively) capital construction projects.

Long Term Debt

At the end of fiscal year 2007, the City had \$37.8 million in bonds, notes, and capitalized leases outstanding. (See Table A-5) More detailed information about the City's debt is presented in the notes to the financial statements.

Table A-5
City's Long Term Debt
(In thousands of dollars)

	Governmental Activities		Business-type Activities		Total		Total Pct. Change 2007-2006
	2007	2006 (restated)	2007	2006 (restated)	2007	2006 (restated)	
Leases payable	\$ 467	\$ 514	\$ 0	\$ 0	\$ 467	\$ 514	(9)
Notes payable	385	508	894	661	1,279	1,169	9
Bonds payable	8,890	6,700	27,137	23,270	36,027	29,970	20
Total leases, notes & bonds payable	\$9,742	\$7,722	\$28,031	\$23,931	\$37,773	\$31,653	19

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

General fund budgeted revenues increase in the 2008 budget to \$12.3 million from last year's actual of \$10.8 million, an increase of \$1.5 million (14%). The principal factors that affect the increase in budgeted revenues are:

- an increase in budgeted sales & use tax revenue of \$1.1 million over last year's actual (20%). Continued growth in the retail sales tax base and the anticipated openings of several significant retail stores in the City gives reason to anticipate an increase in sales tax revenue.
- an increase in budgeted business license revenue of \$63,000 over last year's actual (6%). Continued growth in the number and type of new businesses and an increased emphasis on enforcement and collection of business license fees will continue to provide growth in business license revenue.
- an increase in budgeted property tax revenue of \$205,000 over last year's actual (20%). Property tax revenue is projected to increase due to the annual revaluation of property tax values and the continued rate of new housing starts in the City.

General fund budgeted expenditures decrease in the 2008 budget to \$11.4 million from last year's actual of \$13.4 million, a decrease of \$2.0 million (17%). The principal factors that affect the decrease in budgeted expenditures are:

- an increase in overall budgeted personnel costs (salaries, taxes, retirement, insurance, etc.) of \$825,000 over last year's actual (10%). This amount is principally due to the normal increase in cost of living, cost of insurance, promotions, etc. The remainder of the increase is due to the budgeting for an additional 2.5 positions for 2008 (\$125,000).
- an increase in overall operating costs of approximately \$200,000 over last year's actual (9%) due to the normal increase in the cost of products and services and the continually expanding demands of a growing City.
- a decrease in budgeted equipment rental costs of \$140,000 from last year's actual of \$200,000, due to the purchase of equipment that had been rented in previous years.
- a decrease in budgeted consulting fees of \$160,000 from last year's actual of \$220,000. Last year had the one-time costs for two special projects.
- a decrease in budgeted donations of \$705,000 from last year's actual of \$740,000. Last year included the grant provided to a local business for purposes of economic development (\$695,000).
- an increase in budgeted debt service of \$240,000 from last year's actual (104%).
- a decrease in budgeted capital expenditures of \$2.1 million from last year's actual of \$2.5 million.

If these estimates are realized, the City's budgetary general fund balance will be increased by \$72,000 by the end of the 2008 fiscal year.

Business-type activities budgeted revenues increase in the 2008 budget to \$9.4 million from last year's actual of \$8.8 million, an increase of \$0.6 million (7%). The principal factors that affect the increase in budgeted revenues are:

- an increase in budgeted utility revenue of \$1.0 million over last year's actual (16%). Continued growth in the customer base and an increase in rates for each of the utilities give reason to anticipate an increase in utility revenues.
- a decrease in budgeted grant receipts and developer contributions of \$0.35 million over last year's actual (63%), principally in the Sewer Fund.

Business-type activities budgeted expenditures increase in the 2008 budget to \$9.1 million from last year's actual of \$8.4 million, an increase of \$0.7 million (8%). The principal factors that affect the increase in budgeted expenditures are:

- an increase in overall budgeted personnel costs (salaries, taxes, retirement, insurance, etc.) of \$200,000 over last year's actual (8%). This amount is principally due to the normal increase in cost of living, cost of insurance, promotions, etc. The remainder of the increase is due to the budgeting for an additional 1.5 positions for 2008 (\$75,000).
- an increase in budgeted natural gas purchases of \$90,000 from last year's actual of \$1.8 million, principally due to the projected increase in the volume of natural gas used.
- an increase in budgeted interest expense of \$400,000 from last year's actual of \$1.1 million, due to the added bond issues from the Water Works Board and the Sewer Fund.

If these estimates are realized, the City's budgetary business-type activities fund balances will be increased by \$300,000 by the end of the 2008 fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors 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 financial information, contact the Finance Director at City of Calera, 10947 Hwy 25, Calera, Alabama 35040.

CITY OF CALERA, ALABAMA
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
YEAR ENDED SEPTEMBER 30, 2007

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and short term investments	\$ 66,438	\$ 1,780,827	\$ 1,847,265
Accounts receivable (net of allowances for uncollectible accounts)	990,837	876,906	1,867,743
Interest receivable	0	39,364	39,364
Inventory	0	358,941	358,941
Accrued sales tax	0	11,609	11,609
Restricted assets:			
Cash	771,834	551,732	1,323,566
Investments	371,859	11,910,670	12,282,529
Interest receivable	569	0	569
Capital assets:			
Depreciable, net of accumulated depreciation	14,536,359	30,572,920	45,109,279
Non-depreciable	16,734,534	578,756	17,313,290
Bond issuance costs - net	200,584	812,659	1,013,243
TOTAL ASSETS	<u>33,673,014</u>	<u>47,494,384</u>	<u>81,167,398</u>
LIABILITIES			
Accounts payable	672,864	1,317,619	1,990,483
Accrued payroll	165,000	51,200	216,200
Current portion of accrued compensated absences	568,240	68,493	636,733
Current maturities of long-term debt and capital leases	742,414	194,155	936,569
Accrued compensated absences	182,560	34,007	216,567
Payable from restricted assets:			
Customer meter deposits	0	101,621	101,621
Developer deposits	501,040	0	501,040
Cash bond deposits	55,075	0	55,075
Current maturities of revenue bonds	0	378,000	378,000
Accrued interest payable	101,796	340,735	442,531
Long-term debt and capital leases	8,999,748	27,627,138	36,626,886
Original issue discount	(51,759)	(168,482)	(220,241)
TOTAL LIABILITIES	<u>11,936,978</u>	<u>29,944,486</u>	<u>41,881,464</u>
NET ASSETS			
Invested in capital assets, net of related debt	21,995,596	13,771,439	35,767,035
Restricted	241,290	1,290,468	1,531,758
Unrestricted	(500,850)	2,487,991	1,987,141
TOTAL NET ASSETS	<u>\$ 21,736,036</u>	<u>\$ 17,549,898</u>	<u>\$ 39,285,934</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CALERA, ALABAMA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2007

Program Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government administration	\$ 1,116,122	\$ 82,962	\$ 37,665	\$ 174,461
Donations	739,250	0	0	0
Building maintenance	357,335	0	0	0
Street	1,414,295	0	0	0
Mechanic	168,397	29,085	0	0
Inspections	577,165	289,606	0	0
Planning and zoning	122,307	1,790	0	0
Engineering	432,998	0	0	0
Police	2,483,009	4,553	28,680	0
Fire and rescue	2,387,498	30,672	4,565	92,682
Library	388,564	14,198	13,228	5,526
Garbage	429,892	543,847	0	0
Parks and recreation	793,439	0	5,100	36,650
Municipal court	208,133	420,315	0	0
Salem Cemetery	8,407	9,670	0	30,736
Investment fees	1,160	0	0	0
Amortization of bond fees	93,177	0	0	0
Amortization of bond OID	6,424	0	0	0
Interest on long term debt	360,339	0	0	0
Total governmental activities	12,087,911	1,426,698	89,238	340,055
Business-type activities:				
Natural gas system	2,893,336	2,808,060	0	5,387
Water works board	2,744,597	3,079,524	0	15,236
Sewer system	2,760,501	2,354,827	0	522,140
Total business-type activities	8,398,434	8,242,411	0	542,763
Total primary government	\$ 20,486,345	\$ 9,669,109	\$ 89,238	\$ 882,818

General revenues:

Taxes:

Ad Valorem (real and personal property)

Sales and use

Other taxes

Business licenses

Investment earnings

Gain on sale of capital assets

Miscellaneous revenues

Net transfers

Total general revenues

Change in net assets

Net assets at beginning of year, as restated

Net assets at end of year

The accompanying notes to financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (821,034)	\$ 0	\$ (821,034)
(739,250)	0	(739,250)
(357,335)	0	(357,335)
(1,414,295)	0	(1,414,295)
(139,312)	0	(139,312)
(287,559)	0	(287,559)
(120,517)	0	(120,517)
(432,998)	0	(432,998)
(2,449,776)	0	(2,449,776)
(2,259,579)	0	(2,259,579)
(355,612)	0	(355,612)
113,955	0	113,955
(751,689)	0	(751,689)
212,182	0	212,182
31,999	0	31,999
(1,160)	0	(1,160)
(93,177)	0	(93,177)
(6,424)	0	(6,424)
(360,339)	0	(360,339)
<u>(10,231,920)</u>	<u>0</u>	<u>(10,231,920)</u>
0	(79,889)	(79,889)
0	350,163	350,163
0	116,466	116,466
<u>0</u>	<u>386,740</u>	<u>386,740</u>
<u>(10,231,920)</u>	<u>386,740</u>	<u>(9,845,180)</u>
1,020,174	0	1,020,174
6,515,286	0	6,515,286
186,684	0	186,684
1,138,717	0	1,138,717
31,847	629,316	661,163
51,565	0	51,565
37,941	0	37,941
211,095	(211,095)	0
<u>9,193,309</u>	<u>418,221</u>	<u>9,611,530</u>
(1,038,611)	804,961	(233,650)
22,774,647	16,744,937	39,519,584
<u>\$ 21,736,036</u>	<u>\$ 17,549,898</u>	<u>\$ 39,285,934</u>

**CITY OF CALERA, ALABAMA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2007**

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and short term investments	\$ 66,438	\$ 0	\$ 66,438
Accounts receivable (net of allowances for uncollectible accounts):			
Trade accounts	102,929	0	102,929
Taxes	658,616	0	658,616
Fines and court costs	222,051	0	222,051
Intergovernmental	7,241	0	7,241
Restricted assets:			
Cash	743,473	28,361	771,834
Investments	139,949	231,910	371,859
Interest receivable	0	569	569
 TOTAL ASSETS	 \$ 1,940,697	 \$ 260,840	 \$ 2,201,537
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 672,864	\$ 0	\$ 672,864
Accrued payroll	165,000	0	165,000
Payable from restricted assets:			
Cash bond deposits	55,075	0	55,075
Developer deposits	501,040	0	501,040
Accrued interest payable	0	101,796	101,796
Total liabilities	1,393,979	101,796	1,495,775
 Fund balances:			
Reserved for:			
Legal restrictions	82,246	28,361	110,607
Debt service	0	130,683	130,683
Unreserved	464,472	0	464,472
Total fund balances	546,718	159,044	705,762
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 1,940,697	 \$ 260,840	 \$ 2,201,537

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CALERA, ALABAMA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2007

Fund balance - total governmental funds \$ 705,762

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.

Governmental capital assets	\$ 38,378,435	
Less accumulated depreciation	<u>(7,107,542)</u>	
		31,270,893

Deferred items related to debt issuance used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.

252,343

Long-term liabilities are not due and payable in the current period and therefore, they are not reported in the governmental funds balance sheet.

Governmental bonds, warrants, and notes payable	(9,742,162)	
Accrued compensated absences	<u>(750,800)</u>	<u>(10,492,962)</u>

Net assets of governmental activities **\$ 21,736,036**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Taxes	\$ 7,703,504	\$ 18,641	\$ 7,722,145
Licenses	1,430,115	0	1,430,115
Fines	420,315	0	420,315
Intergovernmental	386,874	0	386,874
Charges for services	150,438	0	150,438
Service receipts	543,847	0	543,847
Interest income	18,464	13,383	31,847
Miscellaneous income	152,621	0	152,621
Total revenues	<u>10,806,178</u>	<u>32,024</u>	<u>10,838,202</u>
Expenditures			
Current:			
Administration	971,796	0	971,796
Street	1,044,017	0	1,044,017
Mechanic	155,848	0	155,848
Planning and zoning	115,297	0	115,297
Engineering	406,479	0	406,479
Inspections	480,322	0	480,322
Building maintenance	344,304	0	344,304
Police	2,348,497	0	2,348,497
Fire and rescue	2,152,416	0	2,152,416
Library	300,459	0	300,459
Parks and recreation	731,796	0	731,796
Donations	739,250	0	739,250
Garbage	378,738	0	378,738
Municipal court	206,869	0	206,869
Salem Cemetery	8,407	0	8,407
Debt service:			
Principal	318,793	215,000	533,793
Interest	84,063	276,276	360,339
Investment fees	0	1,160	1,160
Capital outlay	2,515,988	65,034	2,581,022
Total expenditures	<u>13,303,339</u>	<u>557,470</u>	<u>13,860,809</u>
Excess of revenues over (under) expenditures	<u>(2,497,161)</u>	<u>(525,446)</u>	<u>(3,022,607)</u>

(continued on the following page)

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CALERA, ALABAMA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Other financing sources (uses)			
Proceeds from debt issuance	\$ 2,374,358	\$ 0	\$ 2,374,358
Transfers from General Fund	0	528,599	528,599
Transfers from Capital Projects	0	131	131
Transfers from Natural Gas System	26,257	0	26,257
Transfers from Sewer System	409,919	0	409,919
Transfers from Water Fund	9,919	0	9,919
Transfers from Special Revenue Fund	33,060	0	33,060
Transfers to Capital Projects Fund	(24,996)	0	(24,996)
Transfers to Gas Fund	(235,000)	0	(235,000)
Transfers to General Fund	0	(33,060)	(33,060)
Transfers to Debt Service Fund	(503,603)	(131)	(503,734)
Total other financing sources (uses)	<u>2,089,914</u>	<u>495,539</u>	<u>2,585,453</u>
Excess of revenues and other financing sources (under) expenditures and other financing uses	(407,247)	(29,907)	(437,154)
Beginning fund balances, as restated	<u>953,965</u>	<u>188,951</u>	<u>1,142,916</u>
FUND BALANCES, ENDING	<u>\$ 546,718</u>	<u>\$ 159,044</u>	<u>\$ 705,762</u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CALERA, ALABAMA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2007

Net change in fund balances - total governmental funds	\$ (437,154)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
Expenditures for capital assets	\$ 2,581,022
Less current year depreciation	<u>(1,132,613)</u>
	1,448,409
Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
	(99,601)
The issuance of long-term debt provides current financial resources to governmental funds, but the issuance of this debt increases long-term liabilities in the government-wide statement of net assets.	
	(2,374,358)
Repayment of bond principal and other long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal payments	533,793
Some expenses reported in the government-wide statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Change in long- term compensated absences	<u>(109,700)</u>
Change in net assets of governmental activities	\$ <u><u>(1,038,611)</u></u>

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CALERA, ALABAMA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2007

	Business Type Activities - Enterprise Funds			
	Natural Gas System	Water Works Board	Sewer System	Total
ASSETS				
Current assets				
Cash and short term investments	\$ 5,823	\$ 1,439,038	\$ 335,966	\$ 1,780,827
Accounts receivable (net of allowances for uncollectible accounts)	255,380	466,553	154,973	876,906
Accrued sales tax	6,637	4,972	0	11,609
Interest receivable	0	31,564	7,800	39,364
Inventory	83,359	266,312	9,270	358,941
Total current assets	351,199	2,208,439	508,009	3,067,647
Non-current assets				
Restricted assets				
Cash	47,966	53,655	450,111	551,732
Investments	0	8,919,526	2,991,144	11,910,670
Total restricted assets	47,966	8,973,181	3,441,255	12,462,402
Property and equipment, at cost				
Property and equipment	4,078,862	13,196,849	21,478,226	38,753,937
Less accumulated depreciation	(1,239,175)	(2,864,554)	(3,498,532)	(7,602,261)
Net property and equipment	2,839,687	10,332,295	17,979,694	31,151,676
Deferred charges				
Deferred amortization	0	280,594	0	280,594
Bond issuance costs	0	382,623	195,778	578,401
Less accumulated amortization	0	(37,813)	(8,523)	(46,336)
Net deferred charges	0	625,404	187,255	812,659
Total non-current assets	2,887,653	19,930,880	21,608,204	44,426,737
TOTAL ASSETS	3,238,852	22,139,319	22,116,213	47,494,384

The accompanying notes to financial statements are an integral part of this statement.

	Business Type Activities - Enterprise Funds			
	Natural Gas System	Water Works Board	Sewer System	Total
LIABILITIES				
Current liabilities				
Accounts payable	\$ 146,894	\$ 1,033,641	\$ 137,084	\$ 1,317,619
Accrued payroll	13,600	18,800	18,800	51,200
Accrued compensated absences	14,221	25,652	28,620	68,493
Current maturities of long-term debt and capital leases	120,000	34,155	40,000	194,155
	<u>294,715</u>	<u>1,112,248</u>	<u>224,504</u>	<u>1,631,467</u>
Other current liabilities (payable from restricted assets)				
Current maturities of revenue bonds	0	265,000	113,000	378,000
Accrued interest - payable	0	103,956	236,779	340,735
Customer meter deposits	47,966	53,655	0	101,621
Total current liabilities	<u>342,681</u>	<u>1,534,859</u>	<u>574,283</u>	<u>2,451,823</u>
Non-current liabilities				
Accrued compensated absences	8,779	14,248	10,980	34,007
Notes payable	178,996	479,109	42,033	700,138
Revenue bonds payable	0	15,050,000	11,877,000	26,927,000
Original issue discount	0	(115,090)	(53,392)	(168,482)
Total non-current liabilities	<u>187,775</u>	<u>15,428,267</u>	<u>11,876,621</u>	<u>27,492,663</u>
TOTAL LIABILITIES	<u>530,456</u>	<u>16,963,126</u>	<u>12,450,904</u>	<u>29,944,486</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,839,687	2,073,862	8,857,890	13,771,439
Restricted for debt service	0	1,095,830	194,638	1,290,468
Unrestricted	(131,291)	2,006,501	612,781	2,487,991
TOTAL NET ASSETS	<u>\$ 2,708,396</u>	<u>\$ 5,176,193</u>	<u>\$ 9,665,309</u>	<u>\$ 17,549,898</u>

CITY OF CALERA, ALABAMA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Business Type Activities - Enterprise Funds			
	Natural Gas System	Water Works Board	Sewer System	Total
Operating revenues				
Utility receipts	\$ 2,784,709	\$ 2,300,207	\$ 978,197	\$ 6,063,113
Fees	19,945	721,585	1,376,000	2,117,530
Charges for services	0	50,524	0	50,524
Grant proceeds	0	0	277,752	277,752
Other revenue sources	8,793	22,444	245,018	276,255
Total operating revenues	<u>2,813,447</u>	<u>3,094,760</u>	<u>2,876,967</u>	<u>8,785,174</u>
Operating expenses				
Personnel services	695,846	873,584	790,530	2,359,960
Supplies	1,872,765	151,578	284,662	2,309,005
Repairs and maintenance	47,869	329,982	134,812	512,663
Amortization of bond issuance costs	0	13,632	6,153	19,785
Depreciation	109,261	354,543	512,704	976,508
Total operating expenses	<u>2,725,741</u>	<u>1,723,319</u>	<u>1,728,861</u>	<u>6,177,921</u>
Administrative expenses				
Administrative	95,631	239,860	433,728	769,219
Outside services	68,424	119,529	126,199	314,152
Total administrative expenses	<u>164,055</u>	<u>359,389</u>	<u>559,927</u>	<u>1,083,371</u>
Total operating and administrative expenses	<u>2,889,796</u>	<u>2,082,708</u>	<u>2,288,788</u>	<u>7,261,292</u>
Operating income	<u>(76,349)</u>	<u>1,012,052</u>	<u>588,179</u>	<u>1,523,882</u>
Non-operating revenue (expenses)				
Interest income	0	473,510	155,806	629,316
Interest expense on long-term debt	(3,540)	(661,889)	(471,713)	(1,137,142)
Net non-operating revenue (expenses)	<u>(3,540)</u>	<u>(188,379)</u>	<u>(315,907)</u>	<u>(507,826)</u>
Income before operating transfers	<u>(79,889)</u>	<u>823,673</u>	<u>272,272</u>	<u>1,016,056</u>

(continued on the following page)

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CALERA, ALABAMA
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Business Type Activities - Enterprise Funds</u>			
	<u>Natural Gas System</u>	<u>Water Works Board</u>	<u>Sewer System</u>	<u>Total</u>
Operating transfers				
Transfers from General Fund	\$ 235,000	\$ 0	\$ 0	\$ 235,000
Transfers to Other Funds	0	0	(409,919)	(409,919)
Transfers to General Fund	(26,257)	(9,919)	0	(36,176)
Net operating transfers	<u>208,743</u>	<u>(9,919)</u>	<u>(409,919)</u>	<u>(211,095)</u>
Change in net assets	128,854	813,754	(137,647)	804,961
Net assets, beginning, as restated	<u>2,579,542</u>	<u>4,362,439</u>	<u>9,802,956</u>	<u>16,744,937</u>
NET ASSETS, ENDING	<u>\$ 2,708,396</u>	<u>\$ 5,176,193</u>	<u>\$ 9,665,309</u>	<u>\$ 17,549,898</u>

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF CALERA, ALABAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Business Type Activities - Enterprise Funds			
	Natural Gas System	Water Works Board	Sewer System	Total
Cash flows from operating activities				
Cash received from customers	\$ 2,784,798	\$ 3,012,962	\$ 2,612,832	\$ 8,410,592
Grant receipts	0	0	277,752	277,752
Cash paid to suppliers	(2,482,504)	(898,815)	(1,266,431)	(4,647,750)
Cash paid to employees	(695,846)	(873,584)	(790,530)	(2,359,960)
Net cash flows provided by (used in) operating activities	<u>(393,552)</u>	<u>1,240,563</u>	<u>833,623</u>	<u>1,680,634</u>
Cash flows from noncapital financing activities				
Transfers in	235,000	0	0	235,000
Transfers out	(26,257)	(9,919)	(409,919)	(446,095)
Net cash flows provided by (used in) noncapital financing activities	<u>208,743</u>	<u>(9,919)</u>	<u>(409,919)</u>	<u>(211,095)</u>
Cash flows from capital and related financing activities				
Payment of principal	(20,000)	(341,933)	(34,007)	(395,940)
Payment of interest	(3,541)	(615,635)	(395,809)	(1,014,985)
Proceeds from the issuance of debt	318,996	0	4,190,000	4,508,996
Amortization of defeased bonds	0	(56,118)	0	(56,118)
Bond issuance costs	0	0	(173,174)	(173,174)
Purchase of capital assets	(118,026)	(1,547,601)	(1,451,069)	(3,116,696)
Net cash flows provided by (used in) capital and related financing activities	<u>177,429</u>	<u>(2,561,287)</u>	<u>2,135,941</u>	<u>(247,917)</u>
Cash flows from investing activities				
(Increase) decrease in interest receivable	0	(23,838)	(7,400)	(31,238)
(Increase) decrease in restricted assets	(7,545)	679,075	(2,981,865)	(2,310,335)
Increase (decrease) in customer meter deposits	7,545	9,830	0	17,375
Receipt of interest	0	473,510	155,806	629,316
Net cash flows provided by (used in) investing activities	<u>0</u>	<u>1,138,577</u>	<u>(2,833,459)</u>	<u>(1,694,882)</u>

(continued on the following page)

The accompanying notes to financial statements are an integral part of this statement.

**CITY OF CALERA, ALABAMA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Business Type Activities - Enterprise Funds			
	Natural	Water	Sewer	Total
	Gas System	Works Board	System	
Net increase (decrease) in cash	\$ (7,380)	\$ (192,066)	\$ (273,814)	\$ (473,260)
Cash - beginning of year	13,203	1,631,104	609,780	2,254,087
Cash - end of year	\$ 5,823	\$ 1,439,038	\$ 335,966	\$ 1,780,827
 Reconciliation of Operating Income to				
Net Cash Flows				
Operating Activities				
Operating income	\$ (76,349)	\$ 1,012,052	\$ 588,179	\$ 1,523,882
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	109,261	354,543	512,704	976,508
Amortization expense	0	13,632	6,153	19,785
(Increase) decrease in current assets:				
Accounts receivable	(28,649)	(81,798)	13,617	(96,830)
Inventory	6,990	(38,103)	(3,828)	(34,941)
Increase (decrease) in current liabilities:				
Accounts payable	(387,613)	(12,538)	(292,402)	(692,553)
Accrued payroll taxes	(6,637)	(4,972)	0	(11,609)
Accrued expenses	(10,555)	(2,253)	9,200	(3,608)
Net cash flows provided by operating activities	\$ (393,552)	\$ 1,240,563	\$ 833,623	\$ 1,680,634

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The City of Calera, Alabama (the City) was incorporated in 1877. The City operates under a Mayor-Council 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 in districts 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 terms of the current administration are scheduled to expire November 2, 2008.

The City complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

A. Reporting entity

The accompanying financial statements are those of the City's primary government. There are no component units that are required to be presented in the financial statements.

B. Government-wide financial statements

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include funds of the reporting entity except for fiduciary funds and component units that are fiduciary in nature (the City had no fiduciary-type activity).

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

C. Fund financial statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary (the City has no fiduciary funds). An emphasis is placed on major funds within the governmental categories. A fund is considered major if it is the primary operating fund of the City, is considered by the City to be of particular importance to financial statement users or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The funds of the financial reporting entity are described below:

Governmental funds

- 1. **General Fund** - The General Fund is the principal operating fund of the City and is always classified as a major fund. It 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 financial resources to be used for payment of principal, interest and other expenditures related to long-term debt, other than bonds and loans payable from Proprietary Fund operations.
- 4. **Capital Projects Funds** - 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.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

C. Fund financial statements (continued)

Governmental funds (continued)

5. **Major and nonmajor funds** - The General Fund is classified as the major fund and is described above.

The Special Revenue Fund, Capital Projects Fund, and Debt Service Fund are classified as nonmajor and are described above. These funds are shown as "Other Governmental Funds" in the fund financial statements.

Proprietary funds

Enterprise funds - Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises - where the stated intent is that the cost (expenses, including depreciation) of providing gas, water and sewer services to the general public on a continuing basis be financed primarily through user charges.

D. Measurement focus and basis of accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement focus

On the Government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

1. **Summary of significant accounting policies (continued)**

D. Measurement focus and basis of accounting (continued)

Measurement focus (continued)

Proprietary funds use the "economic resources" measurement focus. The accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet.

Basis of accounting

In the Government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic assets used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

E. Budgets and budgetary accounting

The City adopts annual budgets for the General Fund and the three Enterprise Funds. These budgets are prepared on a basis consistent with generally accepted accounting principles. Any revisions that alter the total expenditures/expenses must be approved by the City Council. All annual appropriations lapse at fiscal year-end.

The City does not adopt budgets for the Debt Service Fund, the Special Revenue Funds or the Capital Projects Fund.

F. Receivables

In the Government-wide statements, receivables consist of all revenues earned at year-end but not yet received. Allowances for uncollectible accounts receivable are based on historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities included sales and use taxes and ad valorem taxes.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

F. Receivables (continued)

In the fund financial statements, material receivables in governmental funds include the receivables mentioned in the preceding paragraph and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

G. Equity classifications

Government-wide statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved.

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.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

1. **Summary of significant accounting policies (continued)**

H. Long-term debt

The accounting treatment for long-term debt depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

I. Expenditures/expenses

In the government-wide financial statements, expenses are classified by function for the governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

Current (further classified by function)
Debt Service
Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

J. Fixed assets

The accounting treatment for property, plant, and equipment (fixed assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide statements

In the government-wide financial statements, fixed assets with initial individual costs of more than \$3,000 and an estimated useful life in excess of one year are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical costs if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Historical cost was used to value the majority of the assets.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

J. Fixed assets (continued)

Government-wide statements (continued)

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	30-40 years
System Improvements	25-50 years
Machinery & Equipment	5-7 years
Infrastructure	25-50 years

Fund financial statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital expenditures of the governmental function upon acquisition.

Enterprise funds - Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method, with one-half year's depreciation in the year of acquisition. Estimated useful lives are 25-50 years for all system additions and extensions, 5 years for vehicles and 5-7 years for all other equipment.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

K. 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.

L. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbered appropriations lapse at year-end, but the city intends to honor them by obtaining new appropriations for them in the new year. Any encumbrances outstanding at year-end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

M. Inventory

Inventory items are valued at cost which approximates market. The cost of inventory is recorded as expenditures when consumed rather than when purchased.

N. Compensated absences

Full-time, permanent employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with the City. Employees who are required to work on an observed holiday are granted a work day of leave. Sick leave accrues to full-time, permanent employees to specified maximums. Upon termination, employees are entitled to accrued vacation leave. Accrued sick leave is cancelled at separation but may be paid to a retiring employee.

The Government-wide Statement of Net Assets includes a current liability for compensated absences in the amount of \$568,240 and a non-current liability for compensated absences in the amount of \$182,560. The City paid (before year end) all vested compensated absences to employees who retired or otherwise ended their employment with the City prior to September 30, 2007.

O. 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 10).

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

P. Interfund 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.

Q. Property taxes

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied on October 1 and are due and payable on or before December 31 of the same year. All unpaid taxes become delinquent January 1 of the following year. The County Tax Assessor bills and collects the taxes for Shelby County and remits the taxes to each city. City property tax revenues are recognized when measurable and available.

R. Statement of cash flows

For the purposes of the Statement of Cash Flows, highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

S. Management estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent liabilities and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. **Cash and short-term investments**

At September 30, 2007, all of the bank balance of the City's deposits and certificates of deposit were 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, 2007, all the City's depositories are participating in the SAFE program.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

2. Cash and short-term investments (continued)

The City invests in various Federal, State, and local obligations either directly or indirectly through mutual funds. Investments are stated at market values, and all investment activities are conducted through the depository bank, except for the management of the U.S. Treasury bonds.

As of September 30, 2007, the City had the following investments classified in restricted assets:

Investments	Maturities	Fair Value	S & P Rating	Moody's Rating
US Treasury Bond	2/15/2023-8/15/2023	\$ 139,949	n/a	n/a
First American US Treasury Mmkt	n/a	7,972,094	AAAm	Aaa
Dreyfus Treasury PR Cash Mgmt "B"	n/a	3,164,477	AAAm	Aaa
Federated US Treasury Cash Reserves	n/a	1,006,009	AAAm	Aaa
Total Investments		<u>\$ 12,282,529</u>		

Interest rate risk

The City has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

The City has an investment policy that minimizes custodial credit risk by limiting the types of investments the City may invest in.

Concentration of credit risk

The City places no limit on the amount they may invest in any one issuer. Concentrations of more than 5 percent of the City's investments are as follows: Federated US Treasury Cash Reserves 7%, Dreyfus Treasury PR Cash Management "B" 20% and First American US Treasury Money Market 52%.

3. Inventory

Inventory is valued at cost, which approximates market. Cost is determined using first-in, first-out (FIFO) method. The cost of inventories is recorded as expenditure/expenses when consumed rather than when purchased and consists of the following:

Natural Gas System	Water Works Board	Sewer System
\$ 83,359	\$ 266,312	\$ 9,270

NOTES TO FINANCIAL STATEMENTS

4. Restricted assets

The authorizations of the Water Revenue Bonds (described in Note 7) require the establishment of several distinct fund accounts to account for activities relative to the bonds. These funds are reflected on the face of the balance sheet and classified as Restricted Assets. The Board is required to make monthly payments into one of the fund accounts in amounts such that the semi-annual requirements for the payment of principal and interest on the bonds are met. The authorizations generally require that the proceeds from the sale of revenue bonds be expended for specific capital improvements to the Water Works System. These proceeds are deposited into a fund account maintained as "Revenue Bond Construction Fund" until such time as needed to fund the specific Water Works System construction program. Certain accounts in the General Fund are set aside for specific restricted purposes. The more significant of these relate to the Salem Cemetery and Municipal court. In addition certain accounts in the Sewer Fund are set aside for debt service and construction.

Restricted assets at September 30, 2007 are composed of the following short term investments consisting of cash equivalents and U.S. Treasury investments:

General Fund

Salem Cemetery Treasury Bills	\$	139,949
Salem Cemetery CD		93,599
Police Seizure Account		1,009
Cemetery CD		10,000
Calera Memorial Parks and Recreation		100
Municipal Court Corrections		82,649
Municipal Court Cash Bond		55,075
Developer Bonds		501,041
Total restricted assets	\$	<u><u>883,422</u></u>

Debt Service Fund

Debt Service Investments	\$	<u><u>232,479</u></u>
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Other Governmental Funds

4 and 5 Cents Gas Tax Fund	\$	<u><u>28,361</u></u>
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<u>Enterprise Funds</u>	Natural Gas System	Water Works Board	Sewer System
1998, 2000, 2005 Bond Fund	\$ 0	\$ 235,868	\$ 0
1998 Bond Reserve Fund	0	198,355	0
2000 Bond Construction	0	146	0
2000 Bond Reserve	0	158,835	0
2005 Bond Reserve	0	180,795	0
2005 Bond Construction	0	173,433	0
2006 Bond Fund	0	266,169	0
2006 Bond Construction	0	7,281,161	0
2006 Bond Reserve	0	424,764	0
2005-A Bond Escrow Fund	0	0	201,139
2005-B Bond Escrow Fund	0	0	159,092
2006 Warrant Principle and Interest Fund	0	0	94,306
2006 Project Fund	0	0	2,896,836
2005-A Reserve Fund	0	0	20,048
2005-A Replacement Fund	0	0	24,893
2005-B Reserve Fund	0	0	24,893
2005-B Replacement Fund	0	0	20,048
Utility Meter Deposits	47,966	53,655	0
Total restricted assets	\$ <u><u>47,966</u></u>	\$ <u><u>8,973,181</u></u>	\$ <u><u>3,441,255</u></u>

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

5. Capital assets

Following is a summary of the changes in the City's capital assets for the year ended September 30, 2007:

	<u>Balance at</u> <u>9/30/06</u>	<u>Additions</u>	<u>Disposals/ Retirements/ Transfers</u>	<u>Balance at</u> <u>9/30/07</u>
Capital assets, not being depreciated:				
Land	\$ 14,766,540	\$ 739,617	\$ 0	\$ 15,506,157
Construction in progress	<u>3,403,370</u>	<u>755,815</u>	<u>(2,930,808)</u>	<u>1,228,377</u>
Total capital assets, not being depreciated	<u>18,169,910</u>	<u>1,495,432</u>	<u>(2,930,808)</u>	<u>16,734,534</u>
Capital assets, being depreciated:				
Buildings	3,457,697	0	2,572,751	6,030,448
Streets / Infrastructure	8,933,026	13,551	207,910	9,154,487
Vehicles	2,650,230	736,273	(25,459)	3,361,044
Equipment	<u>2,675,639</u>	<u>335,766</u>	<u>86,517</u>	<u>3,097,922</u>
Total capital assets being depreciated	<u>17,716,592</u>	<u>1,085,590</u>	<u>2,841,719</u>	<u>21,643,901</u>
Less accumulated depreciation for:				
Buildings	963,756	141,232	0	1,104,988
Streets /Infrastructure	2,106,220	239,293	0	2,345,513
Vehicles	1,570,749	335,954	(25,459)	1,881,244
Equipment	<u>1,423,293</u>	<u>416,134</u>	<u>(63,630)</u>	<u>1,775,797</u>
Total accumulated depreciation	<u>6,064,018</u>	<u>1,132,613</u>	<u>(89,089)</u>	<u>7,107,542</u>
Total capital assets, being depreciated, net	<u>11,652,574</u>	<u>(47,023)</u>	<u>2,930,808</u>	<u>14,536,359</u>
Governmental activities capital assets, net	<u>\$ 29,822,484</u>	<u>\$ 1,448,409</u>	<u>\$ 0</u>	<u>\$ 31,270,893</u>

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

5. Capital assets (continued)

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:

General government administration	\$ 140,119
Street	345,179
Garbage	50,555
Mechanic	9,849
Engineering	18,719
Planning and zoning	4,810
Inspection	91,844
Maintenance	9,432
Police	119,912
Fire and rescue	194,982
Library	84,805
Parks and recreation	60,643
Municipal court	<u>1,764</u>
Total depreciation expense	\$ <u>1,132,613</u>

Proprietary Funds Fixed Assets - Property and equipment reported in the City's various proprietary funds are:

	Natural Gas System	Water Works Board	Sewer System	Total
Land	\$ 78,403	\$ 136,903	\$ 363,450	\$ 578,756
Plant and distribution system	3,436,884	9,695,791	19,522,278	32,654,953
Buildings	103,592	53,436	0	157,028
Vehicles	136,334	272,534	193,372	602,240
Machinery and equipment	323,649	1,053,940	352,491	1,730,080
Construction in progress	0	1,984,245	1,046,635	3,030,880
Less accumulated depreciation	<u>(1,239,175)</u>	<u>(2,864,554)</u>	<u>(3,498,532)</u>	<u>(7,602,261)</u>
Net property and equipment	\$ <u>2,839,687</u>	\$ <u>10,332,295</u>	\$ <u>17,979,694</u>	\$ <u>31,151,676</u>

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

6. Capital leases

The City has executed leases for certain equipment. Due to the terms of the leases, the transactions have been accounted for as capitalized leases.

Future minimum lease payments on the capital leases are as follows:

Year ended September 30, 2008	\$ 199,117
Year ended September 30, 2009	209,615
Year ended September 30, 2010	50,732
Year ended September 30, 2011	25,374
Year ended September 30, 2012	<u>17,905</u>
Total minimum lease payment	502,743
Less amount representing interest (at rates ranging from 3.19% to 7.9%)	<u>35,878</u>
Present value of net minimum lease payments	466,865
Less current portion	<u>179,612</u>
Total noncurrent portion	\$ <u>287,253</u>

7. 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. The Series 1999 and 2002 warrants are also secured by a second lien on a portion of the proceeds of sales taxes of the City. These warrants generally are issued as serial warrants with increasing amounts of principal maturing and decreasing amounts of interest payable each year.

The City has also borrowed funds from local banks for the purchase of vehicles and other equipment.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

7. Long-term debt (continued)

General obligation warrants currently outstanding are as follows:

\$5,935,000 General Obligation Warrants, Series 2004, issued December 1, 2004, due in annual principal installments ranging from \$60,000 to \$515,000 through December 2024; interest rates from 2.00% to 4.25%, payable semiannually	\$ 5,820,000
\$1,760,000 General Obligation Warrants, Series 2002, issued December 1, 2002, due in annual principal installments ranging from \$130,000 to \$215,000 through December 2012; interest rates from 1.65% to 3.95%, payable semiannually	845,000
\$1,565,000 General Obligation Warrants, Series 2007, issued February 22, 2007 due in annual principal installments ranging from \$70,000 to \$135,000 through 2022 ; interest rate at 3.81%, payable semiannually	<u>1,530,000</u>
General Obligation Warrants payable at September 30, 2007	\$ <u>8,195,000</u>
\$695,000 Limited Obligation Warrants, Series 2007, issued September 13, 2007 due in annual principal installments ranging from \$62,725 to \$81,500 through 2017	\$ <u>695,000</u>
Limited Obligation Warrants payable at September 30, 2007	\$ <u>695,000</u>

Notes payable are as follows:

\$170,000 Note payable secured by land; interest rate of 3.962% payable in monthly installments of \$3,130 through April 2009	\$ 57,801
\$400,000 Note payable secured by land; interest rate of 3.868% payable in monthly installments of \$7,340 through November 2009	183,295
\$172, 000 Note payable secured by radio read equipment; interest rate of 4.955% payable in monthly installments of \$1,361 through April 2019	<u>144,201</u>
Notes payable at September 30, 2007	\$ <u>385,297</u>

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

7. Long-term debt (continued)

Enterprise Funds:

The City's Natural Gas System, Water Works and Sewer System have financed plant additions and equipment purchases through the issuance of long-term debt. Water Revenue Bonds are secured by the net revenue of the Water Works that is remaining after payment of reasonable and necessary expenses of maintaining and operating the water system.

Long-term debts of the Enterprise Funds currently outstanding are as follows:

	Natural Gas System	Water Works Board	Sewer System	Total
\$2,725,000 Series 1998 Water Revenue Bonds due in annual installments of \$90,000 to \$185,000 through February 1, 2023, interest rate is variable from 4.00% to 5.45%	\$ 0	\$ 2,085,000	\$ 0	\$ 2,085,000
Less unamortized original issue discount	<u>0</u>	<u>(7,505)</u>	<u>0</u>	<u>(7,505)</u>
1998 Water Revenue Bonds payable	<u>0</u>	<u>2,077,495</u>	<u>0</u>	<u>2,077,495</u>
\$3,685,000 Series 2005 Water Revenue Bonds due in annual installments of \$25,000 to \$515,000 through January 1, 2026, interest rate is fixed at 4.125%	0	3,640,000	0	3,640,000
Less unamortized original issue discount	<u>0</u>	<u>(35,410)</u>	<u>0</u>	<u>(35,410)</u>
2005 Water Revenue Bonds payable	<u>0</u>	<u>3,604,590</u>	<u>0</u>	<u>3,604,590</u>
\$4,580,000 Series 2000 Water Revenue Bonds due in annual installments of \$110,000 to \$150,000 through February 1, 2014, interest rate is variable from 5.00% to 5.50%	0	915,000	0	915,000
Less unamortized original issue discount	<u>0</u>	<u>(2,172)</u>	<u>0</u>	<u>(2,172)</u>
2000 Water Revenue Bonds payable	<u>0</u>	<u>912,828</u>	<u>0</u>	<u>912,828</u>
\$8,770,000 Series 2006 Water Revenue Bonds due in annual installments of \$40,000 to \$905,000 through February 1, 2036, interest rate is variable from 3.50% to 4.30%	0	8,675,000	0	8,675,000
Less unamortized original issue discount	<u>0</u>	<u>(70,003)</u>	<u>0</u>	<u>(70,003)</u>
2006 Water Revenue Bonds payable	<u>0</u>	<u>8,604,997</u>	<u>0</u>	<u>8,604,997</u>
\$4,600,000 Series 2005-A Sewer Revenue Bonds due in annual installments of \$25,000 to \$243,000, beginning 2008, through January 1, 2045, interest rate is fixed at 4.125%	<u>0</u>	<u>0</u>	<u>4,600,000</u>	<u>4,600,000</u>
2005-A Sewer Revenue Bonds payable	<u>0</u>	<u>0</u>	<u>4,600,000</u>	<u>4,600,000</u>
\$3,200,000 Series 2005-B Sewer Revenue Bonds due in annual installments of \$62,000 to \$190,000, beginning 2008, through January 1, 2035, interest rate is fixed at 4.125%	<u>0</u>	<u>0</u>	<u>3,200,000</u>	<u>3,200,000</u>
2005-B Sewer Revenue Bonds payable	<u>0</u>	<u>0</u>	<u>3,200,000</u>	<u>3,200,000</u>
\$4,190,000 Series 2006 Sewer Revenue Bonds due in annual installments of \$525,000 to \$675,000, beginning 2027, through November 1, 2033, interest rate is variable at 4.30% to 4.50%	0	0	4,190,000	4,190,000
Less unamortized original issue discount	<u>0</u>	<u>0</u>	<u>(53,392)</u>	<u>(53,392)</u>
2006 Sewer Revenue Bonds payable	<u>0</u>	<u>0</u>	<u>4,136,608</u>	<u>4,136,608</u>
Various notes, interest ranging from 3.5% to 6.5%, total payments of \$4,548 per month, secured by equipment	<u>298,996</u>	<u>513,264</u>	<u>82,033</u>	<u>894,293</u>
Total long-term debt	\$ <u>298,996</u>	\$ <u>15,713,174</u>	\$ <u>12,018,641</u>	\$ <u>28,030,811</u>

The Water Works Board incurred issuance costs in connection with the issuance of bonds. These bond issuance costs are being amortized over the life of the bond issues (25 years).

The Sewer System incurred issuance costs in connection with the issuance of bonds. These bond issuance costs are being amortized over the life of the bond issues (25 years).

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

7. Long-term debt (continued)

The annual requirements to amortize all debt outstanding as of September 30, 2007 are as follows:

Year Ending Sept. 30,	Governmental Long-Term Debt and Capital Leases		Enterprise Fund Bonds and Notes Payable		Total
	Principal	Interest	Principal	Interest	
2008	\$ 742,414	\$ 286,271	\$ 572,155	\$ 1,194,650	\$ 2,795,490
2009	750,575	264,756	588,082	1,175,974	2,779,387
2010	516,651	246,275	511,147	1,156,418	2,430,491
2011	500,110	230,547	473,268	1,135,637	2,339,562
2012	440,790	217,566	495,539	1,113,464	2,267,359
2013	365,275	206,115	517,939	1,090,046	2,179,375
2014	517,339	196,239	541,474	1,065,506	2,320,558
2015	534,462	183,348	565,152	1,040,829	2,323,791
2016	556,650	169,622	589,981	1,015,946	2,332,199
2017	572,425	155,037	618,969	989,717	2,336,148
2018	520,424	139,661	644,126	962,078	2,266,289
2019	535,047	123,517	623,460	933,941	2,215,965
2020	545,000	107,045	639,000	906,646	2,197,691
2021	570,000	89,845	667,000	878,055	2,204,900
2022	590,000	71,718	701,000	848,033	2,210,751
2023	475,000	52,534	728,000	816,560	2,072,094
2024	495,000	32,283	762,000	784,771	2,074,054
2025	515,000	10,944	791,000	752,549	2,069,493
2026	0	0	827,000	718,748	1,545,748
2027 and thereafter	0	0	16,343,000	4,203,810	20,546,810
	<u>\$ 9,742,162</u>	<u>\$ 2,783,323</u>	<u>\$ 28,199,292</u>	<u>\$ 22,783,378</u>	<u>\$ 63,508,155</u>

The amounts reflected in the above presentation represent the debt of general obligation bonds, water revenue bonds, notes payable and capital leases. Proceeds of general obligation bonds are maintained in issuance-specific accounts and are restricted to the use for which they were approved in the bond documents. The use of bond proceeds to fund operating expenditures is expressly prohibited.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

7. Long-term debt (continued)

The following is a summary of debt transactions of the City for the fiscal year ended September 30, 2007:

	Governmental	Enterprise Fund		Total
	Long-Term Debt	Bonds	Notes Payable	
Bonds and notes payable,				
Oct. 1, 2006	\$ 7,901,597	\$ 23,280,556	\$ 661,237	\$ 31,843,390
Additions	2,374,358	4,136,607	318,996	6,829,961
Less payments	(533,793)	(310,000)	(85,940)	(929,733)
Add amortization of bond original issue discount	0	29,354	0	29,354
Bonds and notes payable, Sep. 30, 2007	\$ 9,742,162	\$ 27,136,517	\$ 894,293	\$ 37,772,972

8. Encumbrances

The City has the following amounts encumbered as of September 30, 2007:

Governmental Funds			Business Type Activities			
General Fund	Other Funds	Total	Natural Gas	Water Works	Sewer System	Total
\$ 29,961	\$ 0	\$ 29,961	\$ 11,973	\$ 191,928	\$ 242,822	\$ 446,723

9. Prior year defeasance of debt

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. On September 30, 2007, \$3,180,000 million of water bonds outstanding and \$3,380,000 of general obligation bonds are considered defeased.

Advance refunding

The City issued \$5,935,000 of Series 2004 general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purposes of generating resources for all future debt service payments of \$3,380,000 of Series 1999 general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying value of the old debt by \$360,650. This amount is being netted against the new debt and being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The advance refunding was undertaken to reduce total debt service payments over the next 18 years by \$360,000 and resulted in an economic gain of \$300,000.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

9. Prior year defeasance of debt (continued)

In addition, the Water Works Board, a component unit of the City, issued \$3,685,000 of Series 2005 bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purposes of generating resources for all future debt service payments of \$3,180,000 of Series 2000 Water bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the statement of net assets. The reacquisition price exceeded the net carrying value of the old debt by \$280,594. This amount is being netted against the new debt and being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The advance refunding was undertaken to reduce total debt service payments over the next 19 years by \$280,000 and resulted in an economic gain of \$200,000.

10. Pension plan

Plan description - Eligible employees participate in a pension plan as part of the City's participation in the Employees' Retirement System of Alabama ("Retirement System"), a state-wide agent multiple-employer public employee retirement system covering public employees within the State of Alabama. The Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Retirement System. That report may be obtained by writing to "The Retirement System of Alabama, P.O. Box 302150, Montgomery, Alabama 36130-2150" or by calling 334-832-4140.

Funding policy - Participating employees are required to contribute 5% of their annual covered salary. Effective January 1, 2001, the member contribution rate for certified full-time firefighters and certified full-time law enforcement officers increased to 6% of employee's compensation. Regular member contributions remain at 5% of employee compensation. The City is required to contribute at an actuarially determined rate; the current rate is 7.61% of annual covered payroll.

Annual pension cost - Both the City and the covered employees made the required contributions, amounting to \$503,380 (7.61%: 4.20% normal cost plus 3.41% to amortize the unfunded actuarial liability) for the City and \$348,192 (5%) for the employees. The required contribution was determined as part of the actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8.00% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 4.61% to 7.75% per year, and (c) no cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.5%.

The actuarial value of the assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2006 was 20 years. Since the previous valuation, there have been no changes in the actuarial cost method and there have been no amendments to the System affecting the valuation. There were no related party transactions.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

10. Pension plan (continued)

Three-Year Trend Information

Fiscal Year	Annual Pension	Percentage of	Net Pension
Ending	Cost (APC)	APC Contributed	Obligation
9/30/2004	\$ 301,543	100.0%	\$ 0
9/30/2005	371,971	100.0%	0
9/30/2006	432,150	100.0%	0

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
9/30/01	\$ 2,990,376	\$ 3,708,008	\$ 717,632	80.6%	\$ 2,375,553	30.2%
9/30/02	3,370,790	4,459,458	1,088,668	75.6%	3,135,519	34.7%
9/30/03	3,908,635	5,369,907	1,461,272	72.8%	3,824,289	38.2%
9/30/04	4,550,542	6,030,963	1,480,421	75.5%	4,433,460	33.4%
9/30/05	5,364,394	7,191,039	1,826,645	74.6%	5,265,682	34.7%
9/30/06	6,282,539	8,945,539	2,663,000	70.2%	5,961,601	44.7%

11. Economic dependency - major customer

The Natural Gas System sells a substantial portion of its product to one customer. During the year ended September 30, 2007, sales to that customer totaled \$749,492, or 26.8% of total sales. At September 30, 2007, the amount due from that customer included in trade accounts receivable was \$77,783. The City also collects 31% of its sales tax from one customer.

12. Contingencies

Several suits have been filed and are pending against the City. In the opinion of management and the City's attorney, these matters are either without merit, are covered by insurance or involve amounts that would not have a material adverse affect on the City's financial statements.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

13. Other post-employment benefits (OPEB)

As of September 30, 2007, there were eight retirees covered under the City's post employment health insurance plan. The total cost incurred for post employment health benefits was \$84,856 for the year ended September 30, 2007.

In June 2004, the GASB issued Statement No. 45 ("GASB 45"), which is entitled "Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pension". The Statement establishes standards for the measurement, recognition and presentation of post-employment benefits other than pension benefits ("OPEB") expense/expenditures and related liabilities (assets), note disclosures and, if applicable required supplemental information in the financial reports of state and local governmental employers. GASB 45 is intended to improve the relevance and usefulness of financial reporting by (a) requiring systematic, accrual-basis measurement and recognition of OPEB costs (expense) over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

As a Phase II implementer, the City is required to comply with GASB 45 beginning with fiscal year ending September 30, 2009. The effects of implementing the provisions of GASB 45 are estimated to create an Annual Required Contribution liability of approximately \$200,000.

14. Prior period adjustments

The Water Works Board, a component unit of the City, issued Series 2005 Water Bonds for \$4,580,000 that resulted in an in-substance defeasance of \$3,180,000 of the Series 2000 Water Bonds leaving a portion of the Series 2000 Water Bonds on the books. An in-substance defeasance, the issuer legally remains the primary obligor for the old debt, though for all practical purposes the issuer is only contingently liable for the debt. The assets relating to the old debt are placed in irrevocable escrow to be used solely for the purpose of making principal and interest payments on the debt. The result of an in-substance defeasance is to remove the old debt from the books and the corresponding accrued interest payable, remove the corresponding escrow accounts from the books and the corresponding accrued interest receivable and place the new debt on the books. The difference between the balance of the old debt and the funds in escrow of \$224,476 will be amortized over the life of the debt. The net effect of this transaction on the Water Fund in the statement of net assets and in the government-wide statement of net assets is a prior period adjustment to reflect a decrease in net assets of \$9,516.

CITY OF CALERA, ALABAMA

NOTES TO FINANCIAL STATEMENTS

14. Prior period adjustments (continued)

The City issued Series 2004 General Obligation Warrants for \$5,935,000 that resulted in an in-substance defeasance of \$3,380,000 of the 1999 General Obligation Warrants. The result of this in-substance defeasance was to remove the 1999 General Obligation Warrants from the books and the corresponding escrow accounts. The net effect on the balance sheet of governmental funds was a prior period adjustment decrease of \$3,651,418 in fund balance as a result of removing the escrow accounts from the books. The corresponding debt is not reported on the balance sheet of governmental funds. The net effect of the transaction on the government-wide statement of net assets is a prior period adjustment decrease in net assets of \$91,094.

The City has reported a prior period adjustment for \$118,257 decrease in net assets in the Gas Fund in the statement of net assets and in the government-wide statement of net assets as the result of the correction of the current year accrual for gas purchases.

The City has reported a prior period adjustment for \$641,100 increase in fund balance in the General Fund on the balance sheet of governmental funds unreserved fund balance as the result of the correction of the accrual for compensated absences.

The effects of these restatements on the government-wide net assets and the fund balance of governmental funds as of October 1, 2006 are as follows:

	Government-Wide		Governmental Funds	
	Governmental Activities	Business-Type Activities	General Fund	Other Funds
Balance as previously reported	\$ 22,865,741	\$ 16,872,705	\$ 312,865	\$ 3,840,369
Restatement	(91,094)	(127,768)	641,100	(3,651,418)
Balance as restated	<u>\$ 22,774,647</u>	<u>\$ 16,744,937</u>	<u>\$ 953,965</u>	<u>\$ 188,951</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CALERA, ALABAMA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET COMPARED TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 7,861,800	\$ 7,897,500	\$ 7,703,504	\$ (193,996)
Licenses	1,755,000	1,658,000	1,430,115	(227,885)
Fines	468,000	473,000	420,315	(52,685)
Intergovernmental	82,000	438,050	386,874	(51,176)
Charges for services	150,500	144,500	150,438	5,938
Service receipts	476,000	538,000	543,847	5,847
Interest income	46,000	46,000	18,464	(27,536)
Miscellaneous income	81,000	115,000	152,621	37,621
Total revenues	<u>10,920,300</u>	<u>11,310,050</u>	<u>10,806,178</u>	<u>(503,872)</u>
Expenditures				
Current:				
Administration	753,100	963,100	971,796	(8,696)
Street	920,800	1,046,500	1,044,017	2,483
Mechanic	161,600	166,600	155,848	10,752
Planning and zoning	134,000	125,500	115,297	10,203
Engineering	424,500	424,500	406,479	18,021
Inspections	510,800	502,800	480,322	22,478
Building maintenance	370,500	370,000	344,304	25,696
Police	2,567,300	2,572,300	2,348,497	223,803
Fire and rescue	2,104,200	2,124,200	2,152,416	(28,216)
Library	354,000	325,000	300,459	24,541
Parks and recreation	725,500	743,500	731,796	11,704
Garbage	397,200	374,200	378,738	(4,538)
Municipal court	203,000	216,000	206,869	9,131
Salem Cemetery	0	0	8,407	(8,407)
Donations	44,200	44,200	739,250	(695,050)
Debt service	315,000	321,000	402,856	(81,856)
Capital outlay	1,533,700	2,605,700	2,515,988	89,712
Total expenditures	<u>11,519,400</u>	<u>12,925,100</u>	<u>13,303,339</u>	<u>(378,239)</u>
Excess of revenues over (under) expenditures	<u>(599,100)</u>	<u>(1,615,050)</u>	<u>(2,497,161)</u>	<u>(882,111)</u>

(continued on the following page)

The accompanying notes to financial statements are an integral part of this statement.

CITY OF CALERA, ALABAMA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET COMPARED TO ACTUAL (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses)				
Proceeds from debt issuance	\$ 600,000	\$ 1,675,000	\$ 2,374,358	\$ 699,358
Transfers from other funds	45,000	45,000	479,155	434,155
Transfers to other funds	(534,000)	(534,000)	(763,599)	(229,599)
Net other financing sources (uses)	<u>111,000</u>	<u>1,186,000</u>	<u>2,089,914</u>	<u>903,914</u>
Excess of revenues and other financing sources over (under) expenditures and other financing uses	(488,100)	(429,050)	(407,247)	21,803
Beginning fund balances, as restated	<u>953,965</u>	<u>953,965</u>	<u>953,965</u>	<u>0</u>
FUND BALANCES, ENDING	<u>\$ 465,865</u>	<u>\$ 524,915</u>	<u>\$ 546,718</u>	<u>\$ 21,803</u>

The accompanying notes to financial statements are an integral part of this statement.

SUPPLEMENTARY INFORMATION

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes			
Advalorem taxes	\$ 1,050,000	\$ 1,020,174	\$ (29,826)
Business privilege tax	11,000	10,552	(448)
Cable TV franchise tax	22,000	14,339	(7,661)
Beer tax - county	19,000	18,730	(270)
Excise tax - financial institutions	58,000	68,035	10,035
Housing Authority - in lieu of taxes	2,500	0	(2,500)
Lease and rental tax	300,000	275,590	(24,410)
Local gasoline tax	190,000	198,143	8,143
Lodging tax	65,000	76,821	11,821
Miscellaneous tax receipts	0	354	354
Motor vehicle registration - state	35,000	40,025	5,025
Motor vehicle tax - county	30,000	33,737	3,737
Motor vehicle tax - state	1,000	1,002	2
Sales tax	5,975,000	5,817,447	(157,553)
Tobacco products tax	135,000	124,221	(10,779)
Wine tax	4,000	4,334	334
Total Taxes	<u>7,897,500</u>	<u>7,703,504</u>	<u>(193,996)</u>
Licenses			
Building construction permits	450,000	284,566	(165,434)
Development land dist permit	0	176	176
Business license	1,200,000	1,138,717	(61,283)
Reinspection fees	6,000	5,040	(960)
Zoning fees	2,000	1,616	(384)
Total Licenses	<u>1,658,000</u>	<u>1,430,115</u>	<u>(227,885)</u>
Charges for Services			
Assessment letter fees	5,000	5,639	639
Fire and rescue services	30,000	30,482	482
Fire dues - Shelco	0	190	190
Library miscellaneous receipts	3,000	14,198	11,198
Police - miscellaneous	0	112	112
Salem Cemetery grave openings	2,000	1,250	(750)
Reimburse - developers	0	1,429	1,429
Reimburse - mechanics	30,000	29,085	(915)
Reimburse - police services	10,000	4,440	(5,560)
Reimburse - Salem Cemetery	9,000	8,420	(580)
Reimburse - M4A -Shelby Co.	10,000	8,676	(1,324)
Rent - church	0	1,050	1,050
Rent - city hall - WWB	6,000	6,000	0
Rent - city shop - WWB	6,000	6,000	0
Rent - community center	6,000	4,584	(1,416)
Rent - M4A building	25,000	22,500	(2,500)
Rent - park pavilion	1,500	1,150	(350)
Rent - other	1,000	0	(1,000)
Return check fees	0	5,233	5,233
Total Charges for Services	<u>144,500</u>	<u>150,438</u>	<u>5,938</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues (continued)			
Intergovernmental			
Alabama Capital Improvement Trust Fund	\$ 25,000	\$ 23,821	\$ (1,179)
Alabama Hwy Dept Bypass	65,000	87,891	22,891
BRPC Police grant	1,500	0	(1,500)
Bullet proof vest grant	5,000	4,123	(877)
FEMA hazard mitigation grant	57,000	0	(57,000)
FEMA fire fighter assistance grant	0	2,185	2,185
FEMA reimbursements	5,000	34,376	29,376
Fire - Homeland Security grant	95,000	89,015	(5,985)
Library - Development Services grant	5,000	5,000	0
Library - State aid	5,500	5,493	(7)
Library technology grant	0	5,526	5,526
MPO building communities grant	62,400	62,750	350
Police seizure receipts	0	1,009	1,009
Shelby County - Fire and Rescue grant	5,000	3,667	(1,333)
Shelby County - Park grant	86,650	36,650	(50,000)
Shelby County Commission senior citizens	0	3,289	3,289
Victim Services grant	20,000	22,079	2,079
Total Intergovernmental	<u>438,050</u>	<u>386,874</u>	<u>(51,176)</u>
Interest			
Interest income	46,000	11,134	(34,866)
Total Interest	<u>46,000</u>	<u>11,134</u>	<u>(34,866)</u>
Miscellaneous			
Donations - fire and rescue	2,000	2,380	380
Donations - library	5,000	2,735	(2,265)
Donations - police	1,000	1,470	470
Donations - property	10,000	10,500	500
Donations - park	5,000	5,100	100
Health insurance reimbursements	16,000	20,702	4,702
Insurance reimbursements	65,000	81,485	16,485
Miscellaneous receipts	5,000	1,960	(3,040)
Racing Commission receipts	4,000	4,546	546
State of Alabama ABC Store	2,000	1,507	(493)
Debt proceeds	1,675,000	2,374,358	699,358
Total Miscellaneous	<u>1,790,000</u>	<u>2,506,743</u>	<u>716,743</u>
TOTAL REVENUES (Selected Departments)	<u>11,974,050</u>	<u>12,188,808</u>	<u>214,758</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
 GENERAL FUND - SELECTED DEPARTMENTS
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL - (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures			
Administration			
Personnel Services			
Payroll - regular	\$ 379,000	\$ 383,012	\$ (4,012)
Payroll - overtime	20,000	15,429	4,571
Payroll - elected officials	61,000	63,345	(2,345)
Payroll taxes	35,100	33,998	1,102
Group insurance	80,000	80,194	(194)
Retirement	30,000	28,966	1,034
Group insurance - retirees	68,000	84,856	(16,856)
Workmen's comp insurance	4,000	2,632	1,368
Personnel cost allocation	(299,000)	(324,400)	25,400
Training/convention registration	17,000	23,990	(6,990)
Training/convention travel	32,000	46,635	(14,635)
Medical/drug testing	500	280	220
Training and travel - IT	11,000	1,995	9,005
Total Personnel Services	<u>438,600</u>	<u>440,932</u>	<u>(2,332)</u>
Administrative			
Bad debts	0	5,000	(5,000)
Dues and subscriptions	5,000	6,356	(1,356)
Finance charges	5,000	7,359	(2,359)
General insurance	43,000	46,084	(3,084)
Internet services	11,000	10,289	711
Legal advertisement	3,000	10,198	(7,198)
Mayor's discretionary	2,000	2,010	(10)
Miscellaneous	3,000	627	2,373
Mobile communications	3,000	5,568	(2,568)
Promotion	38,000	31,263	6,737
Technology - hardware	35,000	24,520	10,480
Technology - software	30,000	26,782	3,218
Technology cost allocation	(47,000)	(26,000)	(21,000)
Telephone services	30,000	24,861	5,139
Utilities	35,000	42,419	(7,419)
Office expense allocation	(46,000)	(91,600)	45,600
Total Administrative	<u>150,000</u>	<u>125,736</u>	<u>24,264</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
 GENERAL FUND - SELECTED DEPARTMENTS
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL - (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Administration (continued)			
Supplies			
Fuel usage	\$ 2,500	\$ 1,786	\$ 714
Office supplies	23,000	23,255	(255)
Operating supplies	12,000	20,739	(8,739)
Operating supplies - Senior Center	3,000	6,459	(3,459)
Postage	33,000	34,795	(1,795)
Small tools and equipment	2,000	345	1,655
Supplies expense allocation	(36,000)	(41,200)	5,200
Total Supplies	<u>39,500</u>	<u>46,179</u>	<u>(6,679)</u>
Repairs and Maintenance			
R&M - equipment	2,000	0	2,000
R&M - vehicles	0	84	(84)
Total Repairs and Maintenance	<u>2,000</u>	<u>84</u>	<u>1,916</u>
Outside Services			
Audit fees	40,000	46,535	(6,535)
Bond fees	28,000	31,432	(3,432)
City newsletter	17,000	18,574	(1,574)
Consulting fees	203,000	220,829	(17,829)
Credit card fees	0	455	(455)
Legal fees	35,000	65,734	(30,734)
Property taxes	5,000	7,804	(2,804)
Redistricting	5,000	5,020	(20)
Rental - equipment	10,000	5,675	4,325
Tax/license collection fee	75,000	75,807	(807)
Outside services allocation	(85,000)	(119,000)	34,000
Total Outside Services	<u>333,000</u>	<u>358,865</u>	<u>(25,865)</u>
TOTAL ADMINISTRATION	<u>963,100</u>	<u>971,796</u>	<u>(8,696)</u>
Street			
Personnel Services			
Payroll - regular	349,000	322,945	26,055
Payroll - overtime	32,000	30,395	1,605
Payroll taxes	30,000	26,287	3,713
Group insurance	90,000	75,420	14,580
Retirement	29,000	27,696	1,304
Workmen's comp insurance	20,000	18,727	1,273
Uniform	6,000	5,493	507

(continued on the following page)

CITY OF CALERA, ALABAMA
 GENERAL FUND - SELECTED DEPARTMENTS
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL - (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Street (continued)			
Personnel Services (continued)			
Training/convention registration	\$ 1,000	\$ 0	\$ 1,000
Training/convention travel	1,000	1,435	(435)
Medical/drug testing	500	703	(203)
Total Personnel Services	<u>558,500</u>	<u>509,101</u>	<u>49,399</u>
Administrative			
General insurance	25,000	23,024	1,976
Internet services	500	379	121
Miscellaneous	1,000	0	1,000
Mobile communications	5,000	3,994	1,006
Technology - hardware	500	907	(407)
Telephone service	2,000	2,149	(149)
Utilities	15,000	13,160	1,840
Utilities - street lights	70,000	78,221	(8,221)
Total Administrative	<u>119,000</u>	<u>121,834</u>	<u>(2,834)</u>
Supplies			
Fuel usage	45,000	47,782	(2,782)
Office supplies	1,000	821	179
Operating supplies	55,000	64,774	(9,774)
Small tools and equipment	5,000	3,596	1,404
Total Supplies	<u>106,000</u>	<u>116,973</u>	<u>(10,973)</u>
Repairs and Maintenance			
R&M - vehicles	18,000	17,215	785
R&M - equipment	30,000	30,216	(216)
R&M - streets	35,000	44,590	(9,590)
R&M - street resurfacing	25,000	0	25,000
Total Repairs and Maintenance	<u>108,000</u>	<u>92,021</u>	<u>15,979</u>
Outside Services			
Dog control	5,000	4,427	573
Rental - equipment	150,000	199,661	(49,661)
Total Outside Services	<u>155,000</u>	<u>204,088</u>	<u>(49,088)</u>
TOTAL STREET	<u>1,046,500</u>	<u>1,044,017</u>	<u>2,483</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
 GENERAL FUND - SELECTED DEPARTMENTS
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL - (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

Expenditures (continued)	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Mechanic			
Personnel Services			
Payroll - regular	\$ 82,000	\$ 81,666	\$ 334
Payroll - overtime	1,000	170	830
Payroll taxes	6,000	5,924	76
Group insurance	14,000	12,693	1,307
Retirement	6,000	6,346	(346)
Workmen's comp insurance	3,000	2,981	19
Uniform	2,000	1,821	179
Training/convention registration	500	0	500
Training/convention travel	300	0	300
Medical/drug testing	300	125	175
Total Personnel Services	<u>115,100</u>	<u>111,726</u>	<u>3,374</u>
Administrative			
General insurance	1,000	822	178
Mobile communications	500	379	121
Utilities	23,000	20,124	2,876
Total Administrative	<u>24,500</u>	<u>21,325</u>	<u>3,175</u>
Supplies			
Fuel usage	2,500	1,944	556
Operating supplies	10,000	15,344	(5,344)
Small tools and equipment	5,000	1,760	3,240
Total Supplies	<u>17,500</u>	<u>19,048</u>	<u>(1,548)</u>
Repairs and Maintenance			
R&M - vehicles	6,000	3,300	2,700
R&M - equipment	3,000	449	2,551
Total Repair and Maintenance	<u>9,000</u>	<u>3,749</u>	<u>5,251</u>
Outside Services			
Rental equipment	500	0	500
Total Outside Services	<u>500</u>	<u>0</u>	<u>500</u>
TOTAL MECHANIC	<u>166,600</u>	<u>155,848</u>	<u>10,752</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Planning and Zoning			
Personnel Services			
Payroll - regular	\$ 72,000	\$ 65,219	\$ 6,781
Payroll - overtime	2,000	532	1,468
Payroll taxes	5,000	4,768	232
Group insurance	11,000	10,039	961
Retirement	5,000	5,088	(88)
Workmen's comp insurance	2,000	3,994	(1,994)
Training/convention registration	3,000	1,084	1,916
Training/convention travel	8,000	6,933	1,067
Medical/drug testing	-	100	(100)
Total Personnel Services	<u>108,000</u>	<u>97,757</u>	<u>10,243</u>
Administrative			
Dues and subscriptions	500	385	115
General insurance	1,000	606	394
Miscellaneous	500	250	250
Mobile communications	3,000	3,477	(477)
Postage	2,000	1,631	369
Technology - hardware	1,000	0	1,000
Telephone service	0	95	(95)
Utilities	1,500	2,262	(762)
Total Administrative	<u>9,500</u>	<u>8,706</u>	<u>794</u>
Supplies			
Fuel usage	3,000	3,140	(140)
Office supplies	1,500	1,447	53
Operating supplies	1,000	860	140
Small tools and equipment	1,000	0	1,000
Total Supplies	<u>6,500</u>	<u>5,447</u>	<u>1,053</u>
Repairs and Maintenance			
R&M - vehicles	1,000	2,063	(1,063)
R&M - equipment	500	0	500
Total Repairs and Maintenance	<u>1,500</u>	<u>2,063</u>	<u>(563)</u>
Outside Services			
Rental equipment	0	1,324	(1,324)
Total Outside Services	<u>0</u>	<u>1,324</u>	<u>(1,324)</u>
TOTAL PLANNING AND ZONING	<u>125,500</u>	<u>115,297</u>	<u>10,203</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Engineering			
Personnel Services			
Payroll - regular	\$ 252,000	\$ 249,094	\$ 2,906
Payroll - overtime	6,000	13,431	(7,431)
Payroll taxes	20,000	19,597	403
Group insurance	35,000	32,490	2,510
Retirement	20,000	20,319	(319)
Workmen's comp insurance	2,000	1,942	58
Uniforms	2,000	1,902	98
Training/convention registration	4,000	1,363	2,637
Training/convention travel	5,000	7,183	(2,183)
Medical/drug testing	500	200	300
Total Personnel Services	<u>346,500</u>	<u>347,521</u>	<u>(1,021)</u>
Administrative			
Dues and subscriptions	500	848	(348)
General insurance	3,000	2,778	222
Miscellaneous	1,000	0	1,000
Mobile communications	5,000	5,757	(757)
Permits and licenses	0	275	(275)
Postage	500	568	(68)
Technology - hardware	4,000	1,370	2,630
Technology - software	11,000	8,867	2,133
Telephone services	1,000	96	904
Utilities	2,000	2,262	(262)
Total Administrative	<u>28,000</u>	<u>22,821</u>	<u>5,179</u>
Supplies			
Fuel usage	12,000	10,961	1,039
Office supplies	2,000	2,018	(18)
Operating supplies	4,000	2,533	1,467
Small tools and equipment	6,000	5,382	618
Total Supplies	<u>24,000</u>	<u>20,894</u>	<u>3,106</u>
Repairs and Maintenance			
R&M - vehicles	4,000	3,601	399
R&M - equipment	1,000	0	1,000
Total Repairs and Maintenance	<u>5,000</u>	<u>3,601</u>	<u>1,399</u>
Outside Services			
Engineering fees	10,000	1,247	8,753
Rental - equipment	11,000	10,395	605
Total Outside Services	<u>21,000</u>	<u>11,642</u>	<u>9,358</u>
TOTAL ENGINEERING	<u>424,500</u>	<u>406,479</u>	<u>18,021</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
 GENERAL FUND - SELECTED DEPARTMENTS
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL - (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

Expenditures (continued)	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Inspection			
Personnel Services			
Payroll - regular	\$ 277,000	\$ 278,322	\$ (1,322)
Payroll - overtime	25,000	24,529	471
Payroll taxes	23,000	22,395	605
Group insurance	50,000	44,662	5,338
Retirement	24,000	23,564	436
Workmen's comp insurance	6,000	5,681	319
Uniform	2,000	1,201	799
Training/convention registration	10,000	2,368	7,632
Training/convention travel	10,000	8,210	1,790
Medical/drug testing	300	490	(190)
Total Personnel Services	<u>427,300</u>	<u>411,422</u>	<u>15,878</u>
Administrative			
Dues and subscriptions	1,000	509	491
General insurance	5,000	4,110	890
Internet services	1,500	1,084	416
Miscellaneous	1,000	978	22
Mobile communications	6,000	5,881	119
Postage	2,500	2,276	224
Technology - hardware	6,000	3,090	2,910
Technology - software	1,500	928	572
Telephone service	1,000	481	519
Utilities	9,000	7,456	1,544
Total Administrative	<u>34,500</u>	<u>26,793</u>	<u>7,707</u>
Supplies			
Fuel usage	11,000	8,997	2,003
Office supplies	7,000	9,531	(2,531)
Operating supplies	5,000	1,841	3,159
Small tools and equipment	3,000	4,901	(1,901)
Total Supplies	<u>26,000</u>	<u>25,270</u>	<u>730</u>
Repairs and Maintenance			
R&M - vehicles	3,000	4,759	(1,759)
R&M - equipment	1,000	0	1,000
Total Repairs and Maintenance	<u>4,000</u>	<u>4,759</u>	<u>(759)</u>

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Inspection (continued)			
Outside Services			
Consulting	\$ 0	\$ 2,700	\$ (2,700)
Rental - equipment	11,000	9,378	1,622
Total Outside Services	<u>11,000</u>	<u>12,078</u>	<u>(1,078)</u>
TOTAL INSPECTION	<u>502,800</u>	<u>480,322</u>	<u>22,478</u>
Building Maintenance			
Personnel Services			
Payroll - regular	135,000	132,079	2,921
Payroll - overtime	26,000	21,168	4,832
Payroll taxes	12,000	11,509	491
Group insurance	25,000	21,362	3,638
Retirement	11,000	10,606	394
Workmen's comp insurance	6,000	13,158	(7,158)
Uniform	1,500	1,649	(149)
Training/convention registration	500	0	500
Medical/drug testing	0	458	(458)
Total Personnel Services	<u>217,000</u>	<u>211,989</u>	<u>5,011</u>
Administrative			
Dues and subscriptions	0	35	(35)
General insurance	1,000	437	563
Miscellaneous	1,000	1,062	(62)
Mobile communications	1,500	1,620	(120)
Technology - hardware	500	419	81
Utilities	1,000	210	790
Total Administrative	<u>5,000</u>	<u>3,783</u>	<u>1,217</u>
Supplies			
Cleaning supplies	25,000	26,105	(1,105)
Fuel usage	6,000	7,461	(1,461)
Office supplies	0	110	(110)
Operating supplies	10,000	10,955	(955)
Small tools and equipment - maint	4,000	2,646	1,354
Small tools and equipment - cleaning	2,000	1,382	618
Total Supplies	<u>47,000</u>	<u>48,659</u>	<u>(1,659)</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Building Maintenance (continued)			
Repairs and Maintenance			
R&M - vehicles	\$ 5,000	\$ 2,042	\$ 2,958
R&M - equipment - maintenance	1,000	224	776
R&M - equipment - cleaning	1,000	137	863
R&M - Annex	1,000	1,176	(176)
R&M - City Hall	10,000	2,448	7,552
R&M - Community Center	5,000	965	4,035
R&M - Fire Stations	14,000	12,343	1,657
R&M - Hwy 25 building	5,000	6,117	(1,117)
R&M - Inspections building	7,000	2,629	4,371
R&M - Library	3,000	3,595	(595)
R&M - Park buildings	3,000	5,958	(2,958)
R&M - Police Department	4,000	1,367	2,633
R&M - Presbyterian Church	4,000	518	3,482
R&M - Public Works building	13,000	13,412	(412)
R&M - Seniors building	3,000	2,307	693
R&M - WWTP - Buxahatchee	4,000	3,798	202
R&M - WWTP - CB	2,000	653	1,347
R&M - buildings - other	15,000	20,184	(5,184)
Total Repairs and Maintenance	100,000	79,873	20,127
Outside Services			
Rental - equipment	1,000	0	1,000
Total Outside Services	1,000	0	1,000
TOTAL BUILDING MAINTENANCE	370,000	344,304	25,696
Police			
Personnel Services			
Payroll - regular	1,369,000	1,258,789	110,211
Payroll - overtime	185,000	195,276	(10,276)
Payroll taxes	117,000	108,489	8,511
Group insurance	213,000	195,730	17,270
Retirement	110,000	108,907	1,093
Workmen's comp insurance	70,000	38,389	31,611
Uniform	20,000	13,450	6,550
Training/convention registration	35,000	11,808	23,192
Training/convention travel	30,000	21,789	8,211
Medical/drug testing	2,000	1,770	230
Personal equipment	10,000	2,513	7,487
Recruiting	5,000	4,525	475
Total Personnel Services	2,166,000	1,961,435	204,565

(continued on the following page)

CITY OF CALERA, ALABAMA
 GENERAL FUND - SELECTED DEPARTMENTS
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL - (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Police (continued)			
Administrative			
Community service - DARE	\$ 7,000	\$ 3,149	\$ 3,851
Community service - Explorers	8,300	4,141	4,159
Community service - SRO	9,000	961	8,039
Dues and subscriptions	2,000	2,401	(401)
General insurance	30,000	28,310	1,690
Miscellaneous	2,000	225	1,775
Mobile communications	7,000	6,682	318
Technology - hardware	20,000	20,792	(792)
Technology - software	10,000	13,397	(3,397)
Telephone service	6,000	6,849	(849)
Utilities	8,000	9,263	(1,263)
Total Administrative	<u>109,300</u>	<u>96,170</u>	<u>13,130</u>
Supplies			
Fuel usage	85,000	86,079	(1,079)
Jail - laundry	3,500	3,608	(108)
Jail - meals	2,500	3,506	(1,006)
Jail - medical	3,500	17	3,483
Jail - supplies	2,000	1,489	511
K-9 supplies	1,000	695	305
Office supplies	14,000	17,431	(3,431)
Operating supplies	5,500	7,569	(2,069)
Operating supplies - traffic unit	6,000	3,207	2,793
Operating supplies - crime scene	15,000	14,961	39
Operating supplies - firearms	20,000	18,334	1,666
Operating supplies - victim services	8,000	9,700	(1,700)
Vehicle supplies	2,000	258	1,742
Small tools and equipment	10,000	4,904	5,096
Total Supplies	<u>178,000</u>	<u>171,758</u>	<u>6,242</u>
Repairs and Maintenance			
R&M - vehicles	50,000	55,652	(5,652)
R&M - equipment	5,000	3,288	1,712
Total Repairs and Maintenance	<u>55,000</u>	<u>58,940</u>	<u>(3,940)</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Police (continued)			
Outside Services			
Consulting	\$ 0	\$ 6,788	\$ (6,788)
Consulting - victim services	5,000	2,560	2,440
Jail - housing	50,000	42,974	7,026
K-9 vet fees	1,000	565	435
Rental - equipment	8,000	7,307	693
Total Outside Services	<u>64,000</u>	<u>60,194</u>	<u>3,806</u>
TOTAL POLICE	<u>2,572,300</u>	<u>2,348,497</u>	<u>223,803</u>
Fire and Rescue			
Personnel Services			
Payroll - regular	1,336,000	1,350,381	(14,381)
Payroll - overtime	25,000	48,289	(23,289)
Payroll - comp absences	0	0	-
Payroll taxes	102,200	103,816	(1,616)
Group insurance	210,000	190,907	19,093
Retirement	105,000	100,509	4,491
Workmen's comp insurance	40,000	51,410	(11,410)
Uniform	15,000	13,118	1,882
Training/convention registration	25,000	23,959	1,041
Training/convention travel	5,000	3,657	1,343
Medical/drug testing	1,000	2,300	(1,300)
Educational training - Dive team	4,000	4,995	(995)
Travel - Dive team	1,000	0	1,000
Personal equipment	2,000	1,007	993
Total Personnel Services	<u>1,871,200</u>	<u>1,894,348</u>	<u>(23,148)</u>
Administrative			
Dues and subscriptions	1,000	960	40
General insurance	20,000	21,719	(1,719)
Miscellaneous	1,000	457	543
Mobile communications	5,000	5,108	(108)
Technology - hardware	7,000	6,360	640
Technology - software	1,000	629	371
Telephone service	7,000	7,146	(146)
Utilities	28,000	29,741	(1,741)
Total Administrative	<u>70,000</u>	<u>72,120</u>	<u>(2,120)</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
 GENERAL FUND - SELECTED DEPARTMENTS
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL - (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Fire and Rescue (continued)			
Supplies			
Fuel usage	\$ 28,000	\$ 33,676	\$ (5,676)
K-9 supplies	1,000	623	377
Office supplies	4,000	3,715	285
Operating supplies	10,000	8,912	1,088
Operating supplies - EMS	12,000	12,529	(529)
Operating supplies - fire prevention	2,000	2,131	(131)
Operating supplies - Dive team	2,000	1,228	772
Operating supplies - donations	5,000	7,255	(2,255)
Small tools and equipment	15,000	14,085	915
Small tools and equipment - EMS	5,000	4,499	501
Small tools and equipment - Dive team	3,000	2,918	82
Small tools and equipment - Grant	5,000	9,434	(4,434)
Total Supplies	<u>92,000</u>	<u>101,005</u>	<u>(9,005)</u>
Repairs and Maintenance			
R&M - vehicles	30,000	29,907	93
R&M - equipment	10,000	8,111	1,889
R&M - EMS	2,000	1,189	811
R&M - Dive team	2,000	1,053	947
Total Repairs and Maintenance	<u>44,000</u>	<u>40,260</u>	<u>3,740</u>
Outside Services			
Rental - equipment	7,000	6,560	440
Rental - fire hydrants	40,000	38,123	1,877
Total Outside Services	<u>47,000</u>	<u>44,683</u>	<u>2,317</u>
TOTAL FIRE AND RESCUE	<u>2,124,200</u>	<u>2,152,416</u>	<u>(28,216)</u>
Library			
Personnel Services			
Payroll - regular	163,000	151,107	11,893
Payroll - overtime	2,000	1,385	615
Payroll taxes	12,000	11,473	527
Group insurance	22,000	19,551	2,449
Retirement	10,000	9,740	260
Uniforms	1,000	892	108
Training/convention registration	500	0	500
Training/convention travel	1,000	460	540
Medical/drug testing	0	50	(50)
Total Personnel Services	<u>211,500</u>	<u>194,658</u>	<u>16,842</u>

CITY OF CALERA, ALABAMA
 GENERAL FUND - SELECTED DEPARTMENTS
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL - (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Library (continued)			
Administrative			
Dues and subscriptions	\$ 1,000	\$ 594	\$ 406
General insurance	6,000	5,769	231
Fund-raising expenses	1,000	91	909
Internet services	3,000	2,634	366
Miscellaneous	1,000	0	1,000
Mobile communications	500	369	131
Postage	500	182	318
Technology - hardware	15,000	1,896	13,104
Technology - software	3,000	8,902	(5,902)
Telephone service	5,000	4,847	153
Utilities	25,000	29,981	(4,981)
Total Administrative	<u>61,000</u>	<u>55,265</u>	<u>5,735</u>
Supplies			
Materials	20,000	16,708	3,292
Materials - grants	10,500	16,717	(6,217)
Materials - donations	0	2,020	(2,020)
Office supplies	3,000	1,558	1,442
Operating supplies	6,000	5,065	935
Programs	3,000	2,704	296
Small tools and equipment	2,000	1,578	422
Total Supplies	<u>44,500</u>	<u>46,350</u>	<u>(1,850)</u>
Repairs and Maintenance			
R&M - equipment	1,000	0	1,000
Total Repairs and Maintenance	<u>1,000</u>	<u>0</u>	<u>1,000</u>
Outside Services			
Rental - equipment	5,000	3,374	1,626
Security	2,000	812	1,188
Total Outside Services	<u>7,000</u>	<u>4,186</u>	<u>2,814</u>
TOTAL LIBRARY	<u>325,000</u>	<u>300,459</u>	<u>24,541</u>

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Parks and Recreation			
Personnel Services			
Payroll - regular	\$ 319,000	\$ 314,887	\$ 4,113
Payroll - overtime	21,000	35,614	(14,614)
Payroll - temp staffing	15,000	0	15,000
Payroll taxes	27,000	25,960	1,040
Group insurance	69,000	62,198	6,802
Retirement	26,000	26,370	(370)
Workmen's comp insurance	15,000	20,091	(5,091)
Uniforms	4,000	4,996	(996)
Educational training	2,000	685	1,315
Travel	2,000	1,076	924
Medical	500	772	(272)
Total Personnel Services	<u>500,500</u>	<u>492,649</u>	<u>7,851</u>
Administrative			
Dues and subscriptions	1,500	1,005	495
General insurance	7,000	6,038	962
Miscellaneous	1,000	154	846
Mobile communications	1,500	1,180	320
Permits and licenses	0	141	(141)
Technology - hardware	3,000	727	2,273
Telephone service	2,000	2,502	(502)
Utilities	65,000	63,681	1,319
Total Administrative	<u>81,000</u>	<u>75,428</u>	<u>5,572</u>
Supplies			
Fuel usage	18,000	21,189	(3,189)
Office supplies	1,000	1,269	(269)
Operating supplies	25,000	21,429	3,571
Operating supplies - parks	1,000	9,681	(8,681)
Operating supplies - grounds	15,000	20,647	(5,647)
Small tools and equipment	10,000	2,252	7,748
Total Supplies	<u>70,000</u>	<u>76,467</u>	<u>(6,467)</u>
Repairs and Maintenance			
R&M - vehicles	3,000	3,834	(834)
R&M - vandalism	5,000	1,440	3,560
R&M - equipment	15,000	14,043	957
R&M - grounds	40,000	26,973	13,027
R&M - parks	22,000	35,144	(13,144)
Total Repairs and Maintenance	<u>85,000</u>	<u>81,434</u>	<u>3,566</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures (continued)			
Parks and Recreation (continued)			
Outside Services			
Rental - equipment	\$ 7,000	\$ 5,818	\$ 1,182
Total Outside Services	<u>7,000</u>	<u>5,818</u>	<u>1,182</u>
TOTAL PARKS AND RECREATION	<u>743,500</u>	<u>731,796</u>	<u>11,704</u>
Donations			
Donations - American Village	500	500	0
Donations - Calera Elementary	2,500	2,500	0
Donations - Calera High School	3,000	2,500	500
Donations - Calera HS Athletics	3,000	3,000	0
Donations - Calera HS Band	500	500	0
Donations - Chamber of Commerce	13,000	12,650	350
Donations - Christmas Parade	1,000	1,000	0
Donations - Clastran	3,000	3,000	0
Donations - Encouragement Learn	500	500	0
Donations - Greater Shelby Ptr	12,000	12,000	0
Donations - Metropolitan Dev Bd	0	2,500	(2,500)
Donations - Miscellaneous	3,000	2,600	400
Donations - Owens House	700	0	700
Donations - Safe House	500	0	500
Donations - Shelby ACD Fine Art	1,000	1,000	0
Grant provided-Timberline	0	695,000	(695,000)
TOTAL DONATIONS	<u>44,200</u>	<u>739,250</u>	<u>(695,050)</u>
Debt Service			
Interest expense	0	76,307	(76,307)
Lease payments - telephone system	67,000	60,713	6,287
Note payments - Saunders property	38,000	34,482	3,518
Lease payments - TVS equipment	6,000	4,984	1,016
Note payments - HWY 25 Bldg	88,000	79,311	8,689
Lease payments - CAT FIN - CAT 318	40,000	32,772	7,228
Note payments - Amfund	15,000	35,000	(20,000)
Lease payment - radio read	0	8,856	(8,856)
Lease payment - dump truck	6,000	6,146	(146)
Lease payment - library computers	0	3,301	(3,301)
TOTAL DEBT SERVICE	<u>260,000</u>	<u>341,872</u>	<u>(81,872)</u>

(continued on following page)

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Capital outlay			
HWY 25 Bypass Study	\$ 75,000	\$ 96,374	\$ (21,374)
Fourth Ave Project	10,000	9,915	85
8th Ave Project	10,000	11,717	(1,717)
Hwy 31 Traffic Study	12,000	11,500	500
Limestone Parkway Project	79,000	74,400	4,600
Flood Study (FEMA)	0	1,420	(1,420)
Buildings - Senior Service Center (M4A)	90,000	90,572	(572)
Ext - Meadow Pk Dr	5,000	4,090	910
High school road	150,000	5,225	144,775
Equipment - administrative	87,500	25,188	62,312
Land purchase	725,000	729,616	(4,616)
Vehicles - street	6,000	104,628	(98,628)
Buildings - street	15,000	14,891	109
Equipment - mechanic	58,200	42,551	15,649
Equipment - engineering	14,000	13,996	4
Equipment - inspections	0	4,885	(4,885)
Equipment - maintenance	29,000	28,909	91
Equipment - police	8,000	13,871	(5,871)
Building - firing range	55,000	57,219	(2,219)
Equipment - fire	101,000	110,508	(9,508)
Vehicles - fire	600,000	610,990	(10,990)
Building - fire station #3	145,000	118,608	26,392
Fire training center	50,000	47,922	2,078
Building - library	20,000	6,951	13,049
Equipment - park	98,000	90,313	7,687
Vehicles - park	0	20,655	(20,655)
Building - park - field house	40,000	54,402	(14,402)
Building - park - field lights	60,000	63,265	(3,265)
Sports complex	40,000	13,500	26,500
TOTAL CAPITAL OUTLAY	<u>2,582,700</u>	<u>2,478,081</u>	<u>104,619</u>
TOTAL EXPENDITURES (Selected Departments)	<u>12,250,900</u>	<u>12,610,434</u>	<u>(359,534)</u>
Excess of revenues over (under) expenditures	<u>(276,850)</u>	<u>(421,626)</u>	<u>(144,776)</u>

(continued on following page)

CITY OF CALERA, ALABAMA
GENERAL FUND - SELECTED DEPARTMENTS
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Other financing sources (uses)			
Transfer from Municipal court	\$ 250,000	\$ 150,962	\$ (99,038)
Transfer from Gas Tax Fund	25,000	33,060	8,060
Transfer from Gas Fund	10,000	26,257	16,257
Transfer from Sewer Fund	10,000	409,919	399,919
Transfer from Water Fund	0	9,919	9,919
Transfer to Capital Projects Fund	0	(24,996)	(24,996)
Transfer to Gas Fund	0	(235,000)	(235,000)
Transfer to Debt Service Fund	(534,000)	(503,603)	30,397
Net other financing sources (uses)	<u>(239,000)</u>	<u>(133,482)</u>	<u>105,518</u>
Excess of revenues and other financing sources over expenditures and other financing sources (uses)	<u>\$ (515,850)</u>	<u>\$ (555,108)</u>	<u>\$ (39,258)</u>

CITY OF CALERA, ALABAMA
GENERAL FUND - GARBAGE SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Utility receipts			
Garbage service	\$ 525,000	\$ 530,854	\$ 5,854
Penalty revenue	13,000	12,993	(7)
Total Utility Receipts	<u>538,000</u>	<u>543,847</u>	<u>5,847</u>
TOTAL REVENUES	<u>538,000</u>	<u>543,847</u>	<u>5,847</u>
Operating Expenditures			
Personnel Services			
Payroll - regular	141,000	131,867	9,133
Payroll - overtime	6,000	6,863	(863)
Payroll taxes	11,000	10,231	769
Group insurance	35,000	28,351	6,649
Retirement	11,000	10,738	262
Workmen's comp insurance	9,000	11,225	(2,225)
Personnel cost allocation	23,000	25,000	(2,000)
Uniform	2,000	1,156	844
Medical/drug testing	200	255	(55)
Total Personnel Services	<u>238,200</u>	<u>225,686</u>	<u>12,514</u>
Administrative			
Bad debts	2,500	3,927	(1,427)
General insurance	3,000	1,588	1,412
Technology cost allocation	4,000	2,000	2,000
Office expense allocation	4,000	7,000	(3,000)
Total Administrative	<u>13,500</u>	<u>14,515</u>	<u>(1,015)</u>
Supplies			
Fuel usage	18,000	17,993	7
Operating supplies	2,000	1,288	712
Small tools and equipment	500	0	500
Supplies expense allocation	3,000	3,200	(200)
Total Supplies	<u>23,500</u>	<u>22,481</u>	<u>1,019</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
 GENERAL FUND - GARBAGE SERVICE
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Expenditures (continued)			
Repairs and Maintenance			
R&M - vehicles	\$ 30,000	\$ 35,783	\$ (5,783)
R&M - equipment	1,000	31	969
Total Repairs and Maintenance	31,000	35,814	(4,814)
Outside Services			
Landfill fees	65,000	71,042	(6,042)
Outside services allocation	3,000	9,200	(6,200)
Total Outside Services	68,000	80,242	(12,242)
Debt Service			
Note payments - garbage truck	61,000	56,529	4,471
Interest expense	0	4,455	(4,455)
Total Debt Service	61,000	60,984	16
Capital Outlay			
Equipment - garbage	23,000	23,272	(272)
Total Capital Outlay	23,000	23,272	(272)
TOTAL EXPENDITURES	458,200	462,994	(4,794)
Excess of revenues over expenditures	79,800	80,853	1,053
Other Financing Sources (Uses)			
Transfer from General Fund	0	0	0
Transfer to General Fund	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 79,800	\$ 80,853	\$ 1,053

Note: For reporting purposes garbage service is being reported as a component of the General Fund.

CITY OF CALERA, ALABAMA
GENERAL FUND - MUNICIPAL COURT
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Fines			
Fines and court costs	\$ 350,000	\$ 345,336	\$ (4,664)
Fines and court costs -A/R adj	100,000	44,650	(55,350)
Indigent defense reimbursement	0	12,890	12,890
Victim restitution receipts	23,000	17,439	(5,561)
Total Fines	<u>473,000</u>	<u>420,315</u>	<u>(52,685)</u>
TOTAL REVENUES	<u>473,000</u>	<u>420,315</u>	<u>(52,685)</u>
Expenditures			
Personnel Services			
Payroll - regular	76,000	79,201	(3,201)
Payroll - overtime	20,000	26,887	(6,887)
Payroll taxes	8,000	7,951	49
Group insurance	9,000	9,216	(216)
Retirement	7,000	8,184	(1,184)
Workmen's comp insurance	1,000	892	108
Training/convention registration	3,000	940	2,060
Training/convention travel	3,000	2,525	475
Total Personnel Services	<u>127,000</u>	<u>135,796</u>	<u>(8,796)</u>
Administrative			
Bad debts - court	25,000	0	25,000
General insurance	1,000	0	1,000
Mobile communications	1,000	792	208
Technology - hardware	4,000	7,043	(3,043)
Technology - software	2,000	1,500	500
Telephone services	2,000	2,332	(332)
Utilities	2,000	3,133	(1,133)
Victim restitution expense	4,000	3,372	628
Total Administrative	<u>41,000</u>	<u>18,172</u>	<u>22,828</u>
Supplies			
Office supplies	3,000	8,217	(5,217)
Small tools and equipment	2,000	0	2,000
Total Supplies	<u>5,000</u>	<u>8,217</u>	<u>(3,217)</u>
Repairs and Maintenance			
R&M - equipment	1,000	0	1,000
Total Repairs and Maintenance	<u>1,000</u>	<u>0</u>	<u>1,000</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
GENERAL FUND - MUNICIPAL COURT
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
Expenditures (continued)			
Outside Services			
Attorney indigent defense fee	\$ 0	\$ 9,507	\$ (9,507)
Credit card fees	0	163	(163)
Legal services	2,000	225	1,775
Professional fees	40,000	34,789	5,211
Total Outside Services	42,000	44,684	(2,684)
Capital Outlay			
Equipment - municipal court	0	4,635	(4,635)
Total Capital Outlay	0	4,635	(4,635)
TOTAL EXPENDITURES	216,000	211,504	4,496
Excess of revenues over expenditures	257,000	208,811	(48,189)
Other Financing Sources (Uses)			
Transfer to General Fund	(250,000)	(150,962)	99,038
Net Other Financing Sources (Uses)	(250,000)	(150,962)	99,038
Excess of revenues and other financing sources over expenditures and other financing uses	\$ 7,000	\$ 57,849	\$ 50,849

Note: For reporting purposes the Municipal court is being reported as a component of the General Fund.

**CITY OF CALERA, ALABAMA
GENERAL FUND - SALEM CEMETERY
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Actual</u>
Revenues	
Interest	
Investment income	\$ 8,921
Salem - change in market value	<u>(1,591)</u>
Total Interest	<u>7,330</u>
Donations	<u>20,236</u>
TOTAL REVENUES	<u>27,566</u>
Expenditures	
Repairs and maintenance	<u>8,407</u>
	<u>8,407</u>
Capital Outlay	
Capital outlay	<u>10,000</u>
Total Capital Outlay	<u>10,000</u>
TOTAL EXPENDITURES	<u>18,407</u>
Excess of revenues over expenditures	<u>\$ 9,159</u>

Note: For reporting purposes the Salem Cemetery is being reported as a component of the General Fund.

CITY OF CALERA, ALABAMA
 GAS TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
 BUDGET COMPARED TO ACTUAL
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Taxes			
4 cent gasoline tax receipts	\$ 5,400	\$ 5,206	\$ (194)
5 cent gasoline tax receipts	2,500	2,561	61
7 cent gasoline tax receipts	8,900	8,964	64
Petro inspection fee receipts	1,500	1,484	(16)
Additional excise tax - City	400	426	26
Total Taxes	<u>18,700</u>	<u>18,641</u>	<u>(59)</u>
Interest			
Interest income	<u>1,200</u>	<u>912</u>	<u>(288)</u>
Total Interest	<u>1,200</u>	<u>912</u>	<u>(288)</u>
TOTAL REVENUES	<u>19,900</u>	<u>19,553</u>	<u>(347)</u>
Other Financing Sources (Uses)			
Transfer to General Fund	<u>(25,000)</u>	<u>(33,060)</u>	<u>(8,060)</u>
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(33,060)</u>	<u>(8,060)</u>
TOTAL EXPENDITURES	<u>(25,000)</u>	<u>(33,060)</u>	<u>(8,060)</u>
Excess of revenues (under) other financing uses	<u>\$ (5,100)</u>	<u>\$ (13,507)</u>	<u>\$ (8,407)</u>

CITY OF CALERA, ALABAMA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

Revenues

Interest

Interest income	\$ 9,483
Total Interest	<u>9,483</u>

TOTAL REVENUES	<u>9,483</u>
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Expenditures

Outside services

Investment fees	769
Total Outside Services	<u>769</u>

Debt Service

Principal - 2002 bonds	160,000
Principal - 2004 bonds	55,000
Interest expense	276,276
Total Debt Service	<u>491,276</u>

TOTAL EXPENDITURES	<u>492,045</u>
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Excess of revenues (under) expenditures	<u>(482,562)</u>
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Other Financing Sources

Transfers from General Fund	503,604
Transfers from Capital Projects Fund	131
Total Other Financing Sources	<u>503,735</u>

Excess of revenues and other financing sources over expenditures and other financing uses	<u>\$ 21,173</u>
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CITY OF CALERA, ALABAMA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

Revenues

Interest

Interest income	\$ 2,988
Total Interest	<u>2,988</u>

TOTAL REVENUES	<u>2,988</u>
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Expenditures

Outside Services

Investment fees	391
Total Outside Services	<u>391</u>

Capital Outlay

Equipment - library	41,700
Building - library	23,334
Total Capital Outlay	<u>65,034</u>

TOTAL EXPENDITURES	<u>65,425</u>
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Excess of revenues (under) expenditures	<u>(62,437)</u>
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Other Financing Sources

Transfers from General Fund	24,995
Transfers to Debt Service Fund	(131)
Total Other Financing Sources	<u>24,864</u>

Excess of revenues and other financing sources (under) expenditures and other financing uses	<u>\$ (37,573)</u>
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**CITY OF CALERA, ALABAMA
NATURAL GAS SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Utility Receipts			
Residential sales	\$ 1,130,000	\$ 1,142,898	\$ 12,898
Industrial sales	1,000,000	1,021,628	21,628
Commercial sales	490,000	476,428	(13,572)
Governmental sales	110,000	111,608	1,608
Penalty revenue	35,000	32,147	(2,853)
Total Utility Receipts	<u>2,765,000</u>	<u>2,784,709</u>	<u>19,709</u>
Fees			
Tapping fees	25,000	19,945	(5,055)
Total Fees	<u>25,000</u>	<u>19,945</u>	<u>(5,055)</u>
Other Revenue Sources			
Insurance reimbursements	0	5,387	5,387
Reimbursements contractors	0	1,938	1,938
Miscellaneous income	3,000	1,468	(1,532)
Total Other Revenue Sources	<u>3,000</u>	<u>8,793</u>	<u>5,793</u>
TOTAL REVENUES	<u>2,793,000</u>	<u>2,813,447</u>	<u>20,447</u>
Operating Expenses			
Personnel Services			
Payroll - regular	407,000	403,519	3,481
Payroll - overtime	37,000	40,780	(3,780)
Payroll - comp absences	5,000	600	4,400
Payroll taxes	34,000	32,814	1,186
Group insurance	65,000	62,081	2,919
Retirement	35,000	34,438	562
Workmen's comp insurance	8,000	8,990	(990)
Personnel cost allocation	92,000	99,800	(7,800)
Uniform	5,500	4,012	1,488
Training/convention registration	8,000	4,555	3,445
Training/convention travel	3,000	4,167	(1,167)
Medical/drug testing	500	90	410
Total Personnel Services	<u>700,000</u>	<u>695,846</u>	<u>4,154</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
NATURAL GAS SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Expenses (continued)			
Administrative			
Bad debts	\$ 10,000	\$ 9,339	\$ 661
Dues and subscriptions	1,500	3,833	(2,333)
General insurance	35,000	32,763	2,237
Miscellaneous	1,000	909	91
Mobile communications	2,000	2,010	(10)
Permits and licenses	2,000	2,060	(60)
Promotion	8,000	6,340	1,660
Technology - hardware	3,000	1,269	1,731
Technology - software	0	600	(600)
Technology cost allocation	14,000	8,000	6,000
Telephone service	0	115	(115)
Utilities	0	193	(193)
Office expense allocation	14,000	28,200	(14,200)
Total Administrative	<u>90,500</u>	<u>95,631</u>	<u>(5,131)</u>
Supplies			
Fuel usage	25,000	27,107	(2,107)
Gas purchases	1,800,000	1,803,110	(3,110)
Office supplies	1,000	1,911	(911)
Operating supplies	20,000	20,973	(973)
Small tools and equipment	6,000	5,864	136
Supplies expense allocation	11,000	13,800	(2,800)
Total Supplies	<u>1,863,000</u>	<u>1,872,765</u>	<u>(9,765)</u>
Repairs and Maintenance			
R&M - vehicles	10,000	4,557	5,443
R&M - equipment	18,000	15,631	2,369
R&M - system	50,000	27,681	22,319
Total Repairs and Maintenance	<u>78,000</u>	<u>47,869</u>	<u>30,131</u>
Outside Services			
Consulting fees	5,000	4,633	367
Meter reading services	12,000	12,000	0
Rebate program	20,000	12,730	7,270
Rental - equipment	3,000	2,130	870
Property taxes	1,000	1,431	(431)
Outside services allocation	26,000	35,500	(9,500)
Total Outside Services	<u>67,000</u>	<u>68,424</u>	<u>(1,424)</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
 NATURAL GAS SYSTEM
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 BUDGET COMPARED TO ACTUAL - (CONTINUED)
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Expenses (continued)			
Other			
Depreciation	\$ 110,000	\$ 109,261	\$ 739
Total Other	<u>110,000</u>	<u>109,261</u>	<u>739</u>
Total Operating Expenses	<u>2,908,500</u>	<u>2,889,796</u>	<u>18,704</u>
Operating income	<u>(115,500)</u>	<u>(76,349)</u>	<u>39,151</u>
Non-Operating Revenues (Expenses)			
Interest expense	<u>0</u>	<u>(3,540)</u>	<u>3,540</u>
Total Non-Operating Revenues (Expenses)	<u>0</u>	<u>(3,540)</u>	<u>3,540</u>
Income (loss) before operating transfers	<u>(115,500)</u>	<u>(79,889)</u>	<u>35,611</u>
Operating Transfers			
Transfers from General Fund	0	235,000	235,000
Transfers to General Fund	<u>(10,000)</u>	<u>(26,257)</u>	<u>(16,257)</u>
Total Operating Transfers	<u>(10,000)</u>	<u>208,743</u>	<u>218,743</u>
Change in net assets	<u>(125,500)</u>	<u>128,854</u>	<u>254,354</u>
Net assets, beginning, as restated	<u>2,579,542</u>	<u>2,579,542</u>	<u>0</u>
NET ASSETS, ENDING	<u>\$ 2,454,042</u>	<u>\$ 2,708,396</u>	<u>\$ 254,354</u>

**CITY OF CALERA, ALABAMA
WATER WORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Utility Receipts			
Residential sales	\$ 1,975,000	\$ 1,949,807	\$ (25,193)
Industrial sales	40,000	40,172	172
Commercial sales	190,000	203,264	13,264
Governmental sales	70,000	60,346	(9,654)
Penalty revenue	50,000	46,618	(3,382)
Total Utility Receipts	<u>2,325,000</u>	<u>2,300,207</u>	<u>(24,793)</u>
Fees			
Administrative fees	20,000	27,510	7,510
Connection fees	30,000	28,965	(1,035)
Tapping fees	135,000	167,203	32,203
Impact fees	550,000	497,907	(52,093)
Total Fees	<u>735,000</u>	<u>721,585</u>	<u>(13,415)</u>
Charges for Services			
Meter reading reimbursement	12,000	12,000	0
Rental - fire hydrants	40,000	38,124	(1,876)
Rental income	1,000	400	(600)
Total Charges for Services	<u>53,000</u>	<u>50,524</u>	<u>(2,476)</u>
Other Revenue Sources			
Insurance reimbursements	5,000	0	(5,000)
Miscellaneous income	5,000	7,208	2,208
Developer reimbursement - system extension	20,000	15,236	(4,764)
Total Other Revenue Sources	<u>30,000</u>	<u>22,444</u>	<u>(7,556)</u>
TOTAL REVENUES	<u>3,143,000</u>	<u>3,094,760</u>	<u>(48,240)</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
WATER WORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Expenses			
Personnel Services			
Payroll - regular	\$ 470,000	\$ 457,286	\$ 12,714
Payroll - overtime	105,000	94,874	10,126
Payroll - comp absences	0	4,200	(4,200)
Payroll - Board members	7,000	5,611	1,389
Payroll taxes	45,000	40,940	4,060
Group insurance	90,000	86,407	3,593
Retirement	45,000	42,482	2,518
Workmen's comp insurance	12,000	14,429	(2,429)
Personnel cost allocation	92,000	99,800	(7,800)
Uniform	6,000	3,965	2,035
Training/convention registration	6,000	4,575	1,425
Training/convention travel	15,000	17,882	(2,882)
Medical/drug testing	500	1,133	(633)
Total Personnel Services	<u>893,500</u>	<u>873,584</u>	<u>19,916</u>
Administrative			
Bad debts	20,000	18,467	1,533
Dues and subscriptions	3,000	2,370	630
General insurance	35,000	32,715	2,285
Miscellaneous	1,000	56	944
Mobile communications	4,000	3,910	90
Permits and licenses	1,000	2,350	(1,350)
Technology - hardware	2,000	13,281	(11,281)
Technology - software	0	600	(600)
Technology cost allocation	10,000	8,000	2,000
Telephone service	1,000	1,000	0
Utilities	110,000	128,911	(18,911)
Office expense allocation	14,000	28,200	(14,200)
Total Administrative	<u>201,000</u>	<u>239,860</u>	<u>(38,860)</u>
Supplies			
Fuel usage	33,000	40,024	(7,024)
Office supplies	2,000	2,911	(911)
Operating supplies	80,000	87,293	(7,293)
Small tools and equipment	20,000	8,650	11,350
Supplies expense allocation	11,000	12,700	(1,700)
Total Supplies	<u>146,000</u>	<u>151,578</u>	<u>(5,578)</u>

(continued on the following page)

**CITY OF CALERA, ALABAMA
WATER WORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Expenses (continued)			
Repairs and Maintenance			
R&M - vehicles	\$ 23,000	\$ 21,505	\$ 1,495
R&M - equipment	30,000	30,644	(644)
R&M - system	150,000	189,948	(39,948)
R&M - water tank	85,000	87,885	(2,885)
Total Repairs and Maintenance	<u>288,000</u>	<u>329,982</u>	<u>(41,982)</u>
Outside Services			
Audit fees	4,000	4,700	(700)
Bond fees	10,000	15,030	(5,030)
Consulting fees	5,000	3,942	1,058
Legal fees	35,000	31,511	3,489
Rental - City Hall	6,000	6,000	0
Rental - City Shop	6,000	6,000	0
Rental - equipment	2,000	4,461	(2,461)
Outside services allocation	26,000	36,600	(10,600)
Water testing	10,000	11,285	(1,285)
Total Outside Services	<u>104,000</u>	<u>119,529</u>	<u>(15,529)</u>
Other			
Depreciation	350,000	354,543	(4,543)
Amort. of bond issuance costs	15,000	13,632	1,368
Total Other	<u>365,000</u>	<u>368,175</u>	<u>(3,175)</u>
Total Operating and Administrative Expenses	<u>1,997,500</u>	<u>2,082,708</u>	<u>(85,208)</u>
Operating income	<u>1,145,500</u>	<u>1,012,052</u>	<u>(133,448)</u>
Non-operating revenues (expenses)			
Interest income	30,000	47,900	17,900
Interest income (restricted)	550,000	425,610	(124,390)
Interest expense	(800,000)	(661,889)	138,111
Net non-operating revenues (expenses)	<u>(220,000)</u>	<u>(188,379)</u>	<u>31,621</u>
Total Income	<u>925,500</u>	<u>823,673</u>	<u>(101,827)</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
WATER WORKS SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Transfers			
Transfers to General Fund	\$ 0	\$ (9,919)	\$ (9,919)
Net Operating Transfers	<u>0</u>	<u>(9,919)</u>	<u>(9,919)</u>
Change in net assets	925,500	813,754	(111,746)
Net assets, beginning, as restated	<u>4,362,439</u>	<u>4,362,439</u>	<u>0</u>
NET ASSETS, ENDING	<u>\$ 5,287,939</u>	<u>\$ 5,176,193</u>	<u>\$ (111,746)</u>

**CITY OF CALERA, ALABAMA
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Utility Receipts			
Residential sales	\$ 695,000	\$ 691,452	\$ (3,548)
Industrial sales	85,000	74,487	(10,513)
Commercial sales	175,000	155,673	(19,327)
Governmental sales	40,000	36,725	(3,275)
Penalty revenue	20,000	19,860	(140)
Total Utility Receipts	<u>1,015,000</u>	<u>978,197</u>	<u>(36,803)</u>
Fees			
Tapping fees	1,079,000	917,000	(162,000)
Impact fees	550,000	459,000	(91,000)
Total Fees	<u>1,629,000</u>	<u>1,376,000</u>	<u>(253,000)</u>
Other Revenue Sources			
USDA grant receipts	302,000	277,752	(24,248)
Miscellaneous income	2,000	630	(1,370)
Stone Creek receipts	0	45,704	45,704
Whippoorwill receipts	0	75,000	75,000
Developer reimbursement - system extension	200,000	123,684	(76,316)
Total Other Revenue Sources	<u>504,000</u>	<u>522,770</u>	<u>18,770</u>
TOTAL REVENUES	<u>3,148,000</u>	<u>2,876,967</u>	<u>(271,033)</u>
Operating Expenses			
Collections			
Personnel Services			
Payroll - regular	185,000	192,037	(7,037)
Payroll - overtime	16,000	16,022	(22)
Payroll - comp absences	3,000	(3,100)	6,100
Payroll taxes	16,000	15,343	657
Group insurance	21,000	21,603	(603)
Retirement	16,000	15,827	173
Workmen's comp insurance	7,000	9,030	(2,030)
Personnel cost allocation	46,000	49,900	(3,900)
Uniform	4,000	2,041	1,959
Training/convention registration	1,000	0	1,000
Training/convention travel	500	24	476
Medical/drug testing	200	375	(175)
Total Personnel Services	<u>315,700</u>	<u>319,102</u>	<u>(3,402)</u>

(continued on the following page)

**CITY OF CALERA, ALABAMA
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Expenses (continued)			
Collections (continued)			
Administrative			
Bad debts	\$ 5,000	\$ 5,784	\$ (784)
General insurance	5,000	4,998	2
Miscellaneous	1,000	0	1,000
Mobile communications	1,000	0	1,000
Permits and licenses	500	305	195
Technology - hardware	2,000	629	1,371
Technology cost allocation	7,000	4,000	3,000
Utilities	65,000	70,702	(5,702)
Office expense allocation	7,000	14,100	(7,100)
Total Administrative	<u>93,500</u>	<u>100,518</u>	<u>(7,018)</u>
Supplies			
Fuel usage	8,000	10,998	(2,998)
Lift station supplies	80,000	118,646	(38,646)
Office supplies	1,000	454	546
Operating supplies	35,000	24,446	10,554
Small tools and equipment	5,000	1,744	3,256
Supplies expense allocation	6,000	6,300	(300)
Total Supplies	<u>135,000</u>	<u>162,588</u>	<u>(27,588)</u>
Repairs and Maintenance			
R&M - vehicles	4,000	5,398	(1,398)
R&M - equipment	8,000	11,242	(3,242)
R&M - lift stations	40,000	44,314	(4,314)
R&M - system infiltration	15,000	9,955	5,045
R&M - collection system	25,000	22,100	2,900
Total Repairs and Maintenance	<u>92,000</u>	<u>93,009</u>	<u>(1,009)</u>
Outside Services			
Bond fees	8,000	8,162	(162)
Investment fees	8,000	10,300	(2,300)
Legal fees	0	74	(74)
Rental - equipment	30,000	28,613	1,387
Security - lift stations	9,000	7,775	1,225
Outside services allocation	13,000	18,300	(5,300)
Total Outside Services	<u>68,000</u>	<u>73,224</u>	<u>(5,224)</u>
Other			
Depreciation	100,000	137,183	(37,183)
Total Other	<u>100,000</u>	<u>137,183</u>	<u>(37,183)</u>
TOTAL COLLECTIONS	<u>804,200</u>	<u>885,624</u>	<u>(81,424)</u>

(continued on the following page)

**CITY OF CALERA, ALABAMA
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Expenses (continued)			
Treatment			
Personnel services			
Payroll - regular	\$ 266,000	\$ 254,725	\$ 11,275
Payroll - overtime	45,000	49,313	(4,313)
Payroll - comp absences	5,000	7,400	(2,400)
Payroll taxes	25,000	22,580	2,420
Group insurance	45,000	43,475	1,525
Retirement	24,000	23,600	400
Workmen's comp insurance	15,000	15,562	(562)
Personnel cost allocation	46,000	49,900	(3,900)
Uniform	2,000	3,130	(1,130)
Training/convention registration	3,000	290	2,710
Training/convention travel	2,000	973	1,027
Medical/drug testing	500	480	20
Total Personnel Services	<u>478,500</u>	<u>471,428</u>	<u>7,072</u>
Administrative			
General insurance	11,000	10,478	522
Mobile communications	1,500	1,825	(325)
Permits and licenses	0	6,215	(6,215)
Technology - hardware	3,000	431	2,569
Technology - software	1,000	0	1,000
Technology cost allocation	7,000	4,000	3,000
Telephone service	3,000	3,155	(155)
Utilities	285,000	293,006	(8,006)
Office expense allocation	7,000	14,100	(7,100)
Total Administrative	<u>318,500</u>	<u>333,210</u>	<u>(14,710)</u>
Supplies			
Fuel usage	13,000	15,395	(2,395)
Office supplies	1,000	1,252	(252)
Operating supplies - treatment	25,000	22,106	2,894
Operating supplies - chemicals	35,000	52,633	(17,633)
Bio-solids disposal	25,000	19,847	5,153
Small tools and equipment	15,000	4,541	10,459
Supplies expense allocation	6,000	6,300	(300)
Total Supplies	<u>120,000</u>	<u>122,074</u>	<u>(2,074)</u>

(continued on the following page)

CITY OF CALERA, ALABAMA
SEWER SYSTEM
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
BUDGET COMPARED TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Expenses (continued)			
Treatment (continued)			
Repairs and Maintenance			
R&M - vehicles	\$ 2,000	\$ 2,903	\$ (903)
R&M - equipment	2,000	1,093	907
R&M - WWTP	45,000	37,807	7,193
Total Repairs and Maintenance	<u>49,000</u>	<u>41,803</u>	<u>7,197</u>
Outside Services			
Legal fees	25,000	24,800	200
Water testing	8,000	5,585	2,415
Rental - equipment	4,000	4,290	(290)
Outside services allocation	13,000	18,300	(5,300)
Total Outside Services	<u>50,000</u>	<u>52,975</u>	<u>(2,975)</u>
Other			
Depreciation	100,000	375,521	(275,521)
Amortization	6,000	6,153	(153)
Total Other	<u>106,000</u>	<u>381,674</u>	<u>(275,674)</u>
TOTAL TREATMENT	<u>1,122,000</u>	<u>1,403,164</u>	<u>(281,164)</u>
Total Operating Expenses	<u>1,926,200</u>	<u>2,288,788</u>	<u>(362,588)</u>
Operating income	<u>1,221,800</u>	<u>588,179</u>	<u>(633,621)</u>
Non-operating revenues (expenses)			
Interest income	100,000	12,983	(87,017)
Interest income (restricted)	0	142,823	142,823
Interest expense	(514,000)	(471,713)	42,287
Net non-operating revenues (expenses)	<u>(414,000)</u>	<u>(315,907)</u>	<u>98,093</u>
Total income	<u>807,800</u>	<u>272,272</u>	<u>(535,528)</u>
Operating transfers			
Transfers to General Fund	(10,000)	(409,919)	(399,919)
Total operating transfers	<u>(10,000)</u>	<u>(409,919)</u>	<u>(399,919)</u>
Change in net assets	<u>797,800</u>	<u>(137,647)</u>	<u>(935,447)</u>
Net assets, beginning	<u>9,802,956</u>	<u>9,802,956</u>	<u>0</u>
NET ASSETS, ENDING	<u>\$ 10,600,756</u>	<u>\$ 9,665,309</u>	<u>\$ (935,447)</u>