

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2011

Office of the Finance Director

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

THE CITY OF HOOVER, ALABAMA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2011

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INTRODUCTORY SECTION

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The City of Hoover has an estimated population of 83,649 and is located in north-central Alabama within the Birmingham/Hoover metropolitan statistical area. Hoover occupies approximately 47.79 square miles within Jefferson and Shelby counties.

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OFFICE OF THE MAYOR
City of Hoover

Gary Ivey
Mayor

March 30, 2012

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

The comprehensive annual financial report for the City of Hoover, Alabama (the City) for the fiscal year ended September 30, 2011, is hereby submitted as mandated by Section 11-43D-17, Code of Alabama, 1975, as amended. These statutes require that the City issues an annual report on its financial position and activity, and that this report be audited by either an independent firm of certified public accountants or the State Department of Examiners of Public Accounts in accordance with generally accepted auditing standards. The accounting firm of Borland Benefield performed the audit.

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

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

If the threshold is met, the city is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to the single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings are included in a separately issued single audit report. For fiscal year 2011, a single audit was required.

PROFILE OF THE GOVERNMENT

Government Structure

The Government has operated under the Mayor-Council form of government since incorporation. Policy making and legislative authority is vested in the City Council, which consists of seven “at large” council members. The City Council is responsible, among other things, for passing resolutions and ordinances, adopting the budget and appointing certain boards and committees. The Mayor is responsible for carrying out the policies and ordinances of the Government, and also appointing certain boards and committees. The Mayor and City Council are elected on a nonpartisan basis to concurrent four-year terms that begin in November of the election year. An election was conducted in the summer of 2008.

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

Geography, Population, and History

The Government, incorporated in 1967, is located in Jefferson and Shelby Counties in north central Alabama. In 1968, its population was estimated at 410 and has grown to 83,649 today, making it the sixth largest city in the state based on population. Along with this continued population growth, the City comprises approximately 47.79 square miles.

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

The City is a retail hub for the State of Alabama. The Riverchase Galleria is home to almost 200 specialty stores and is anchored by Macy’s, Belk’s, JC Penney, and Sears. The Galleria includes restaurants, a hotel, and a 17-story office tower. The City receives approximately 20% of its sales and use tax revenue from the Galleria.

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

Component Units

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

Budget Process and Controls

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

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

ECONOMIC CONDITION

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

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

Long-Term Financial Planning

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

In order to achieve the aforementioned funding for the capital projects fund, since fiscal year 2007, the City has transferred all excess net change in fund balance above \$100,000 from the General Fund to the Capital Projects Fund. These funds are then available to either supplement existing projects as estimated costs increase, or to fund new projects as the need arises. For fiscal year 2011, this transfer was \$4,106,865, which was a decrease from fiscal year 2010 of \$1,602,542.

Relevant Financial Policies

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

Local Economy

The Government's overall financial condition continues to be healthy. The City's total revenue for All Governmental Funds for the fiscal year ended September 30, 2011 increased by \$2,136,233, or 2.18% over the fiscal year ended September 30, 2010. When looking at the General Fund only, the City increased its revenue by almost \$2.4 million. This is a positive sign for the continued financial strength of the City.

The following schedule presents a summary of revenues for all Governmental Funds for the fiscal year ended September 30, 2011, with the amount and percentage of increase (decrease) in relation to the fiscal year ended September 30, 2010.

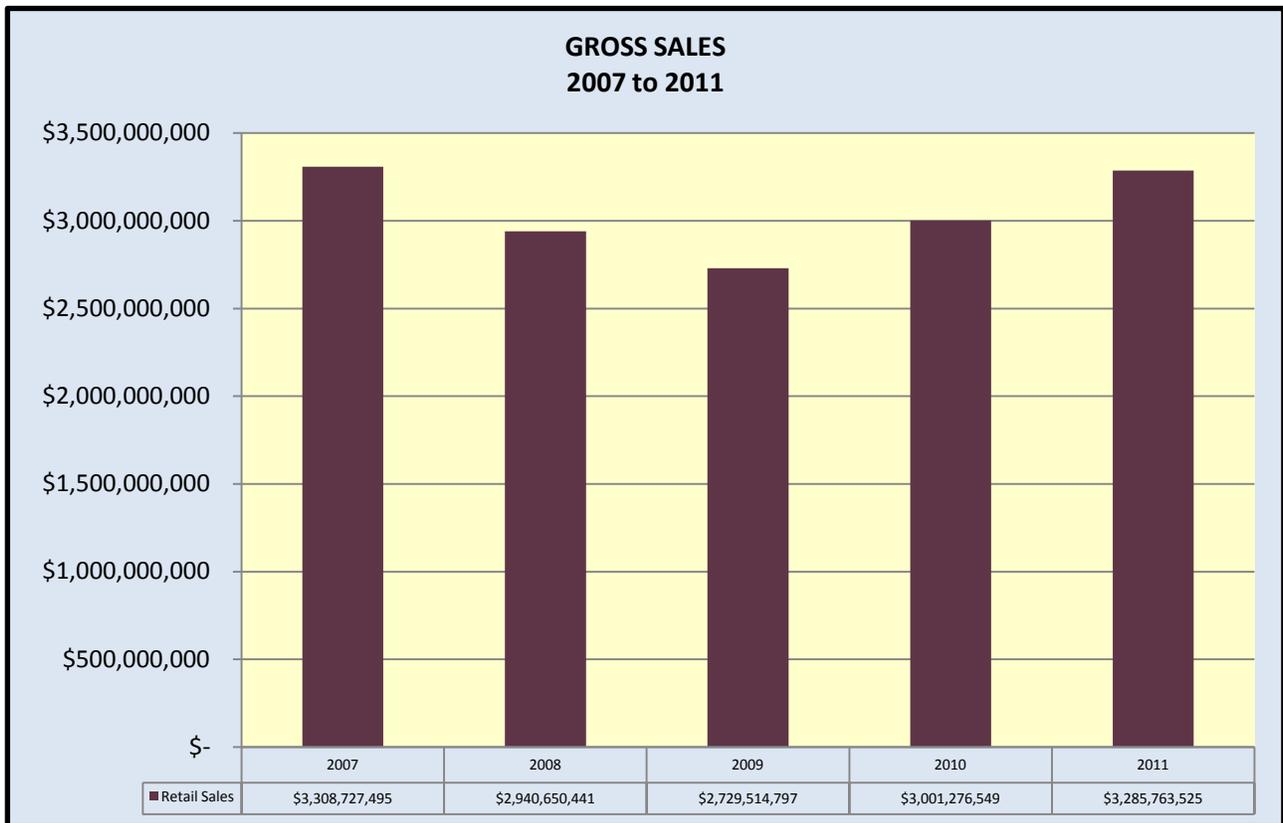
Below, revenues are broken down by major categories. As shown, all categories increased except two: fines and forfeits decreased by 32.11% and investment income decreased by 9.74%. The former was due to fewer tickets being written by the police department, whereas the latter is indicative of the current investment climate. However, the increase in taxes, 2.79%, more than offset these decreases.

Revenues	FY 2011 Amount	Percent of Total	FY 2010 Amount	Increase (Decrease) From FY 2010	Percent of Increase (Decrease)
Taxes	\$ 76,242,148	76.23 %	\$ 74,175,655	\$ 2,066,493	2.79 %
Licenses and permits	7,069,269	7.07	6,875,431	193,838	2.82
Intergovernmental	5,694,091	5.69	5,409,712	284,379	5.26
Fines and forfeits	2,752,503	2.75	4,054,336	(1,301,833)	(32.11)
Investment income	1,604,899	1.60	1,778,099	(173,200)	(9.74)
Rents and royalties	915,600	0.92	879,945	35,655	4.05
Contributions and reimbursements	1,078,960	1.08	1,061,255	17,705	1.67
Charges for services	3,949,779	3.95	3,433,024	516,755	15.05
Other	713,180	0.71	216,739	496,441	229.05
Total revenues	<u>\$ 100,020,428</u>	<u>100.00 %</u>	<u>\$ 97,884,197</u>	<u>\$ 2,136,233</u>	<u>2.18 %</u>

Overall, the City's General Fund was still able to add \$100,000 to fund balance and transfer \$4.1 million to the Capital Projects Fund for future projects.

The two largest sources of tax revenue are sales and use tax revenue and property tax revenue. As illustrated below and on the following two pages, sales tax continued to increase for 2011, while property tax revenue decreased for the second consecutive year due to the continued reduction in housing values in the economy overall. However, even though the local economy for the City of Hoover has experienced some decline with regards to property taxes, sales and use tax revenue more than offset this decrease.

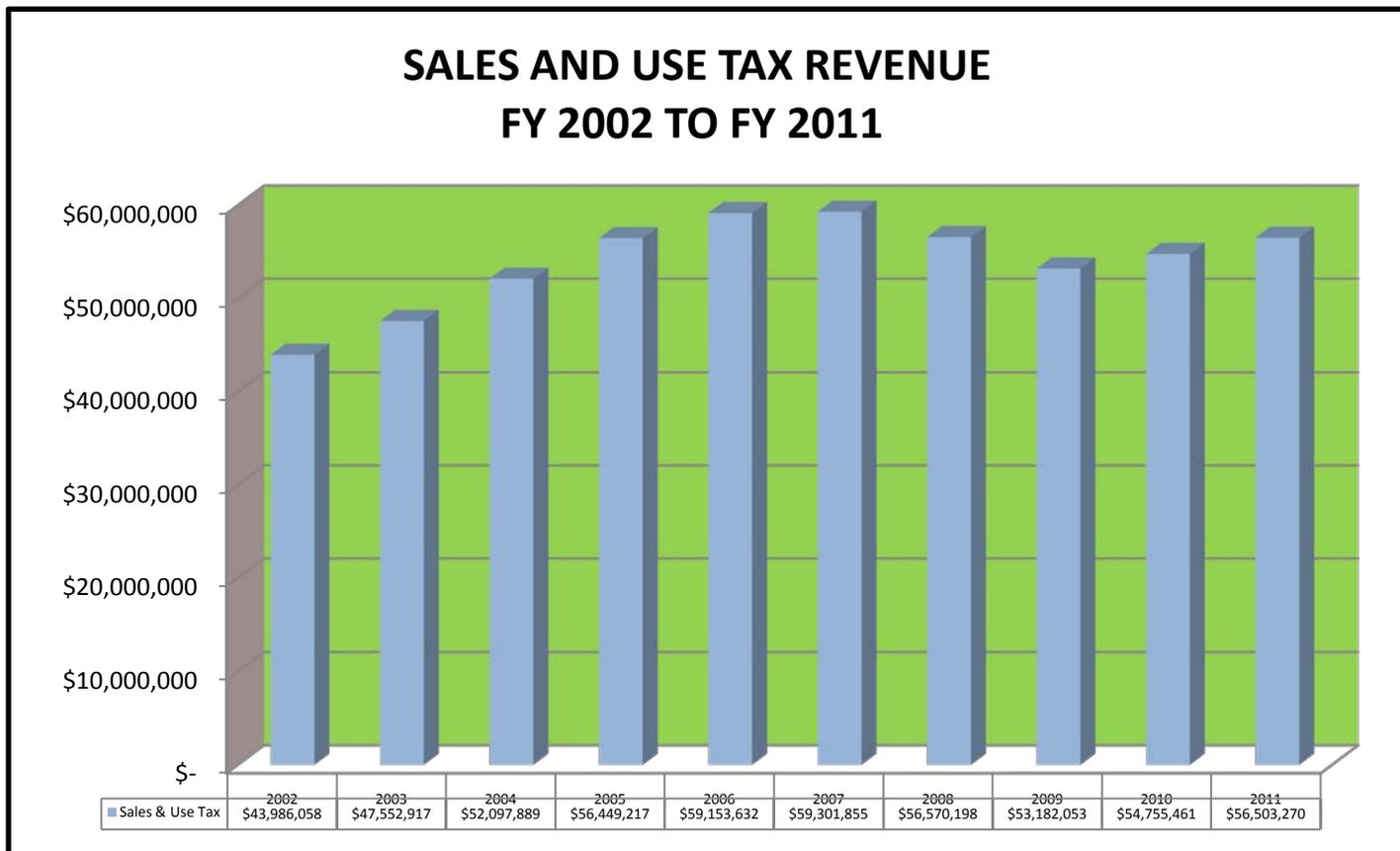
Related to sales and use taxes, the City's total gross sales increased by \$284,486,976 over the previous year to a total of \$3,285,763,525. This represented an increase of 9.48%. Although retail sales have not completely recovered to their prior high in 2007, they have continued to increase since 2009. The chart below depicts the gross sales growth for the last five years.



Fiscal year 2011 resulted in another year of increases for sales and use tax revenue after the two years of decline in 2008 and 2009. Sales and use tax revenue increased by 3.19% over fiscal year 2010. The chart and table below depict the past ten years of sales and use tax revenue collected by the City. Because GASB 34 has created a change in financial reporting, numbers for previous years have been adjusted to compare the same sales and use tax revenue as a percentage of All Governmental Fund Types.

<u>Fiscal Year</u>	<u>Sales and Use Tax Revenue</u>	<u>Percent of Increase (Decrease) from Previous Year</u>	<u>Total All Revenue Governmental Fund Types</u>	<u>Percent of Total Revenue</u>
2002	\$ 43,986,058	7.30	\$ 73,947,095	59.48
2003	47,552,917	8.11	82,072,193	57.94
2004	52,097,889	9.56	86,238,043	60.41
2005	56,449,217	8.35	92,641,156	60.93
2006	59,153,632	4.79	99,501,833	59.45
2007	59,301,855	0.25	104,222,257	56.90
2008	56,570,198	(4.61)	101,994,557	55.46
2009	53,182,053	(5.99)	97,990,456	54.27
2010	54,755,461	2.96	97,884,197	55.94
2011	56,503,270	3.19	100,020,428	56.49

City management expects to maintain the fiscal year 2011 level of sales tax revenue receipts in the near future.

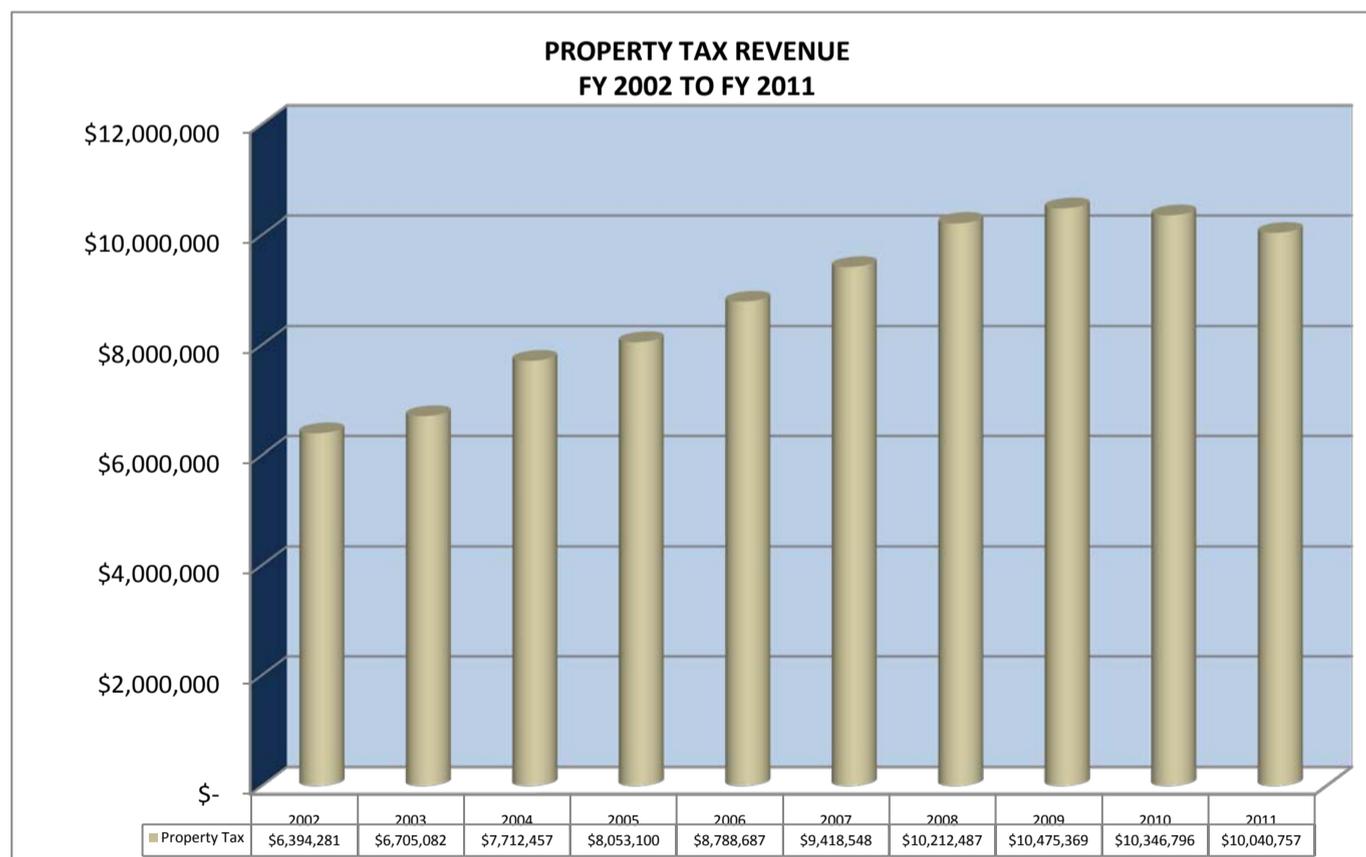


The second largest revenue source for the City is property tax, which comprises 10.04% of total revenues for governmental fund types. A 10 year summary of property tax is as follows:

<u>Fiscal Year</u>	<u>Property Tax Revenue</u>	<u>Percent of Increase (Decrease) from Previous Year</u>	<u>Total All Governmental Fund Types</u>	<u>Percent of Total Revenue</u>
2002 *	\$ 6,394,281	1.95	\$ 73,947,095	8.65
2003	6,705,082	4.86	82,072,193	8.17
2004	7,712,457	15.02	86,238,043	8.94
2005	8,053,100	4.42	92,641,156	8.69
2006	8,788,687	9.13	99,501,833	8.83
2007	9,418,548	7.17	104,222,257	9.04
2008	10,212,487	8.43	101,994,557	10.01
2009	10,475,369	2.57	97,990,456	10.69
2010	10,346,796	(1.23)	97,884,197	10.57
2011	10,040,757	(2.96)	100,020,428	10.04

* For fiscal year 2002, \$2,086,760 consisted of an advanced property tax payment in the Capital Projects Fund via an agreement to help fund a road project. With this payment, property tax revenue for all governmental fund types was \$8,480,041. However, for accurate trend depiction, this was omitted in the numbers above.

The City's property tax is 6 1/2 mills for general governmental use. Property tax revenue decreased 2.96% over FY 2010. Management expects this number to decrease slightly in the near future, as the decline in housing prices continues to affect the assessed value of property.



OTHER INFORMATION

Awards

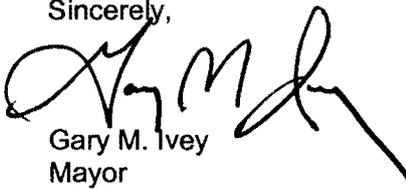
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2010. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Sincerely,



Gary M. Ivey
Mayor



Robert M. Yeager
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hoover
Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

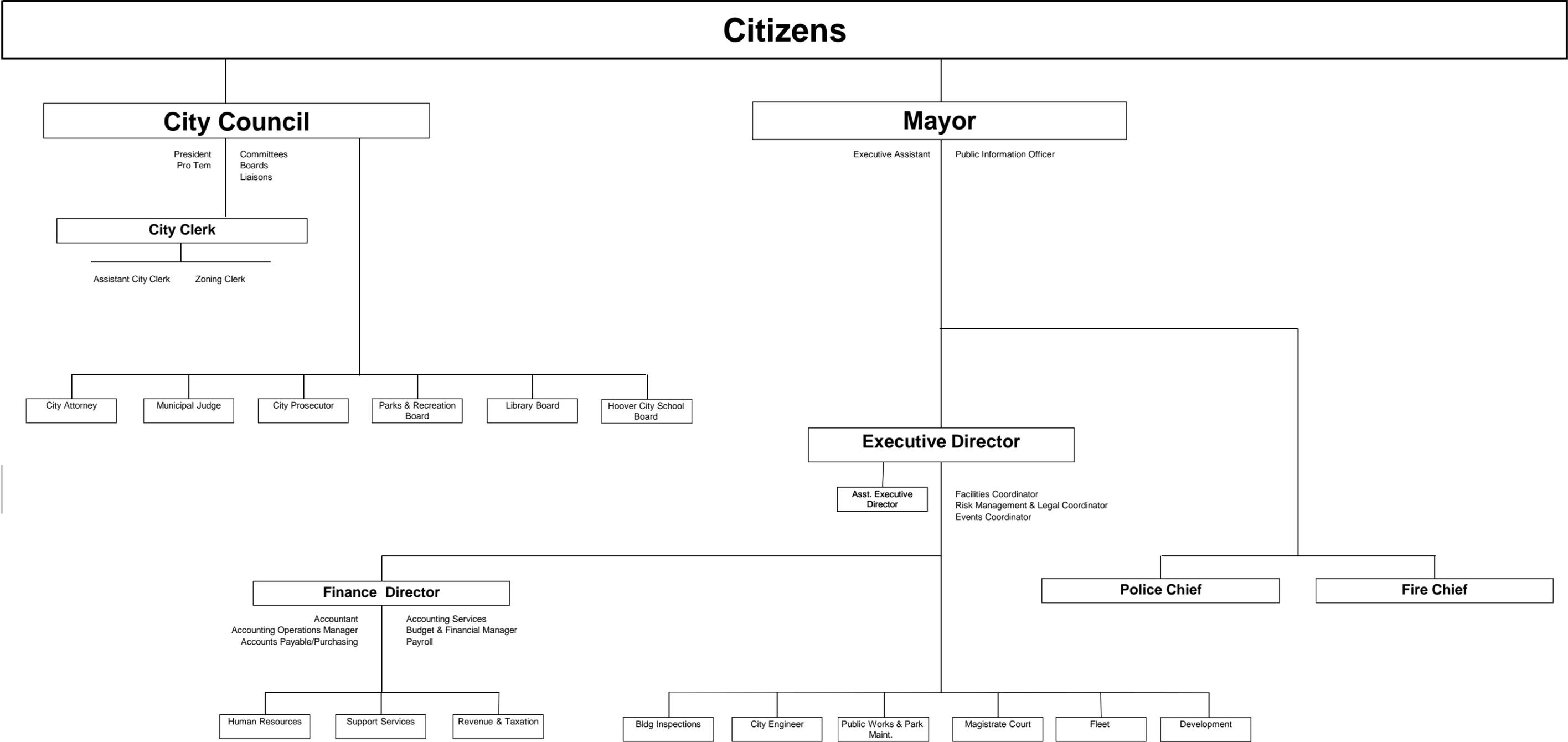
Jeffrey R. Egan

Executive Director

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THE CITY OF HOOVER, ALABAMA

Organization Chart



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OFFICIALS FOR THE CITY OF HOOVER, ALABAMA

ELECTED OFFICIALS

Mayor

Gary Ivey

Council President

Jack Wright

Council President Pro Tempore

Brian Skelton

Council Member

John Greene

Council Member

Dr. Trey Lott

Council Member

Mari Morrison

Council Member

Admiral Jack Natter

Council Member

Gene Smith

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FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hoover, Alabama, (the "City") as of and for the year ended September 30, 2011, 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 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 the overall financial statements 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, 2011, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund 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 April 2, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because of the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison information and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Borland Benefield, P.C.
Birmingham, Alabama
April 2, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Hoover's (the "City") discussion and analysis report provides an overview of the City's financial activities for the fiscal year ended September 30, 2011. The purpose of the Management's Discussion and Analysis (MD&A) is to provide a narrative about the transactions, events, and conditions that are reflected in the government's financial report and of the fiscal policies that govern its operations. Thus, both a short and long term analysis of the government's activities will be presented. Please consider the information in this MD&A in conjunction with the Transmittal Letter (beginning on page 1) and the City's financial statements (beginning on page 40).

FINANCIAL HIGHLIGHTS

- The assets of the City of Hoover exceeded its liabilities at the close of the fiscal year ended September 30, 2011, by \$401,447,052. Of this amount, \$337,984,648 is invested in capital assets – net of related debt, \$9,999,396 is restricted by enabling legislation, which by definition is legally restricted to certain uses, and \$53,463,006 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$11,097,549 or 2.84% in comparison to the net assets at the beginning of the year. A detailed explanation of this increase can be viewed on page 26 of this MD&A.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$62,204,871, an increase of \$2,976,097 in comparison with the prior year. Approximately \$30,335,830 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- Total net assets for governmental activities increased by \$9,753,399, bringing the total to \$375,682,621 for fiscal year 2011.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 41-42) are designed to provide readers with an overview of the City's finances in a manner that resembles that of private sector businesses. In these statements, governmental activities and business activities are consolidated into two columns, which are added together for a total for the City as a whole. In order to consolidate the two types of activities, they must both utilize the same measurement focus. Thus, the government-wide statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains, and losses using the economic resources measurement focus and accrual basis of accounting. (This contrasts with the fund financial

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (see page 43 and page 45, respectively). In addition, a more detailed explanation of the balance sheet reconciliation is given in the notes to the financial statement on page 71.

The City of Hoover maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital projects fund, which are considered to be major funds. Data from the remaining seventeen non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual budgetary comparison schedules later in this report (beginning on page 72).

The City of Hoover adopts an annual appropriated budget for its general, special revenue, and capital projects funds. A budgetary comparison statement has been provided for all of the governmental funds to demonstrate compliance. The general funds' budgetary comparison schedule is shown as a basic financial statement (see page 46).

Proprietary Funds

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

Notes to the financial statements

The notes to the financial statements provide additional essential information that will facilitate understanding the data represented in the government-wide and fund financial statements (see pages 50-71).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets

The City's total assets on its Statement of Net Assets for fiscal year 2011 totaled \$532,690,510, of which \$477,767,302 or 89.69% was from governmental activities. This was an increase of \$10,348,365 for assets in governmental activities. A major part of this increase was due to the contribution of capital assets, consisting of stormwater infrastructure that the City accepted in various resolutions, as well as a donated vehicle for police, and donated land in the amount of \$10,553,015 that offset the depreciation in capital assets. In addition, over \$1 million was an increase in the receivable for estimated claim liabilities above our self insured retention limit.

Business-type activities made up \$54,923,208 or 10.06% of total assets for fiscal year 2011, which was an increase of \$758,954, or 1.40% from fiscal year 2010. This increase was mostly due a transfer from the capital projects fund to the redevelopment proprietary fund for almost \$3 million to purchase and improve land for redevelopment.

As shown in the summary below, noncurrent assets comprise 84.23% of total assets, which is a slight decrease from fiscal year 2010 where the percentage was 85.65%. For fiscal 2011, current assets comprised 15.77% of all assets, an increase from fiscal year 2010 where the percentage was 14.35%. Overall, the increase in government-wide assets of \$11,107,319 was due mainly to the contribution of capital assets and an overall increase in cash and investments.

Breakdown of Assets - Statement of Net Assets - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Current assets	\$ 68,091,606	\$ 74,209,118	\$ 6,767,452	\$ 9,808,508	\$ 74,859,059	\$ 84,017,626
Noncurrent assets:						
Capital assets, net of depreciation	397,602,632	400,485,627	47,062,207	44,793,745	444,664,839	445,279,372
Deferred charges (issuance costs)	396,966	485,009	334,595	320,955	731,562	805,964
Statutory actuarial receivable	1,093,151	2,384,110	-	-	1,093,151	2,384,110
Long-term receivables	234,581	203,438	-	-	234,581	203,438
Total noncurrent assets	<u>399,327,330</u>	<u>403,558,184</u>	<u>47,396,802</u>	<u>45,114,700</u>	<u>446,724,132</u>	<u>448,672,884</u>
Total Assets	<u>\$ 467,418,937</u>	<u>\$ 477,767,302</u>	<u>\$ 54,164,254</u>	<u>\$ 54,923,208</u>	<u>\$ 521,583,191</u>	<u>\$ 532,690,510</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Current assets	14.57%	15.53%	12.49%	17.86%	14.35%	15.77%
Noncurrent assets:						
Capital assets, net of depreciation	85.06%	83.82%	86.89%	81.56%	85.25%	83.59%
Deferred charges (issuance costs)	0.08%	0.10%	0.62%	0.58%	0.14%	0.15%
Statutory actuarial receivable	0.23%	0.50%	0.00%	0.00%	0.21%	0.45%
Long-term receivables	0.05%	0.04%	0.00%	0.00%	0.04%	0.04%
Total noncurrent assets	<u>85.43%</u>	<u>84.47%</u>	<u>87.51%</u>	<u>82.14%</u>	<u>85.65%</u>	<u>84.23%</u>
Total Assets	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Current assets	90.96%	88.33%	9.04%	11.67%	100.00%	100.00%
Noncurrent assets:						
Capital assets, net of depreciation	89.42%	89.94%	10.58%	10.06%	100.00%	100.00%
Deferred charges (issuance costs)	54.26%	60.18%	45.74%	39.82%	100.00%	100.00%
Statutory actuarial receivable	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Long-term receivables	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total noncurrent assets	<u>89.39%</u>	<u>89.94%</u>	<u>10.61%</u>	<u>10.06%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Assets	<u>89.62%</u>	<u>89.69%</u>	<u>10.38%</u>	<u>10.31%</u>	<u>100.00%</u>	<u>100.00%</u>

Liabilities

The City's total liabilities on its Statement of Net Assets totaled \$131,243,459 of which \$102,084,681 or 77.78% was from governmental activities. This resulted in an increase of \$594,967 for liabilities in governmental activities in fiscal year 2011 compared with fiscal year 2010's liabilities of \$101,489,714. The majority of this was due to claims payable increases for internal service funds, as well as an increase in accounts payable and accrued liabilities. This increase in liabilities was lessened by the long-term debt principal that had been paid and thus relieved.

Business-type activities made up \$29,158,777, or 22.22% of total liabilities for fiscal year 2011. This was a decrease from the previous year. Specifically, it decreased by \$585,196 compared to the previous year. This was mostly due to the debt service that was paid on the 1999 and 2000 general obligation sewer warrants.

Overall, as shown in the summary below, long-term liabilities consisting of net bonds/warrants payable, compensated absences, and claims payable comprise 86.23% of total liabilities, with current liabilities comprising 13.77%. The percentage represented was a slight change from fiscal year 2010, which was 87.46% and 12.54% respectively.

Breakdown of Liabilities - Statement of Net Assets - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Current liabilities:						
Accounts payable and other accrued liabilities	\$ 5,025,507	\$ 5,475,316	\$ 239,193	\$ 557,810	\$ 5,264,699	\$ 6,033,125
Internal payable	4,121	5,845	(4,121)	(5,845)	-	-
Bonds and warrants payable, net	5,142,599	5,913,884	901,754	931,754	6,044,352	6,845,637
Compensated absences	4,341,639	4,143,673	13,392	11,512	4,355,030	4,155,185
Claims payable opeb	78,107	-	-	-	78,107	-
Claims payable workers compensation	238,576	289,927	-	-	238,576	289,927
Claims payable property and casualty	475,015	744,869	-	-	475,015	744,869
Total current liabilities	<u>15,305,562</u>	<u>16,573,512</u>	<u>1,150,218</u>	<u>1,495,231</u>	<u>16,455,780</u>	<u>18,068,746</u>
Long-term liabilities:						
Bonds and warrants payable, net	77,304,468	74,164,566	28,580,964	27,649,210	105,885,432	101,813,776
Compensated absences	5,916,063	6,226,533	12,792	14,336	5,928,855	6,240,869
Claims payable opeb	970,697	1,692,015	-	-	970,697	1,692,015
Claims payable workers compensation	1,138,528	2,337,769	-	-	1,138,528	2,337,769
Claims payable property and casualty	854,396	1,090,284	-	-	854,396	1,090,284
Total long-term liabilities	<u>86,184,152</u>	<u>85,511,167</u>	<u>28,593,756</u>	<u>27,663,546</u>	<u>114,777,909</u>	<u>113,174,713</u>
Total Liabilities	<u>\$ 101,489,714</u>	<u>\$ 102,084,681</u>	<u>\$ 29,743,973</u>	<u>\$ 29,158,777</u>	<u>\$ 131,233,689</u>	<u>\$ 131,243,459</u>

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

Category	2010	2011	2010	2011	2010	2011
Current liabilities	15.08%	16.24%	3.87%	5.13%	12.54%	13.77%
Long-term liabilities	<u>84.92%</u>	<u>83.76%</u>	<u>96.13%</u>	<u>94.87%</u>	<u>87.46%</u>	<u>86.23%</u>
Total Liabilities	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

Category	2010	2011	2010	2011	2010	2011
Current liabilities	93.01%	91.72%	6.99%	8.28%	100.00%	100.00%
Long-term liabilities	75.09%	75.56%	24.91%	24.44%	100.00%	100.00%
Total Liabilities	<u>77.34%</u>	<u>77.78%</u>	<u>22.66%</u>	<u>22.22%</u>	<u>100.00%</u>	<u>100.00%</u>

Net Assets

The City's entity-wide net assets totaled \$401,447,052. Governmental activities comprised \$375,682,621 or 93.58% of the total net assets for fiscal year 2011. While there was a substantial increase of \$9,753,399 for net assets in governmental activities, the percentage represented was relatively the same in comparison with fiscal year 2010, which was 93.74%.

Business-type activities made up \$25,764,431, or 6.42% of total net assets for fiscal year 2011. While there was an increase of \$1,344,150, likewise, the percentage represented was relatively the same in comparison with fiscal year 2010, which was 6.26%. Most of this increase was due to the contribution from the capital projects fund to purchase the land in the redevelopment proprietary fund of approximately \$3 million.

The largest portion of the City's assets is restricted or invested in capital assets. In particular, \$337,984,648, or 84.19% is invested in capital assets such as buildings, roads and bridges, less any related debt used to acquire those assets that is still outstanding, and \$9,999,396, or 2.49% is restricted for other purposes. Thus, the total percentage of restricted assets totaled 86.68% for fiscal year 2011, as compared with fiscal year 2010 at 92.80%.

At the same time, the City has \$53,463,006 or 13.32% of assets available in unrestricted net assets, which may be used to meet the government's ongoing obligations to citizens and creditors. Overall, this increased by \$25,356,652 from fiscal year 2010 to fiscal year 2011, with governmental activities representing a \$22,331,164 increase, while the business-type activities increased \$3,025,489. The major reason for the increase in unrestricted is that restricted for capital projects was reclassified to unrestricted net assets.

Summary of Net Assets - Primary Government - Actual

	Governmental Activities		Business-Type Activities		Total	
	2010	2011	2010	2011	2010	2011
Invested in capital assets, net of related debt	\$ 315,155,565	\$ 320,407,177	\$ 19,258,810	\$ 17,577,471	\$ 334,414,375	\$ 337,984,648
Restricted for capital projects	21,707,247	-	-	-	21,707,247	-
Restricted for other purposes	6,121,528	9,999,396	-	-	6,121,528	9,999,396
Unrestricted	22,944,883	45,276,047	5,161,471	8,186,960	28,106,354	53,463,006
Total net assets	<u>\$ 365,929,222</u>	<u>\$ 375,682,621</u>	<u>\$ 24,420,281</u>	<u>\$ 25,764,431</u>	<u>\$ 390,349,503</u>	<u>\$ 401,447,052</u>

Summary of Net Assets - Primary Government - Percentage by Net Asset Category -Type

	2010	2011	2010	2011	2010	2011
Invested in capital assets, net of related debt	86.12%	85.29%	78.86%	68.22%	85.67%	84.19%
Restricted for capital projects	5.93%	0.00%	0.00%	0.00%	5.56%	0.00%
Restricted for other purposes	1.67%	2.66%	0.00%	0.00%	1.57%	2.49%
Unrestricted	6.27%	12.05%	21.14%	31.78%	7.20%	13.32%
Total net assets	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

	2010	2011	2010	2011	2010	2011
Invested in capital assets, net of related debt	94.24%	94.80%	5.76%	5.20%	100.00%	100.00%
Restricted for capital projects	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%
Restricted for other purposes	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Unrestricted	81.64%	84.69%	18.36%	15.31%	100.00%	100.00%
Total net assets	<u>93.74%</u>	<u>93.58%</u>	<u>6.26%</u>	<u>6.42%</u>	<u>100.00%</u>	<u>100.00%</u>

As mentioned above, the largest portion of the City's net assets (84.19%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Thus, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

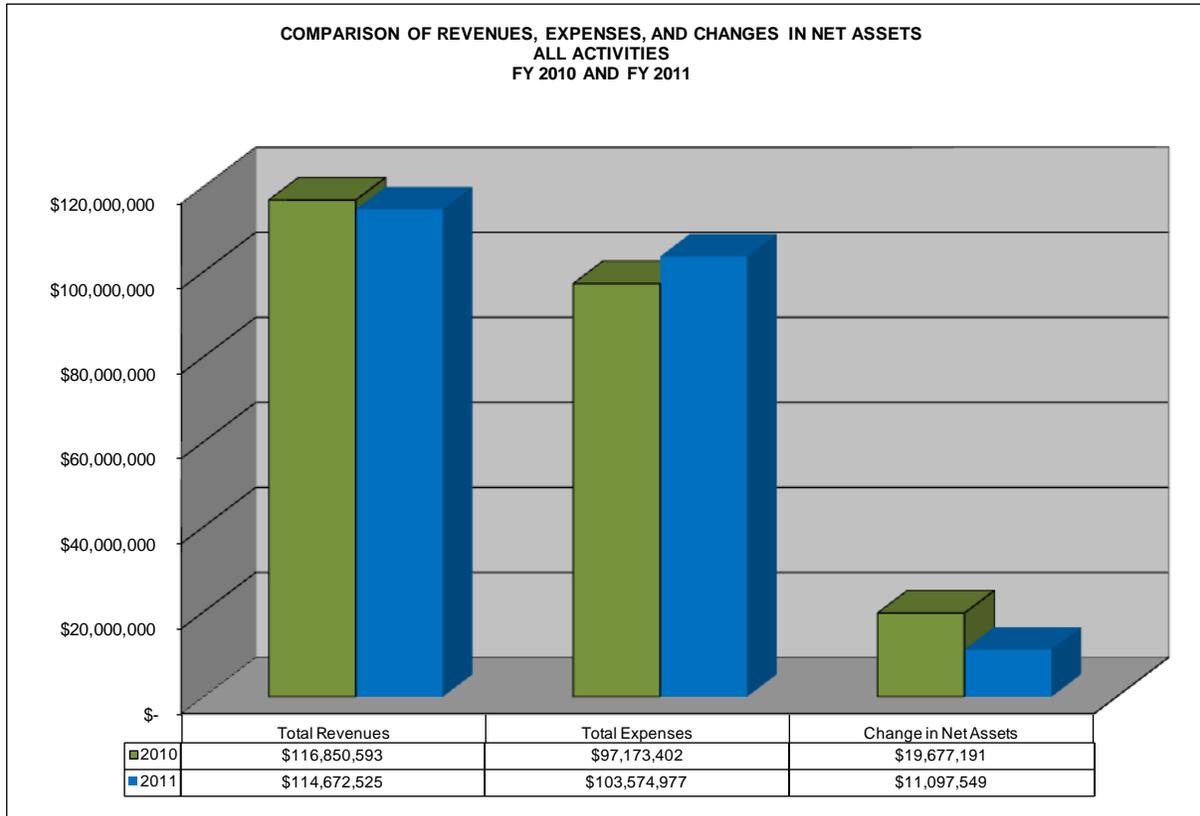
Statement of Activities

The Statement of Activities includes governmental activities and business-type activities. The total change in net assets for the fiscal year ended 2011 was \$11,097,549 compared with the fiscal year ended 2010 change in net assets of \$19,677,191, a difference of (\$8,579,642). The main reason for the large difference between the two years is that fiscal year 2011 had almost \$4 million less in capital grants and contributions than 2010. In addition, highway and roadway expenses increased by almost \$7 million, due to the depreciation expense attributed to the change in reporting on roads and bridges from the modified approach to a depreciation approach.

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

Category	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
CHANGE IN NET ASSETS AS OF SEPTEMBER 30						
REVENUES						
Program Revenues:						
Charges for services	\$ 15,244,391	\$ 14,689,293	\$ 4,050,686	\$ 4,195,985	\$ 19,295,077	\$ 18,885,278
Operating grants and contributions	3,569,003	3,627,644	-	-	3,569,003	3,627,644
Capital grants and contributions	15,333,481	11,347,086	-	-	15,333,481	11,347,086
General Revenues:						
Sales and use taxes	54,755,461	56,503,270	-	-	54,755,461	56,503,270
Property taxes	10,346,796	10,040,757	-	-	10,346,796	10,040,757
Other taxes	9,073,398	9,698,121	-	-	9,073,398	9,698,121
Intergovernmental revenue not restricted	2,517,021	2,375,635	-	-	2,517,021	2,375,635
Unrestricted Investment income	1,776,945	1,602,949	8,352	11,650	1,785,297	1,614,599
Gain (loss) on asset disposals	-	-	-	-	-	-
Other revenue	175,059	573,346	-	6,789	175,059	580,135
Total Revenues	<u>\$ 112,791,555</u>	<u>\$ 110,458,101</u>	<u>\$ 4,059,038</u>	<u>\$ 4,214,424</u>	<u>\$ 116,850,593</u>	<u>\$ 114,672,525</u>
EXPENSES						
Program Activities:						
General government	\$ 12,459,943	\$ 11,895,501	\$ -	\$ -	\$ 12,459,943	\$ 11,895,501
Public safety	42,186,343	43,231,843	-	-	42,186,343	43,231,843
Library	6,217,356	6,262,401	-	-	6,217,356	6,262,401
Municipal court	1,560,283	1,738,663	-	-	1,560,283	1,738,663
Sanitation	5,843,793	6,075,253	-	-	5,843,793	6,075,253
Education	2,000,000	2,000,000	-	-	2,000,000	2,000,000
Highway and roadway improvements	7,831,687	14,673,216	-	-	7,831,687	14,673,216
Recreation services	8,908,303	8,721,903	-	-	8,908,303	8,721,903
Health	268,098	282,764	-	-	268,098	282,764
Interest and fiscal charges	4,118,153	2,823,206	-	-	4,118,153	2,823,206
Sewer services	-	-	5,779,443	5,870,227	5,779,443	5,870,227
Total Expenses	<u>\$ 91,393,959</u>	<u>\$ 97,704,750</u>	<u>\$ 5,779,443</u>	<u>\$ 5,870,227</u>	<u>\$ 97,173,402</u>	<u>\$ 103,574,977</u>
Excess (deficiency) before transfers	21,397,596	12,753,351	(1,720,405)	(1,655,803)	19,677,191	11,097,548
Transfers	-	(2,999,952)	-	2,999,952	-	-
CHANGE IN NET ASSETS	<u>\$ 21,397,596</u>	<u>\$ 9,753,399</u>	<u>\$ (1,720,405)</u>	<u>\$ 1,344,150</u>	<u>\$ 19,677,191</u>	<u>\$ 11,097,549</u>

The above data is summarized in the chart on the next page.



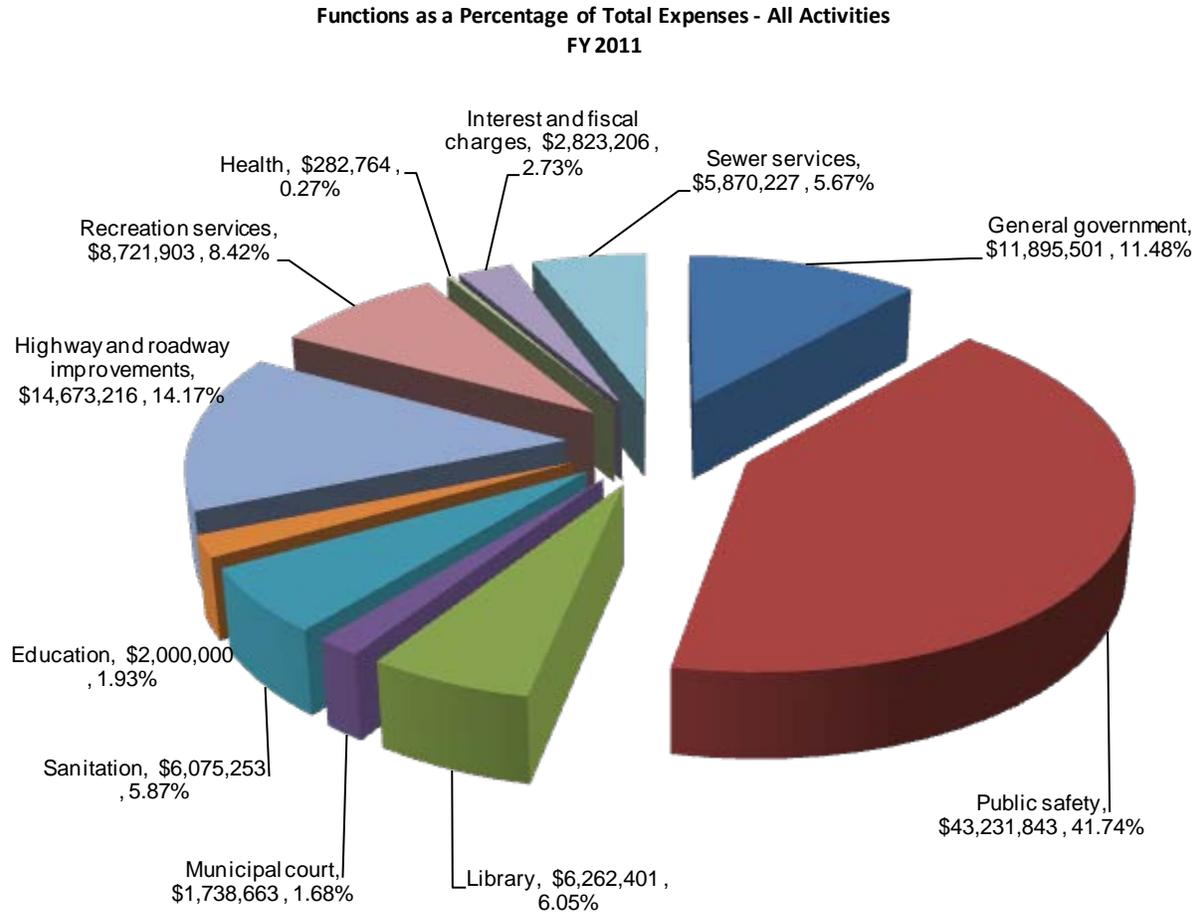
As mentioned previously, capital grants and contributions decreased. Alternately, the category with the largest \$ increase in revenues was sales & use taxes. The City continued to see its major source of revenue grow. The schedule below shows the % change in detail by each category.

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

Category	Governmental Activities		Business-type Activities		Total	
	2009	2010	2009	2010	2009	2010
REVENUES						
Program Revenues:						
Charges for services	13.52%	13.30%	99.79%	99.56%	16.51%	16.47%
Operating grants and contributions	3.16%	3.28%	0.00%	0.00%	3.05%	3.16%
Capital grants and contributions	13.59%	10.27%	0.00%	0.00%	13.12%	9.90%
General Revenues:						
Sales and use taxes	48.55%	51.15%	0.00%	0.00%	46.86%	49.27%
Property taxes	9.17%	9.09%	0.00%	0.00%	8.85%	8.76%
Other taxes	8.04%	8.78%	0.00%	0.00%	7.76%	8.46%
Intergovernmental revenue not restricted	2.23%	2.15%	0.00%	0.00%	2.15%	2.07%
Unrestricted Investment income	1.58%	1.45%	0.21%	0.28%	1.53%	1.41%
Gain on sale of disposed equipment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other revenue	0.16%	0.52%	0.00%	0.16%	0.15%	0.51%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
EXPENSES						
Program Activities:						
General government	13.63%	12.17%	0.00%	0.00%	12.82%	11.48%
Public safety	46.16%	44.25%	0.00%	0.00%	43.41%	41.74%
Library	6.80%	6.41%	0.00%	0.00%	6.40%	6.05%
Municipal court	1.71%	1.78%	0.00%	0.00%	1.61%	1.68%
Sanitation	6.39%	6.22%	0.00%	0.00%	6.01%	5.87%
Education	2.19%	2.05%	0.00%	0.00%	2.06%	1.93%
Highway and roadway improvements	8.57%	15.02%	0.00%	0.00%	8.06%	14.17%
Recreation services	9.75%	8.93%	0.00%	0.00%	9.17%	8.42%
Health	0.29%	0.29%	0.00%	0.00%	0.28%	0.27%
Interest and fiscal charges	4.51%	2.89%	0.00%	0.00%	4.24%	2.73%
Sewer services	0.00%	0.00%	100.00%	100.00%	5.95%	5.67%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
CHANGE IN NET ASSETS	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Expenses

Public safety activities, which include dispatch, police, fire, and inspections, accounted for 41.74% of the total expenses on the Statement of Activities. After the highway and road improvement category that represented 14.17% of expenses, general government, recreation services (including park maintenance), and the library comprised 11.48%, 8.42%, and 6.05% of expenses, respectively. Interest and fiscal charges, which represent mandatory spending (as opposed to discretionary spending) represented only 2.73% of total expenses.



The chart above illustrates the entire expense breakdown by function and corresponding percentage for fiscal year 2011. The percentages match closely with those of fiscal year 2010 except for highway and roadway improvements, which increased from 8.06% in 2010 to 14.17% in 2011 due to the additional depreciation expense from converting from the modified approach in accounting for its road and bridge infrastructure.

Program Revenues

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

The chart below depicts the amount of program expenses and the offsetting program revenue by function. As illustrated, the highways & roadways category makes up the largest program revenue category in the amount of \$14,673,216, or 38.49%. The number is mostly comprised of the capital contribution related to storm sewer infrastructure that was accepted by the City from developers. The second largest category for program income was public safety in the amount of \$6,199,404, or 18.31%. About \$2 million of this was from building inspection services, and \$1.5 million from police, as well as \$2 million dispatch, and most of the balance from fire.

**Expenses and Program Revenues - All Activities
FY 2011**



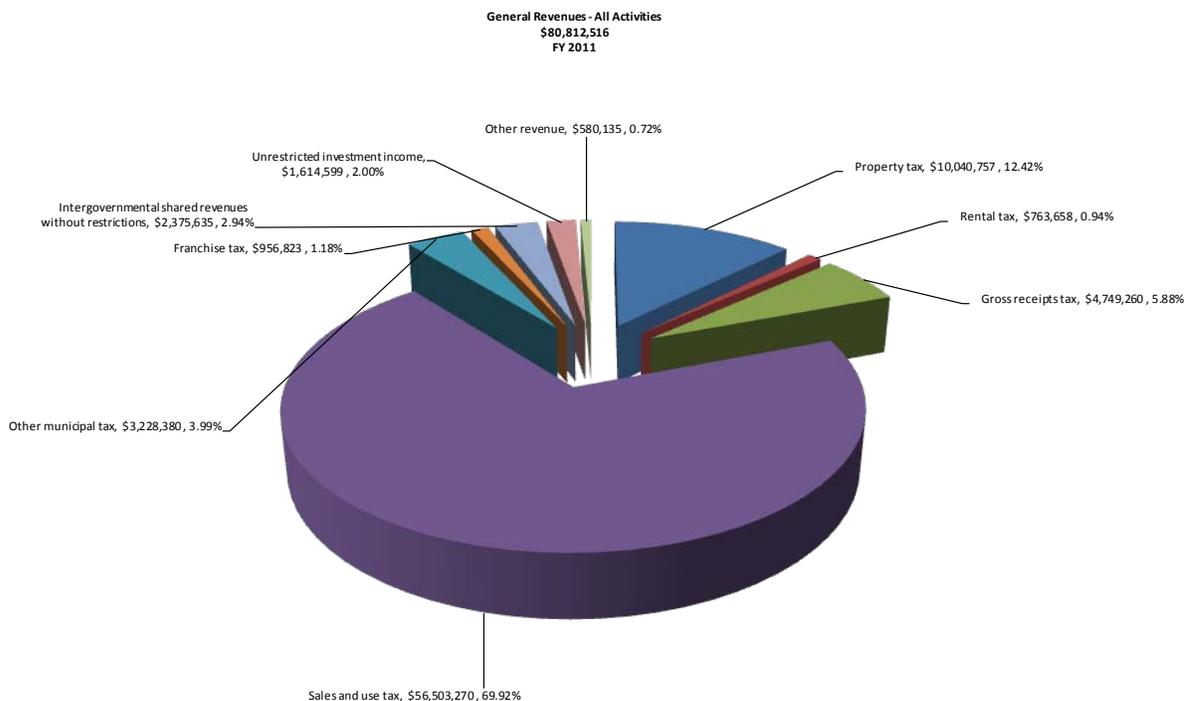
In addition, Municipal Court was the only program that took in more revenue than they had expenses. For fiscal year 2011, Municipal Court had expenses totaling \$1,738,663 and program revenues totaling \$2,374,925, which represented 136.59% of revenues to expenses, respectively. It is important to note that by state law, some of Municipal Court's funding can be and is used to defray costs of operating the jail, which is included under the public safety category.

Sewer Service expenses for fiscal year 2011 totaled \$5,870,227 and program revenues totaled \$4,195,985, which represented 71.48% of revenues to expenses. The City is reviewing alternatives on how to close the gap between the sewer's revenues and expenses.

General Revenues

As a whole, primary government programs offset 32.69% of their total expenses (\$103,574,977) from program revenue (\$33,860,010). General revenues also helped to offset the balance of these programs by \$80,812,516.

Sales and use tax encompass the overwhelming percentage of general revenues, making up \$56,503,270 of them, which is 69.92% of total general revenues. The second largest category that contributes to general revenues is property tax, which comprised \$10,040,757 or 12.42% of total revenues. Gross receipts taxes from public utilities and insurance companies comprised the third largest source of general revenue bringing in \$4,749,260, or 5.88%.



In summary, after taking into account total expenses, total program revenues, and total general revenues for governmental activities in the Statement of Activities, net assets increased by \$11,097,549 for the primary government. As a result, the net assets at the end of the year totaled \$401,447,052 for all activities. Contribution of capital assets from acceptance of storm sewer infrastructure in the amount of \$10,553,015 made up most of this increase in net assets.

OTHER PROPRIETARY FUNDS

Internal Service Funds

In addition to the Sewer Enterprise Fund, the City has a Redevelopment Enterprise Fund and four internal service funds. These internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements on pages 47-49. Individual fund data for these funds is provided in the form of *combining statements* on pages 77-79 of this report.

The City transferred \$2,999,952 from governmental activities to business-type activities that netted for the primary government as a whole. This was a contribution to the Redevelopment Enterprise Fund to purchase an apartment complex and its land to redevelop the area. The City managed the remainder of the apartment rentals until the leases were up and then contracted to demolish the structures. The intent is to sell this land to a commercial developer.

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

The health insurance - actives - internal service fund ended the year with \$2,559,759 in net assets, while the health insurance - retirees - internal service fund ended the year with (\$1,283,519) in net assets. The latter was due to the recording of the net OPEB obligation as a result of the GASB Statement No. 45 implementation mentioned above.

The workers compensation internal service fund ended the year with \$722,013 in net assets, while the property and casualty internal service fund, ended the year with \$1,160,248 in net assets, for a combined total in all internal service funds of \$3,158,500 in net assets. Overall, the City is pleased with the net asset position of these internal service funds. However, it has reduced its charges for service budget for the workers compensation and property and casualty funds in order to use up some of the net assets that have accumulated.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information not only provides more detail, but is also useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The graph below illustrates the breakdown of governmental funds for fiscal year 2011.

	2011			Total Governmental Funds
	Governmental Funds			
	General Fund	Capital Projects Fund	Other Governmental Funds	
Total revenues	\$ 92,084,686	\$ 492,873	\$ 7,442,869	\$ 100,020,428
Total expenditures	84,287,123	3,284,211	10,099,782	97,671,115
Total other financing sources (uses)	<u>(7,697,563)</u>	<u>2,090,881</u>	<u>6,233,467</u>	<u>626,784</u>
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	100,000	(700,458)	3,576,554	2,976,097
Fund balances, beginning of year	<u>31,400,000</u>	<u>19,338,852</u>	<u>8,489,923</u>	<u>59,228,774</u>
Fund balances, end of year	<u>\$ 31,500,000</u>	<u>\$ 18,638,394</u>	<u>\$ 12,066,477</u>	<u>\$ 62,204,871</u>
Percent of fund balance to expenditures	37.37%	567.52%	119.47%	63.69%

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

As of September 30, 2011, the City of Hoover's governmental funds reported combined ending fund balances of \$62,204,871. Approximately \$30,335,830 or 48.77% constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of the fund balance is non-spendable (.53%) restricted (16.07%), committed (33.29%), or assigned (1.34%). These fund balance categories are defined in the Notes to the Financial Statements.

In fiscal year 2010, the combined governmental ending fund balances were \$59,228,774. The total end of the year fund balances increased by \$2,976,097 from fiscal 2010 to fiscal 2011. This increase was actualized as follows: General Fund - \$100,000, Capital Projects Fund - (\$700,458), and Other Governmental Funds - \$3,576,554. By resolution, all the excess in the General Fund above \$100,000 is transferred to the Capital Projects Fund. The increase in Other Governmental Funds was attributable to various special revenue funds that had increases during the fiscal year, as well as proceeds from the 2010 refunding warrants.

General Fund

The general fund is the chief operating fund for the City of Hoover. As of September 30, 2011, the total fund balance of the general fund was \$31,500,000 as compared with September 30, 2010 where it was \$31,400,000, an increase of \$100,000. The end of the year fund balance for fiscal year 2011 represents approximately 37.37% of total general fund expenditures, which is a very healthy fund balance.

Capital Projects Fund

The capital projects fund is the primary fund for tracking city funding for various capital projects and/or capital items. As of September 30, 2011, the total ending fund balance for the capital projects fund was \$18,638,394. For the fiscal year, a transfer from the general fund in the amount of \$4,917,959 offset the total expenditures and transfers during the year of \$3,284,211 and \$2,999,952, respectively.

The City does have several ongoing projects and commitments that are to be funded from this fund. These commitments represent projects that have been approved and have been started, but not completed. As of September 30, 2011, although all of the fund balance shows as committed, the total city portion of ongoing projects from this fund is estimated at \$10,472,341. The balance, \$8,166,053 is not dedicated to specific projects and is available to be allocated to future projects as needed. The fiscal year 2012 budget did dedicate some of these funds to new projects.

Other Governmental Funds

Other governmental funds include various special revenue funds and other capital project funds, including the 2010 refunding warrant proceeds. Anything that has a legal requirement to be tracked separately and general grants that the City receives are all tracked in various special revenue funds. These funds are intended for specific uses. The other governmental funds are funds that the City uses to track outside funding, in particular, grants for capital projects. Keeping these funds separate from the main capital project fund helps the City to facilitate record keeping. In other words, the City budgets the city portion of capital projects in the capital projects fund and the outside funding portion in these other governmental funds. All projects are tracked with a project code that provides an overview of the entire project, no matter what funding sources are utilized.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund resulted in a net increase of budgetary fund balance in the amount of \$100,000. As shown below, budgeted revenues increased by \$6,306,642, or 7.31% of the original budget. This was due to a conservative projection for the original budget that was adopted by city council.

The total expenditure budget decreased by \$922,697, or 1.08%. The major reason for this (and the revenue projection change) was to allow an additional transfer to the capital projects funds for future projects by using the surplus in the expenditure accounts at the end of the fiscal year. For the last several years, the City has transferred all excess in the general fund above \$100,000 to the capital projects fund.

The largest change from the original budget to the amended budget was due to the 2010 refunding warrants that were issued on November 1, 2010.

General Fund Original Budget to Amended Budget

	Original Budget	Amended Budget	Difference Between Original Budget and Amended Budget	% Difference Between Original Budget and Amended Budget	
Revenues					
Taxes	\$ 72,055,000	\$ 76,674,445	\$ 4,619,445	6.41	%
Licenses and permits	6,471,600	7,069,353	597,753	9.24	
Intergovernmental	1,271,500	1,552,712	281,212	22.12	
Fines and forfeits	1,884,000	1,894,054	10,054	0.53	
Investment income	1,250,300	1,292,788	42,488	3.40	
Rents and royalties	825,434	893,569	68,135	8.25	
Contributions and reimbursements	951,187	1,074,037	122,850	12.92	
Charges for services	1,442,200	1,819,369	377,169	26.15	
Other	129,200	316,736	187,536	145.15	
Total revenues	<u>86,280,421</u>	<u>92,587,063</u>	<u>6,306,642</u>	7.31	%
Expenditures					
Current operations					
General government	13,216,334	10,453,247	(2,763,087)	-20.91	%
Public safety	36,844,269	37,562,204	717,935	1.95	
Library	5,828,134	5,961,830	133,696	2.29	
Municipal court	129,772	128,528	(1,244)	-0.96	
Sanitation	6,069,701	6,075,253	5,552	0.09	
Education	2,000,000	2,000,000	-	0.00	
Highway and roadway improvements	4,201,478	4,960,926	759,448	18.08	
Recreation services	7,446,503	7,690,007	243,504	3.27	
Health	275,430	279,074	3,644	1.32	
Total	<u>76,011,621</u>	<u>75,111,069</u>	<u>(900,552)</u>	-1.18	%
Capital outlays	426,000	367,535	(58,465)	-13.72	%
Debt service					
Principal	5,305,000	5,970,000	665,000	12.54	%
Interest	3,719,481	3,090,801	(628,680)	-16.90	
Fiscal agent fees	2,200	2,200	-	0.00	
Total expenditures	<u>85,464,302</u>	<u>84,541,605</u>	<u>(922,697)</u>	-1.08	%
Excess (deficiency) of revenues over (under) expenditures	816,119	8,045,458	7,229,339	8.86	
Other financing sources (uses)					
Transfers in	23,966,625	21,053,425	(2,913,200)	-0.12	%
Transfers out	(24,782,744)	(32,618,451)	(7,835,707)	0.32	
Refunding bonds issued	-	58,510,000	58,510,000	100.00	
Premium on bonds issued	-	6,276,047	6,276,047	100.00	
Payment to refund bond escrow agent	-	(60,620,614)	(60,620,614)	100.00	
Issuance costs	-	(545,865)	(545,865)	100.00	
Total other financing sources (uses)	<u>(816,119)</u>	<u>(7,945,458)</u>	<u>(7,129,339)</u>	8.74	%
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	100.00	%
Fund balances, beginning of year	31,400,000	31,400,000	-		
Fund balances, end of year	31,400,000	31,500,000	100,000	0.32%	%

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

Revenues came in at \$502,375 less than the amended projection, but \$5,804,265 more than the original projection. Revenue accounts with surplus are amended to equal the actual revenues, but those accounts that did not meet projections are not affected, which is why the \$502,375 unfavorable balance exists. Property taxes represented the largest portion of this shortfall.

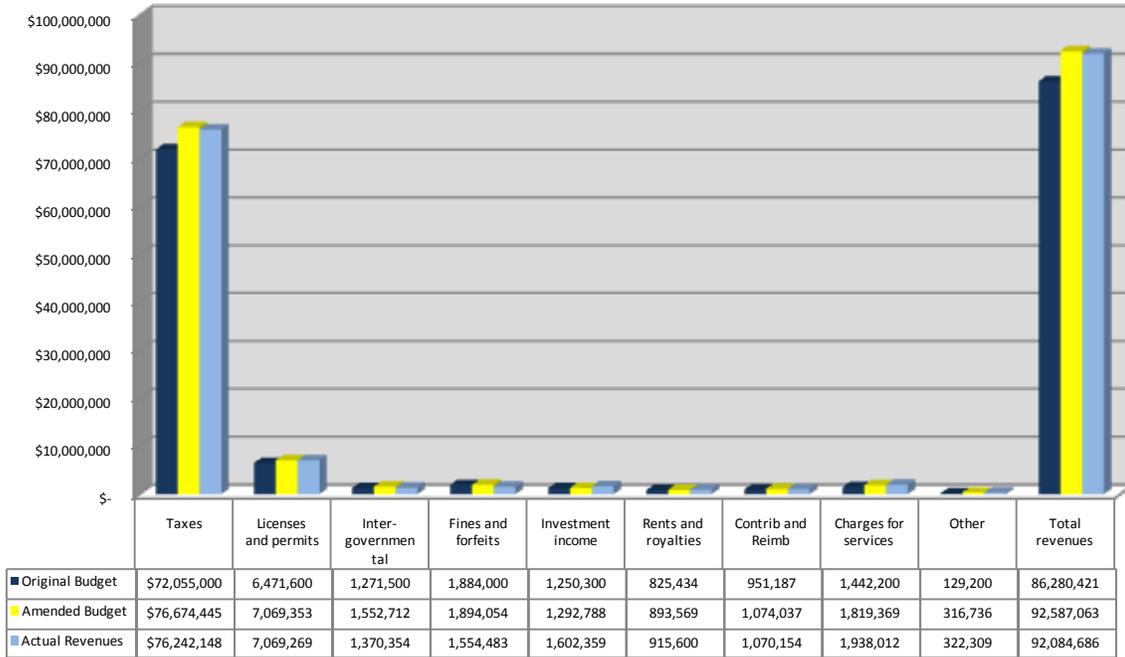
Total expenditures were \$254,482 less than the amended budget. Most of this was related to capital outlays excess, as well as parks and recreation accounts that are reflected as assigned fund balance in the statements and did not get spent during the fiscal year.

General Fund Original Budget, and Amended Budget to Actual

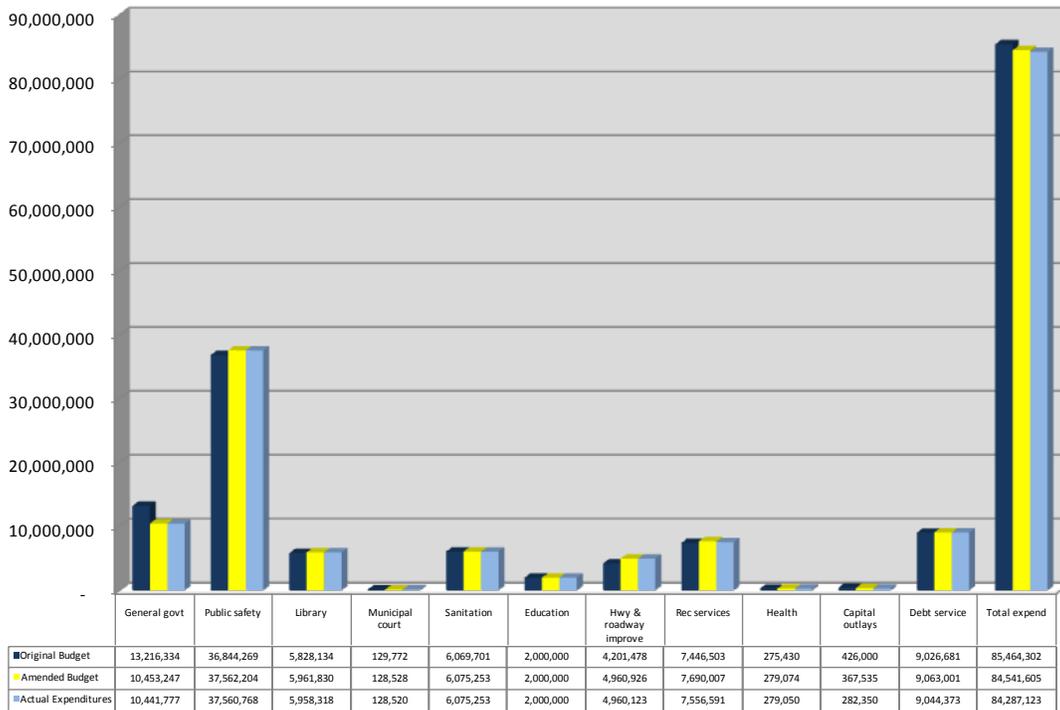
	Original Budget	Amended Budget	Actual	Amended Variance Favorable (Unfavorable)	% Difference Between Amended Budget and Actual Expenditure
Revenues					
Taxes	\$ 72,055,000	\$ 76,674,445	\$ 76,242,148	\$ (432,297)	-0.56 %
Licenses and permits	6,471,600	7,069,353	7,069,269	(84)	0.00
Intergovernmental	1,271,500	1,552,712	1,370,354	(182,358)	-11.74
Fines and forfeits	1,884,000	1,894,054	1,554,483	(339,571)	-17.93
Investment income	1,250,300	1,292,788	1,602,359	309,571	23.95
Rents and royalties	825,434	893,569	915,600	22,031	2.47
Contributions and reimbursements	951,187	1,074,037	1,070,154	(3,883)	-0.36
Charges for services	1,442,200	1,819,369	1,938,012	118,643	6.52
Other	129,200	316,736	322,309	5,573	1.76
Total revenues	86,280,421	92,587,063	92,084,686	(502,375)	-0.54
Expenditures					
Current operations					
General government	13,216,334	10,453,247	10,441,777	11,470	0.11
Public safety	36,844,269	37,562,204	37,560,768	1,436	0.00
Library	5,828,134	5,961,830	5,958,318	3,512	0.06
Municipal court	129,772	128,528	128,520	8	0.01
Sanitation	6,069,701	6,075,253	6,075,253	-	0.00
Education	2,000,000	2,000,000	2,000,000	-	0.00
Highway & roadway improvements	4,201,478	4,960,926	4,960,123	803	0.02
Recreation services	7,446,503	7,690,007	7,556,591	133,416	1.73
Health	275,430	279,074	279,050	24	0.01
Total	76,011,621	75,111,069	74,960,400	150,669	0.20
Capital outlays	426,000	367,535	282,350	85,185	23.18
Debt service					
Principal	5,305,000	5,970,000	5,970,000	-	0.00
Interest	3,719,481	3,090,801	3,072,173	18,628	0.60
Fiscal agent fees	2,200	2,200	2,200	-	0.00
Total expenditures	85,464,302	84,541,605	84,287,123	254,482	0.30
Excess (deficiency) of revenues over (under) expenditures	816,119	8,045,458	7,797,563	(247,894)	-3.08
Other financing sources (uses)					
Transfers in	23,966,625	21,053,425	20,859,333	(194,092)	-0.92
Transfers out	(24,782,744)	(32,618,451)	(32,183,633)	434,818	-1.33
Refunding bonds issued	-	58,510,000	58,510,000	-	0.00
Premium on bonds issued	-	6,276,047	6,276,046	(1)	0.00
Payment to refund bond escrow agent	-	(60,620,614)	(60,620,613)	1	0.00
Issuance costs	-	(545,865)	(538,697)	7,168	
Total other financing sources (uses)	(816,119)	(7,945,458)	(7,697,563)	247,894	-3.12
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 100,000	\$ 100,000	\$ -	100.00 %
Fund balances, beginning of year			31,400,000	-	
Fund balances, end of year			\$ 31,500,000	\$ -	

The charts on the next page summarize the comparison of total revenue and total expenditures by original budget, amended budget, and actual received for fiscal year 2011.

GENERAL FUND BUDGET - REVENUES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL REVENUE
FY 2011



GENERAL FUND BUDGET - EXPENDITURES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL EXPENDITURES
FY 2011



Capital Asset and Debt Administration

Capital Assets

The City of Hoover's investment in capital assets for its governmental and business-type activities as of September 30, 2011, amounts to \$445,279,372 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, streets and bridges infrastructure, buildings and capital facilities, equipment and vehicles, improvements other than buildings, and other infrastructure.

Upon implementation of GASB Statement No. 34 in fiscal year 2003, the City elected to use the Modified Approach for infrastructure reporting of its bridges and street system. Using this approach, the City capitalized the cost of its bridges and street system, but did not report depreciation for those assets. Instead, the City reported all street system maintenance expenditures as expenses in the period incurred, unless those expenditures improve the street's original condition or add to its capacity. In fiscal year 2011, the City decided to convert from the modified approach to the depreciation of its bridges and street system. As a result, the maintenance costs will now be capitalized and depreciated over their useful life. This change in estimate is reflected in the Notes to the Financial Statements.

Business-type activities increased its assets in fiscal year 2011. The Sewer Enterprise fund added \$219,291 in assets, including a new vehicle and various sewer system improvements. The overall net change with accumulated depreciation for the sewer system assets was a decrease of \$2,268,462.

The Redevelopment Enterprise fund purchased an apartment complex, but since it is "held for resale", it is not reflected in the capital asset balance.

Please refer to the Notes to the Financial Statements section on pages 57-58 for more detail on capital asset activity.

Debt Administration

As of the fiscal year end, the City of Hoover had \$80,265,000 of governmental debt and \$28,260,000 of business-type debt outstanding for the sewer enterprise fund. The City maintains an AA+ credit rating from Standard and Poor's Corporation and an Aa1 from Moody's Investors Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to twenty percent (20%) of its total assessed valuation. The current constitutional debt limitation for the City of Hoover is \$338,765,468, which is significantly in excess of the City of Hoover's outstanding general obligation debt by \$258,500,468. Business-type debt is not calculated against this ratio.

Additional information on the City of Hoover's long-term debt can be found in note (3) beginning on page 59 of this report.,

ECONOMIC FACTORS

The Government's financial condition continues to be strong. Fiscal year 2011 continued a recovery for the City after the economic downturn that began in fiscal year 2008. The City relies on taxes (sales and use, property, gross receipts, franchise, etc.), licenses and permits, intergovernmental revenue, fines and forfeits, charges for service, investment income, rents and royalties, contributions and reimbursements, and other revenue for their governmental activities. The primary source of revenue is sales tax.

As indicated previously, sales and use tax grew by 3.19% over the prior fiscal year from \$54,755,461 in fiscal year 2010 to \$56,503,270 in fiscal year 2011. However, despite this increase, the City continues to budget conservatively in order to weather any additional economic downturn that may occur. Our unassigned fund balance was \$30,335,830. This number substantiates the strength of the city's financial position. Again, management continues to address the downward trend in revenues by budgeting conservatively with level or below level allocations.

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

The City anticipates selling the land purchased through the redevelopment fund to a commercial developer in fiscal year 2012.

The unemployment rate for the City of Hoover for 2011 was 5.4%, which decreased slightly from 2010's number of 5.6 %. This number is favorable compared to other government entities within the State of Alabama and nationally.

Overall, the City has continued to recover from the economic downtown, and due to its conservative financial practices, management expects to continue to weather any future economic slowdown and still remain financially sound. Overall, fiscal year 2011 was a good year for the City's finances.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Statement of Net Assets
September 30, 2011

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets			
Pooled cash and investments	\$ 65,187,382	\$ 6,611,397	\$ 71,798,779
Receivables:			
Taxes	5,508,635	-	5,508,635
Accounts	2,530,983	332,387	2,863,370
Statutory actuarial receivable	596,228	-	596,228
Land held for resale	-	2,851,085	2,851,085
Due from other governments	118,473	-	118,473
Deferred charges (issuance costs)	87,759	13,640	101,399
Inventories	118,901	-	118,901
Prepaid items	60,756	-	60,756
Total current assets	<u>74,209,118</u>	<u>9,808,508</u>	<u>84,017,626</u>
Noncurrent assets			
Capital assets			
Depreciable:			
Buildings/improvements to buildings	98,223,011	26,626,760	124,849,771
Storm sewer inventory/drainage improvements	54,913,078	-	54,913,078
Equipment and vehicles	33,542,641	828,605	34,371,246
Improvements o/t buildings	16,972,578	21,409,452	38,382,030
Streets and bridges	235,206,536	-	235,206,536
Other infrastructure	6,949,757	24,011,007	30,960,764
Accumulated depreciation	(85,803,672)	(29,752,079)	(115,555,751)
Non-depreciable:			
Land	37,678,287	1,670,000	39,348,287
Construction in progress - other	2,803,412	-	2,803,412
Total capital assets, net of depreciation	<u>400,485,627</u>	<u>44,793,745</u>	<u>445,279,372</u>
Deferred charges (issuance costs)	485,009	320,955	805,964
Statutory actuarial receivable	2,384,110	-	2,384,110
Long-term receivables	203,438	-	203,438
Total noncurrent assets	<u>403,558,184</u>	<u>45,114,700</u>	<u>448,672,884</u>
Total assets	<u>\$ 477,767,302</u>	<u>\$ 54,923,208</u>	<u>\$ 532,690,510</u>
Liabilities			
Current liabilities payable from current assets			
Accounts payable and accrued liabilities	\$ 5,131,366	\$ 440,675	\$ 5,572,041
Interest payable	284,645	117,135	401,780
Unearned revenue	57,244	-	57,244
Refundable deposits	2,061	-	2,061
Internal payable	5,845	(5,845)	-
Current maturities of long-term liabilities:			
Bonds and warrants payable, net	5,913,884	931,754	6,845,638
Compensated absences	4,143,673	11,512	4,155,186
Claims payable workers compensation	289,927	-	289,927
Claims payable property and casualty	744,869	-	744,869
Total current liabilities	<u>16,573,515</u>	<u>1,495,231</u>	<u>18,068,746</u>
Long-term liabilities			
Bonds and warrants payable, net	74,164,566	27,649,210	101,813,776
Compensated absences	6,226,533	14,336	6,240,869
Claims payable opeb	1,692,015	-	1,692,015
Claims payable workers compensation	2,337,769	-	2,337,769
Claims payable property and casualty	1,090,284	-	1,090,284
Total noncurrent liabilities	<u>85,511,167</u>	<u>27,663,546</u>	<u>113,174,713</u>
Total liabilities	<u>102,084,681</u>	<u>29,158,777</u>	<u>131,243,459</u>
Net assets			
Invested in capital assets, net of related debt	320,407,177	17,577,471	337,984,648
Restricted for:			
Public safety	1,358,642	-	1,358,642
Municipal court	1,313,667	-	1,313,667
General government	2,302,232	-	2,302,232
Recreation services	13,233	-	13,233
Highway and roadway improvements	5,011,622	-	5,011,622
Unrestricted	45,276,047	8,186,960	53,463,006
Total net assets	<u>\$ 375,682,621</u>	<u>\$ 25,764,431</u>	<u>\$ 401,447,052</u>

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

THE CITY OF HOOVER, ALABAMA
Statement of Activities
For the year ended September 30, 2011

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Functions							
Primary government							
Governmental activities							
General government	\$ 11,895,501	\$ 5,429,872	\$ 316,350	\$ -	\$ (6,149,279)	\$ -	\$ (6,149,279)
Public safety	43,231,843	4,785,120	1,414,284	-	(37,032,439)	-	(37,032,439)
Library	6,262,401	380,718	160,070	-	(5,721,613)	-	(5,721,613)
Municipal court	1,738,663	2,303,115	71,810	-	636,262	-	636,262
Sanitation	6,075,253	6,825	-	-	(6,068,428)	-	(6,068,428)
Education	2,000,000	-	-	-	(2,000,000)	-	(2,000,000)
Highway and roadway improvements	14,673,216	195,188	1,489,286	11,347,086	(1,641,656)	-	(1,641,656)
Recreation services	8,721,903	1,587,456	175,387	-	(6,959,060)	-	(6,959,060)
Health	282,764	1,000	456	-	(281,308)	-	(281,308)
Interest and fiscal charges	2,823,206	-	-	-	(2,823,206)	-	(2,823,206)
Total governmental activities	<u>97,704,750</u>	<u>14,689,293</u>	<u>3,627,644</u>	<u>11,347,086</u>	<u>(68,040,726)</u>	<u>-</u>	<u>(68,040,726)</u>
Business-type activities							
Sewer services	5,870,227	4,195,985	-	-	-	(1,674,241)	(1,674,241)
Total business-type activities	<u>5,870,227</u>	<u>4,195,985</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,674,241)</u>	<u>(1,674,241)</u>
Total primary government	<u>\$ 103,574,977</u>	<u>\$ 18,885,278</u>	<u>\$ 3,627,644</u>	<u>\$ 11,347,086</u>	<u>(68,040,726)</u>	<u>(1,674,241)</u>	<u>(69,714,968)</u>
General revenues							
Property tax					10,040,757	-	10,040,757
In lieu of property tax					-	-	-
Rental tax					763,658	-	763,658
Gross receipts tax					4,749,260	-	4,749,260
Sales and use tax					56,503,270	-	56,503,270
Other municipal tax					3,228,380	-	3,228,380
Franchise tax					956,823	-	956,823
Intergovernmental shared revenues without restrictions					2,375,635	-	2,375,635
Unrestricted investment income					1,602,949	11,650	1,614,599
Other revenue					573,346	6,789	580,135
Total general revenues					<u>80,794,077</u>	<u>18,439</u>	<u>80,812,517</u>
Transfers					<u>(2,999,952)</u>	<u>2,999,952</u>	<u>-</u>
Total general revenues and transfers					<u>77,794,125</u>	<u>3,018,391</u>	<u>80,812,517</u>
Change in net assets					9,753,399	1,344,150	11,097,549
Net assets at beginning of year					365,929,222	24,420,281	390,349,503
Net assets at end of year					<u>\$ 375,682,621</u>	<u>\$ 25,764,431</u>	<u>\$ 401,447,052</u>

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

THE CITY OF HOOVER, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2011

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investments	\$ 28,394,886	\$ 18,817,262	\$ 11,329,291	\$ 58,541,439
Receivables				
Taxes	4,578,957	-	929,678	5,508,635
Accounts	1,426,313	45,578	899,615	2,371,506
Due from other governments	876	-	117,598	118,473
Internal balances	461,674	-	-	461,674
Inventories	118,901	-	-	118,901
Prepaid items	7,994	-	-	7,994
Non-current receivable	203,438	-	-	203,438
	<u>\$ 35,193,038</u>	<u>\$ 18,862,840</u>	<u>\$ 13,276,182</u>	<u>\$ 67,332,060</u>
Total assets				
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 3,652,907	\$ 224,446	\$ 728,856	\$ 4,606,209
Deferred revenue	38,069	-	19,175	57,244
Internal balances	-	-	461,674	461,674
Refundable deposits	2,061	-	-	2,061
	<u>3,693,038</u>	<u>224,446</u>	<u>1,209,705</u>	<u>5,127,189</u>
Total liabilities				
Fund balances				
Nonspendable: non-current receivable	203,438	-	-	203,438
Nonspendable: inventory	118,901	-	-	118,901
Nonspendable: prepaid items	7,994	-	-	7,994
Restricted	-	-	9,999,397	9,999,397
Committed	-	18,638,394	2,067,080	20,705,474
Assigned	833,837	-	-	833,837
Unassigned	30,335,830	-	-	30,335,830
	<u>31,500,000</u>	<u>18,638,394</u>	<u>12,066,477</u>	<u>62,204,871</u>
Total fund balances				
Total liabilities and fund balances				
	<u>35,193,038</u>	<u>18,862,840</u>	<u>13,276,182</u>	<u>67,332,060</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	400,485,627
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.	3,152,656
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(90,160,533)</u>
Net assets of governmental activities	<u>\$ 375,682,621</u>

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

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended September 30, 2011

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 76,242,148	\$ -	\$ -	\$ 76,242,148
Licenses and permits	7,069,269	-	-	7,069,269
Intergovernmental	1,370,354	44,401	4,279,337	5,694,091
Fines and forfeits	1,554,483	73,288	1,124,732	2,752,503
Investment income	1,602,359	-	2,540	1,604,899
Rents and royalties	915,600	-	-	915,600
Contributions and reimbursements	1,070,154	1,422	7,384	1,078,960
Charges for services	1,938,012	-	2,011,767	3,949,779
Other	322,309	373,762	17,109	713,180
Total revenues	<u>92,084,686</u>	<u>492,873</u>	<u>7,442,869</u>	<u>100,020,428</u>
Expenditures				
Current operations				
General government	10,441,777	203,689	96,676	10,742,143
Public safety	37,560,768	64,426	4,997,888	42,623,081
Library	5,958,318	4,789	-	5,963,107
Municipal court	128,520	-	1,621,049	1,749,568
Sanitation	6,075,253	-	-	6,075,253
Education	2,000,000	-	-	2,000,000
Highway and roadway improvements	4,960,123	96,981	67,538	5,124,642
Recreation services	7,556,591	-	25,373	7,581,964
Health	279,050	-	-	279,050
Total	<u>74,960,400</u>	<u>369,884</u>	<u>6,808,523</u>	<u>82,138,808</u>
Capital outlays	282,350	2,914,327	3,291,258	6,487,935
Debt service:				
Principal	5,970,000	-	-	5,970,000
Interest	3,072,173	-	-	3,072,173
Fiscal agent fees	2,200	-	-	2,200
Total expenditures	<u>84,287,123</u>	<u>3,284,211</u>	<u>10,099,782</u>	<u>97,671,115</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,797,563</u>	<u>(2,791,338)</u>	<u>(2,656,912)</u>	<u>2,349,313</u>
Other financing sources (uses)				
Transfers in	20,859,333	5,090,833	6,406,714	32,356,880
Transfers out	(32,183,633)	(2,999,952)	(173,248)	(35,356,832)
Refunding bonds issued	58,510,000	-	-	58,510,000
Premium on bonds issued	6,276,046	-	-	6,276,046
Payment to bond refunding escrow agent	(60,620,613)	-	-	(60,620,613)
Issuance costs	(538,697)	-	-	(538,697)
Total other financing sources (uses)	<u>(7,697,563)</u>	<u>2,090,881</u>	<u>6,233,467</u>	<u>626,784</u>
Net change in fund balances	100,000	(700,458)	3,576,554	2,976,097
Fund balances, beginning of year	<u>31,400,000</u>	<u>19,338,852</u>	<u>8,489,923</u>	<u>59,228,774</u>
Fund balances, end of year	<u>\$ 31,500,000</u>	<u>\$ 18,638,394</u>	<u>\$ 12,066,477</u>	<u>\$ 62,204,871</u>

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

THE CITY OF HOOVER, ALABAMA
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the year ended September 30, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 2,976,097

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

Principal debt payments	5,970,000
Proceeds from refunding bonds	(58,510,000)
Payment to refund bond escrow	60,620,613
Bond issue cost	538,697
Bond premium	(6,276,046)
Amortization of bond issuance costs on 2004 issue	(29,709)
Amortization of bond issuance costs on 2010 issue	(59,029)
Amortization of debt premium on 2004 issue	191,720
Amortization of debt premium on 2010 issue	687,712
Amortization of deferred loss 2004 issue	(277,080)
Amortization of deferred loss 2010 issue	(384,085)

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

Outlays capitalized	6,101,129
Depreciation	(13,641,792)

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

Contribution of capital assets (includes accepted streets and donated items)	10,553,015
Removal of items that are not capital assets	-

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

Cost of assets disposed	(211,579)
Accumulated depreciation of assets disposed	82,222

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

32,900

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

Accrued compensated absences	(112,504)
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Internal service funds are used by management to charge the costs of certain activities, such as health insurance, property & casualty, and workers compensation, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

1,501,118

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 9,753,399

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
General Fund
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 72,055,000	\$ 76,674,445	\$ 76,242,148	\$ (432,297)
Licenses and permits	6,471,600	7,069,353	7,069,269	(84)
Intergovernmental	1,271,500	1,552,712	1,370,354	(182,358)
Fines and forfeits	1,884,000	1,894,054	1,554,483	(339,571)
Investment income	1,250,300	1,292,788	1,602,359	309,571
Rents and royalties	825,434	893,569	915,600	22,031
Contributions and reimbursements	951,187	1,074,037	1,070,154	(3,883)
Charges for services	1,442,200	1,819,369	1,938,012	118,643
Other	129,200	316,736	322,309	5,573
Total revenues	<u>86,280,421</u>	<u>92,587,063</u>	<u>92,084,686</u>	<u>(502,377)</u>
Expenditures				
Current operations				
General government	13,216,334	10,453,247	10,441,777	11,470
Public safety	36,844,269	37,562,204	37,560,768	1,436
Library	5,828,134	5,961,830	5,958,318	3,512
Municipal court	129,772	128,528	128,520	8
Sanitation	6,069,701	6,075,253	6,075,253	0
Education	2,000,000	2,000,000	2,000,000	-
Highway and roadway improvements	4,201,478	4,960,926	4,960,123	803
Recreation services	7,446,503	7,690,007	7,556,591	133,416
Health	275,430	279,074	279,050	24
Total	<u>76,011,621</u>	<u>75,111,069</u>	<u>74,960,400</u>	<u>150,669</u>
Capital outlays	426,000	367,535	282,350	85,185
Debt service:				
Principal	5,305,000	5,970,000	5,970,000	-
Interest	3,719,481	3,090,801	3,072,173	18,628
Fiscal agent fees	2,200	2,200	2,200	-
Total expenditures	<u>85,464,302</u>	<u>84,541,605</u>	<u>84,287,123</u>	<u>254,482</u>
Excess (deficiency) of revenues over (under) expenditures	<u>816,119</u>	<u>8,045,458</u>	<u>7,797,563</u>	<u>(247,895)</u>
Other financing sources (uses)				
Transfers in	23,966,625	21,053,425	20,859,333	(194,092)
Transfers out	(24,782,744)	(32,618,451)	(32,183,633)	434,818
Refunding bonds issued	-	58,510,000	58,510,000	-
Premium on bonds issued	-	6,276,047	6,276,046	(1)
Payment to bond refunding escrow agent	-	(60,620,614)	(60,620,613)	1
Issuance costs	-	(545,865)	(538,697)	7,168
Total other financing sources (uses)	<u>(816,119)</u>	<u>(7,945,458)</u>	<u>(7,697,563)</u>	<u>247,895</u>
Net change in fund balances	-	100,000	100,000	-
Fund balances, beginning of year	<u>31,400,000</u>	<u>31,400,000</u>	<u>31,400,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 31,400,000</u>	<u>\$ 31,500,000</u>	<u>\$ 31,500,000</u>	<u>\$ -</u>

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

THE CITY OF HOOVER, ALABAMA
Statement of Fund Net Assets
Proprietary Funds
September 30, 2011

	Business-type Activities - Enterprise Funds		Business-type Activities - Enterprise Funds		Business-type Activities - Enterprise Funds		Internal Service Funds
	Sewer	Redevelopment	Total				
Assets							
Current assets:							
Pooled cash and investments	\$ 6,197,246	\$ 414,151	\$ 6,611,397	\$		\$ 6,645,944	
Land held for resale	-	2,851,085	2,851,085			-	
Prepaid items	-	-	-			52,762	
Internal balances	-	-	-			-	
Accounts/stop loss receivable	330,656	1,731	332,387			159,477	
Statutory actuarial receivable	-	-	-			596,228	
Deferred charges (issuance costs)	13,640	-	13,640			-	
Total current assets	<u>6,541,541</u>	<u>3,266,967</u>	<u>9,808,508</u>			<u>7,454,411</u>	
Noncurrent assets:							
Capital assets							
Land	1,670,000	-	1,670,000			-	
Construction in progress	-	-	-			-	
Buildings/improvements to buildings	26,626,760	-	26,626,760			-	
Equipment and vehicles	828,605	-	828,605			-	
Improvements o/t buildings	21,409,452	-	21,409,452			-	
Infrastructure improvements	24,011,007	-	24,011,007			-	
Less accumulated depreciation	(29,752,079)	-	(29,752,079)			-	
Total capital assets (net of accumulated depreciation)	44,793,745	-	44,793,745			-	
Deferred charges (issuance costs)	320,955	-	320,955			-	
Statutory actuarial receivable	-	-	-			2,384,110	
Total noncurrent assets	<u>45,114,700</u>	<u>-</u>	<u>45,114,700</u>			<u>2,384,110</u>	
Total assets	<u>\$ 51,656,241</u>	<u>\$ 3,266,967</u>	<u>\$ 54,923,208</u>			<u>\$ 9,838,521</u>	
Liabilities							
Current liabilities:							
General obligation warrants payable	\$ 931,754	\$ -	\$ 931,754	\$		\$ -	
Accounts payable	146,320	290,960	437,280			104,711	
Retainage payable	-	-	-			-	
Accrued salary expense	3,395	-	3,395			420,445	
Interest payable	117,135	-	117,135			-	
Claims payable	-	-	-			1,112,903	
Compensated absences	11,512	-	11,512			-	
Internal balances	-	-	-			-	
Total current liabilities	<u>1,210,116</u>	<u>290,960</u>	<u>1,501,076</u>			<u>1,638,060</u>	
Noncurrent liabilities:							
Compensated absences	14,336	-	14,336			-	
Claims payable	-	-	-			5,041,961	
General obligation warrants payable	27,649,210	-	27,649,210			-	
Total noncurrent liabilities	<u>27,663,546</u>	<u>-</u>	<u>27,663,546</u>			<u>5,041,961</u>	
Total liabilities	<u>28,873,663</u>	<u>290,960</u>	<u>29,164,622</u>			<u>6,680,021</u>	
Net assets							
Investment in capital assets, net of related debt	17,577,471	-	17,577,471			-	
Unrestricted	5,205,107	2,976,008	8,181,115			3,158,500	
Total net assets	<u>\$ 22,782,579</u>	<u>\$ 2,976,008</u>	<u>\$ 25,758,586</u>			<u>\$ 3,158,500</u>	
Some amounts reported for <i>business-type activities</i> in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.							
	<u>5,845</u>	<u>-</u>	<u>5,845</u>				
Net assets of business-type activities	<u>\$ 22,788,423</u>	<u>\$ 2,976,008</u>	<u>\$ 25,764,431</u>				

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

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the year ended September 30, 2011

	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	Redevelopment	Total	
Operating revenues				
Charges for services	\$ 4,151,883	\$ -	\$ 4,151,883	\$ 8,606,152
Participant premiums	-	-	-	1,544,653
Late fees	-	3,400	3,400	-
Stop loss reimbursements	-	-	-	728,742
Subrogation recoveries	-	-	-	39,480
Public assistance reimbursements	-	-	-	13,785
Rents	-	44,102	44,102	-
Forfeitures	-	1,375	1,375	-
Rebates or refunds	-	-	-	186,806
Other revenue	-	2,014	2,014	-
Total operating revenue	<u>4,151,883</u>	<u>50,891</u>	<u>4,202,774</u>	<u>11,119,618</u>
Operating expenses				
Cost of services	-	10,090	10,090	8,785,383
Collection fees	189,663	-	189,663	-
Depreciation	2,487,753	-	2,487,753	-
Management fees	1,001,525	2,967	1,004,492	-
Personal services	119,357	16,050	135,407	-
Repairs and maintenance	178,331	4,556	182,887	-
Supplies	199,132	63	199,195	-
Telephone	19,059	952	20,011	-
Utilities	404,155	40,210	444,365	-
Total operating expenses	<u>4,598,976</u>	<u>74,888</u>	<u>4,673,864</u>	<u>8,785,383</u>
Operating income (loss)	(447,093)	(23,997)	(471,090)	2,334,235
Non-operating revenues (expenses)				
Investment earnings	11,598	52	11,650	-
Actuarial adjustment	-	-	-	(831,394)
Transfers in	-	2,999,952	2,999,952	-
Interest and fiscal charges	(1,198,086)	-	(1,198,086)	-
Total non-operating revenues (expenses)	<u>(1,186,488)</u>	<u>3,000,004</u>	<u>1,813,516</u>	<u>(831,394)</u>
Change in net assets	(1,633,581)	2,976,008	1,342,427	1,502,841
Net assets, beginning of year	<u>24,416,160</u>	<u>-</u>	<u>24,416,160</u>	<u>1,655,659</u>
Net assets, end of year	<u>\$ 22,782,579</u>	<u>\$ 2,976,008</u>	<u>\$ 25,758,586</u>	<u>\$ 3,158,500</u>
Some amounts reported for <i>business-type activities</i> in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.	1,723	-	1,723	
Change in net assets of business-type activities	<u>\$ (1,631,858)</u>	<u>\$ 2,976,008</u>	<u>\$ 1,344,150</u>	

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

THE CITY OF HOOVER, ALABAMA
Statement of Cash Flows
Proprietary Funds
For the year ended September 30, 2011

	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	Redevelopment	Total	
Cash flows from operating activities				
Cash received from government	\$ -	\$ -	\$ -	\$ 8,606,152
Cash received from customers	4,184,958	45,477	4,230,435	-
Cash payments to suppliers	(959,106)	(57,602)	(1,016,708)	(8,928,554)
Cash received from stop loss reimbursements	-	-	-	884,899
Cash received from subrogation	-	-	-	39,480
Cash received from rebates/overpayments	-	-	-	186,806
Cash received from public assistance reimbursements	-	-	-	1,544,653
Cash received from participants	-	-	-	13,785
Cash payments to management companies	(1,001,525)	(2,967)	(1,004,492)	-
Cash payments to employees	(119,129)	(16,050)	(135,179)	-
Other cash receipts	-	5,414	5,414	-
Net cash provided (used) by operating activities	<u>2,105,198</u>	<u>(25,728)</u>	<u>2,079,471</u>	<u>2,347,221</u>
Cash flows from noncapital financing activities				
Transfer to other funds	-	-	-	-
Transfer from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities				
Proceeds from capital debt	-	-	-	-
Internal transfers	-	2,999,952	2,999,952	-
Premium on debt	-	-	-	-
Debt issuance cost	-	-	-	-
Acquisition and construction of capital assets	(154,893)	(2,560,126)	(2,715,019)	-
Payments of warrants	(885,000)	-	(885,000)	-
Cash paid for interest on debt	(1,258,761)	-	(1,258,761)	-
Net cash provided (used) by capital and related financing activities	<u>(2,298,655)</u>	<u>439,826</u>	<u>(1,858,828)</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends received	11,598	52	11,650	-
Net cash provided (used) by investing activities	<u>11,598</u>	<u>52</u>	<u>11,650</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	(181,858)	414,151	232,293	2,347,221
Pooled cash and investments, beginning of year	<u>6,379,104</u>	<u>-</u>	<u>6,379,104</u>	<u>4,298,723</u>
Pooled cash and investments, end of year	<u>\$ 6,197,246</u>	<u>\$ 414,151</u>	<u>\$ 6,611,397</u>	<u>\$ 6,645,944</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ (447,093)	\$ (23,997)	\$ (471,090)	\$ 2,334,235
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	2,487,753	-	2,487,753	-
(Increase) decrease in accounts receivable	33,075	(1,731)	31,344	156,157
Increase (decrease) in accounts payable and accrued expenses	31,800	-	31,800	(143,478)
Increase (decrease) in compensated absences payable	(336)	-	(336)	307
Total adjustments	<u>2,552,291</u>	<u>(1,731)</u>	<u>2,550,560</u>	<u>12,986</u>
Net cash provided by operating activities	<u>\$ 2,105,198</u>	<u>\$ (25,728)</u>	<u>\$ 2,079,471</u>	<u>\$ 2,347,221</u>

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

NOTES TO THE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General Statement

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

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued after November 30, 1989, for the governmental and business type activities and enterprise funds. The more significant accounting policies of the City are described below.

B. Financial Reporting Entity

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

C. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements:

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

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

Fund Financial Statements:

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

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

C. Basis of Presentation (Continued)

Major Governmental Funds:

General Fund -

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

Capital Projects Fund -

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

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

Special Revenue Funds -

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities in the financial statements.

Other Capital Projects Fund -

This fund accounts for engineering and construction costs that are related to capital expenditures that are reimbursed by other governmental agencies. In addition, the 2010 refunding warrant proceeds are represented in this fund.

Proprietary Funds:

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

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

Sewer Fund -

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

Redevelopment Fund -

The Redevelopment Fund is used to account for the purchase of property in order to redevelop parts of the City. The first purchase of property was an apartment complex that resulted in tenants/rents being paid to the City until all leases had lapsed. All costs and revenues associated with these apartments were accounted for in this fund.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

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

C. Basis of Presentation (Continued)

Internal Service Funds -

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

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

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

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

D. Measurement Focus/Basis of Accounting

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

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

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

D. Measurement Focus/Basis of Accounting (Continued)

The revenues susceptible to accrual are sales taxes, property taxes, franchise fees, licenses, charges for service, interest income, and intergovernmental revenues. All other Governmental Fund Type revenues are recognized when received.

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

E. Budgetary Information

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

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

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

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

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

F. Deposits and Investments

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

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

At year end, the bank balance of the City's operating funds was either covered by federal depository insurance or secured by collateral through the Alabama State Treasury's Security for Alabama Funds Enhancement (SAFE) Program. Under the SAFE program, the City's funds are protected through a collateral pool administered by the Alabama State Treasury. Certain banks holding deposits belonging to the state, counties, cities or agencies of any of these entities must pledge securities as collateral against these deposits. In the event of the failure of a bank, securities pledged by that bank would be liquidated by the State Treasurer to replace the public deposits. If the securities pledged failed to produce adequate funds for that purpose, every bank participating in the pool would share the liability for the remaining balance. At September 30, 2011, most all of the City's depositories are participating in the SAFE program, with a bank balance of \$24,288,205 and a carrying balance of \$22,641,818.

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

As of September 30, 2011, the City had the following investments and maturities.

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-2	3-5	6-9
Repurchase agreements	\$ 2,297,264	\$ 2,297,264	\$ -	\$ -	\$ -
Money market accounts	21,142	21,142	-	-	-
Certificates of Deposit	-	-	-	-	-
U.S. Government Agencies:					
Federal Farm Credit Bank	15,013,455	-	-	6,000,000	9,013,455
Federal Home Loan Bank	3,049,122	-	-	3,049,122	-
Federal Home Loan Mortgage Corp	13,012,067	-	-	3,013,557	9,998,510
Federal National Mortgage Association	<u>15,537,901</u>	-	-	<u>15,537,901</u>	-
Total U.S. government agencies	<u>46,612,545</u>	-	-	<u>27,600,580</u>	<u>19,011,965</u>
Grand total all investments	<u>\$ 48,930,952</u>	<u>\$ 2,318,406</u>	<u>\$ -</u>	<u>\$ 27,600,580</u>	<u>\$ 19,011,965</u>

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

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

F. Deposits and Investments (continued)

Repurchase Agreement. The City entered into a repurchase agreement with First National Banker's Bank (FNBB) on 9/29/2011 to purchase a Federal Farm Credit Bank (FFCB) note, maturity date 3/6/2017, face value \$2,590,000 and fair value \$2,588,705. FNBB agreed to repurchase the investment on 10/06/2011 for \$2,297,342.

G. Prepaid Items

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

H. Inventories

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

I. Interfund Balances

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

J. Accrued Compensated Leave

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

K. Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(2) CAPITAL ASSETS

A. Capital Assets

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

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

Estimated useful lives are as follows:

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

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

For proprietary activities, interest expense on tax-exempt warrants and bonds, net of interest income on related debt proceeds are capitalized during the project development period through the date of full availability. Only interest associated specifically with debt used to construct physical structures is capitalized. Total interest capitalized for the fiscal year was \$64,397.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(2) CAPITAL ASSETS (CONTINUED)

	Balance Beginning of Year	Classification Reclasses or Adjustments	Adjusted Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities						
Capital assets not being depreciated						
Land	\$ 37,262,727	\$ -	\$ 37,262,727	\$ 415,560	\$ -	\$ 37,678,287
Construction in progress	678,054	-	678,054	2,165,964	(40,606)	2,803,412
Total capital assets not being depreciated	<u>37,940,781</u>	<u>-</u>	<u>37,940,781</u>	<u>2,581,524</u>	<u>(40,606)</u>	<u>40,481,699</u>
Other capital assets						
Buildings/improvements to buildings	98,151,596	-	98,151,596	71,414	-	98,223,011
Equipment and vehicles	31,531,867	-	31,531,867	2,222,353	(211,579)	33,542,641
Improvements o/t buildings	16,493,806	-	16,493,806	478,772	-	16,972,578
Infrastructure:						
Street system inventory	230,121,781	-	230,121,781	-	-	230,121,781
Street system improvements	-	-	-	1,041,215	-	1,041,215
Storm sewer inventory	44,735,736	-	44,735,736	10,177,341	-	54,913,078
Bridges inventory	4,043,541	-	4,043,541	-	-	4,043,541
Other infrastructure (sidewalks, traffic signals)	6,827,626	-	6,827,626	122,131	-	6,949,757
Total other capital assets at historical cost	<u>431,905,954</u>	<u>-</u>	<u>431,905,954</u>	<u>14,113,226</u>	<u>(211,579)</u>	<u>445,807,600</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	17,855,168	978	17,856,145.75	2,011,543	-	19,867,689
Equipment and vehicles	24,197,664	(5,237)	24,192,427.57	2,042,232	(75,564)	26,159,096
Improvements o/t buildings	6,023,703	-	6,023,702.61	562,010	-	6,585,712
Infrastructure:						
Street system inventory	-	-	-	7,670,726	-	7,670,726
Street system improvements	-	-	-	30,524	-	30,524
Storm sewer inventory	22,757,452	(1,421)	22,756,030.58	986,319	-	23,742,349
Bridges inventory	-	-	-	108,576	-	108,576
Other infrastructure (sidewalks, traffic signals)	1,410,116	(978)	1,409,138.19	229,862	-	1,639,000
Total accumulated depreciation	<u>72,244,103</u>	<u>(6,658)</u>	<u>72,237,445</u>	<u>13,641,792</u>	<u>(75,564)</u>	<u>85,803,672</u>
Other capital assets, net	<u>359,661,851</u>	<u>6,658</u>	<u>359,668,509</u>	<u>471,434</u>	<u>(136,015)</u>	<u>360,003,928</u>
Governmental activities capital assets, net	<u>\$ 397,602,632</u>	<u>\$ 6,658</u>	<u>\$ 397,609,290</u>	<u>\$ 3,052,958</u>	<u>\$ (176,621)</u>	<u>\$ 400,485,627</u>
Business Type Activities - Sewer Fund						
Capital assets not being depreciated						
Land	\$ 1,670,000	\$ -	\$ 1,670,000	\$ -	\$ -	\$ 1,670,000
Construction in progress	-	-	-	-	-	-
Total capital assets not being depreciated	<u>1,670,000</u>	<u>-</u>	<u>1,670,000</u>	<u>-</u>	<u>-</u>	<u>1,670,000</u>
Other capital assets						
Buildings/improvements to buildings	26,626,760	-	26,626,760	-	-	26,626,760
Equipment and vehicles	809,446	-	809,446	19,159	-	828,605
Improvements o/t buildings	21,229,830	-	21,229,830	179,621	-	21,409,452
Infrastructure improvements	23,990,497	-	23,990,497	20,510	-	24,011,007
Total other capital assets at historical cost	<u>72,656,533</u>	<u>-</u>	<u>72,656,533</u>	<u>219,291</u>	<u>-</u>	<u>72,875,824</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	10,520,668	-	10,520,668	517,610	-	11,038,278
Equipment and vehicles	692,987	-	692,987	33,192	-	726,179
Improvements o/t buildings	4,306,927	-	4,306,927	1,417,825	-	5,724,752
Infrastructure improvements	11,743,744	-	11,743,744	519,125	-	12,262,869
Total accumulated depreciation	<u>27,264,326</u>	<u>-</u>	<u>27,264,326</u>	<u>2,487,753</u>	<u>-</u>	<u>29,752,079</u>
Other capital assets, net	<u>45,392,207</u>	<u>-</u>	<u>45,392,207</u>	<u>(2,268,462)</u>	<u>-</u>	<u>43,123,745</u>
Business-type activities capital assets, net	<u>\$ 47,062,207</u>	<u>\$ -</u>	<u>\$ 47,062,207</u>	<u>\$ (2,268,462)</u>	<u>\$ -</u>	<u>\$ 44,793,745</u>

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

Governmental activities:	
General government and administration	\$ 1,238,574
Public safety	1,500,842
Library	283,192
Municipal court	2,894
Highway and roadway improvements	9,230,834
Recreational services	1,379,861
Health	5,594
Total depreciation expense - Governmental activities	<u>\$ 13,641,792</u>
Business-type activities:	
Sewer services	\$ 2,487,753
Total depreciation expense - Business-type activities	<u>\$ 2,487,753</u>

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(3) LONG-TERM DEBT:

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

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

At September 30, 2011, bonds payable consisted of the following individual issues:

	<u>Governmental</u>	<u>Business-type</u>
\$29,165,000 general obligation warrants dated December 22, 2004; due \$540,000 to \$5,505,000 annually beginning March 1, 2005; interest at 3.00% to 5.00% due semiannually commencing March 1, 2005	26,780,000	-
\$58,510,000 general obligation warrants dated November 1, 2010; due \$5,025,000 to \$8,830,000 annually beginning March 1, 2011; interest at 2.00% to 5.00% due semiannually commencing March 1, 2011	53,485,000	-
\$8,505,000 series 1999 general obligation sewer warrant; due \$300,000 to \$580,000 annually beginning February 15, 2001; interest at 3.50% due semiannually commencing February 15, 2001	-	4,565,000
\$9,565,000 series 2000 general obligation sewer warrant; due \$325,000 to \$675,000 annually beginning February 15, 2002; interest at 3.85% due semiannually commencing August 15, 2001	-	5,695,000
\$18,000,000 series 2007 general obligation sewer warrant; due \$70,000 to \$1,580,000 annually beginning March 1, 2021; interest at 4.125% to 5.0% due semiannually commencing March 1, 2008	-	18,000,000
	<u>\$ 80,265,000</u>	<u>\$ 28,260,000</u>
Total Bonds Payable		
Less deferred amounts:		
For issue premiums (2004)	600,802	-
For issue premiums (2007)	-	320,964
For issue premiums (2010)	5,588,335	-
For deferred loss on refunding (2004)	(1,731,751)	-
For deferred loss on refunding (2010)	(4,643,935)	-
	<u>\$ 80,078,450</u>	<u>\$ 28,580,964</u>
Total Bonds Payable, net		

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(3) LONG-TERM DEBT (CONTINUED):

Changes in Long-term Liabilities

	Balance October 1, 2010	Additions	Reductions	Balance September 30, 2011	Due within one year
Governmental activities					
Bonds payable	\$ 84,370,000	\$ 58,510,000	\$ (62,615,000)	\$ 80,265,000	\$ 5,760,000
Less deferred amounts:					
For issue discounts (2003)	(49,507)	-	49,507	-	-
For issue premiums (2004)	792,522	-	(191,720)	600,802	173,653
For issue premiums (2010)	-	6,276,046	(687,712)	5,588,335	676,313
For deferred loss on refunding (2003)	(657,117)	-	657,117	-	-
For deferred loss on refunding (2004)	(2,008,831)	-	277,080	(1,731,751)	(277,080)
For deferred loss on refunding (2010)	-	(5,028,020)	384,085	(4,643,935)	(419,002)
Bonds and warrants payable, net	<u>82,447,067</u>	<u>59,758,026</u>	<u>(62,126,643)</u>	<u>80,078,450</u>	<u>5,913,884</u>
For bond issuance costs (2003)	(345,783)	-	345,783	-	-
For bond issuance costs (2004)	(122,809)	-	29,709	(93,100)	(29,709)
For bond issuance costs (2010)	-	(538,697)	59,029	(479,668)	(58,051)
Deferred asset charges	<u>(468,592)</u>	<u>(538,697)</u>	<u>434,521</u>	<u>(572,768)</u>	<u>(87,759)</u>
Bonds payable, net of assets	<u>81,978,475</u>	<u>59,219,329</u>	<u>(61,692,122)</u>	<u>79,505,682</u>	<u>5,826,125</u>
Compensated absences	<u>10,257,701</u>	<u>4,135,488</u>	<u>(4,022,984)</u>	<u>10,370,206</u>	<u>4,143,673</u>
Internal service funds					
Claims payable - other post employment benefits	\$ 1,048,804	\$ 721,318	\$ (78,107)	\$ 1,692,015	\$ -
Claims payable - workers compensation	1,377,104	1,595,813	(345,221)	2,627,696	289,927
Claims payable - property & casualty	1,329,411	881,584	(375,842)	1,835,153	744,869
Total claims payable	<u>3,755,319</u>	<u>3,198,715</u>	<u>(799,170)</u>	<u>6,154,864</u>	<u>1,034,796</u>
Total governmental activities	<u>\$ 95,991,495</u>	<u>\$ 66,553,532</u>	<u>\$ (66,514,275)</u>	<u>\$ 96,030,752</u>	<u>\$ 11,004,594</u>
Business-type activities - sewer					
Bonds payable	\$ 29,145,000	\$ -	\$ (885,000)	\$ 28,260,000	\$ 915,000
Less deferred amounts:					
For issue premiums (2007)	337,717	-	(16,754)	320,964	16,754
Bonds and warrants payable, net	<u>29,482,717</u>	<u>-</u>	<u>(901,754)</u>	<u>28,580,964</u>	<u>931,754</u>
For state revolving loan issuance costs (1999)	(60,613)	-	6,612	(54,001)	(6,612)
For state revolving loan issuance costs (2000)	(77,306)	-	7,028	(70,278)	(7,028)
For bond issuance costs (2007)	<u>(221,295)</u>	<u>-</u>	<u>10,978</u>	<u>(210,317)</u>	<u>(10,978)</u>
Deferred asset charges	<u>(359,213)</u>	<u>-</u>	<u>24,618</u>	<u>(334,595)</u>	<u>(24,618)</u>
Compensated absences	<u>26,185</u>	<u>10,841</u>	<u>(11,177)</u>	<u>25,849</u>	<u>11,512</u>
Total proprietary fund types	<u>\$ 29,149,689</u>	<u>\$ 10,841</u>	<u>\$ (888,313)</u>	<u>\$ 28,272,217</u>	<u>\$ 918,648</u>

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

Due within one year includes above FY 2011 reduction amount plus increase of 3% over previous year due to anticipated retirements.

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2011 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2012	5,760,000	3,263,593	915,000	1,224,525	11,163,118
2013	5,970,000	3,046,993	950,000	1,190,190	11,157,183
2014	6,215,000	2,800,918	985,000	1,154,560	11,155,478
2015	6,490,000	2,529,978	1,025,000	1,117,548	11,162,525
2016	6,775,000	2,246,088	1,060,000	1,079,153	11,160,240
2017	8,775,000	1,909,063	1,100,000	1,039,375	12,823,438
2018	7,415,000	1,628,606	1,140,000	998,119	11,181,725
2019	7,655,000	1,393,575	1,185,000	955,288	11,188,863
2020	7,985,000	1,060,875	1,225,000	910,890	11,181,765
2021	8,395,000	651,375	745,000	873,860	10,665,235
2022	8,830,000	220,750	775,000	843,412	10,669,162
2023	-	-	810,000	810,215	1,620,215
2024	-	-	845,000	775,046	1,620,046
2025	-	-	880,000	738,170	1,618,170
2026	-	-	920,000	699,125	1,619,125
2027	-	-	960,000	658,000	1,618,000
2028	-	-	1,005,000	611,875	1,616,875
2029	-	-	1,060,000	560,250	1,620,250
2030	-	-	1,115,000	505,875	1,620,875
2031	-	-	1,170,000	448,750	1,618,750
2032	-	-	1,230,000	388,750	1,618,750
2033	-	-	1,290,000	325,750	1,615,750
2034	-	-	1,360,000	259,500	1,619,500
2035	-	-	1,430,000	189,750	1,619,750
2036	-	-	1,500,000	116,500	1,616,500
2037	-	-	1,580,000	39,500	1,619,500
Total	<u>\$ 80,265,000</u>	<u>\$ 20,751,811</u>	<u>\$ 28,260,000</u>	<u>\$ 18,513,974</u>	<u>\$ 147,790,786</u>

On November 1, 2010, the city issued warrants for the purpose of (i) advance refunding the City's General Obligation Warrants dated January 1, 2003, issued in the aggregate principal amount of \$78,330,000 and outstanding in the aggregate principal amount of \$56,645,000, (ii) providing a portion of the cost of capital improvements including the purchase of City vehicles (\$3,619,568) and (iii) paying the issuance costs of the Warrants. The 2010 warrants have a 12 year amortization and a principal amount of \$58,510,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This advanced refunding produced a cash benefit of approximately (\$7,654) and obtained an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$8,322. The 2003R warrants can be called on March 1, 2013.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(4) LEASES:

On April 7, 1988, the Parks and Recreation Board entered into a ten-year lease and management agreement to lease the Hoover Metropolitan Stadium to a professional baseball club. The lease and management agreements were re-negotiated and amended on March 14, 1991, after the baseball club underwent a change in ownership. On January 1, 1996, the lease and management agreements were again re-negotiated, with the result being a new stadium lease agreement and an "other events" supplemental agreement. The current stadium lease agreement is in effect from January 1, 2010 through December 31, 2015. The stadium lease amount is to be adjusted once every five years based upon changes in the cost-of-living index. Total revenue under the lease and management agreement for the fiscal year ended September 30, 2011 was \$275,879. For fiscal year 2012, this amount will increase to \$283,588.

Below is a summary of the Hoover Metropolitan Stadium original cost, carrying value, and current depreciation:

Cost of Leased Asset	Carrying Value	Depreciation thru 9/30/11
\$ 17,947,287	\$ 12,884,322	\$ 5,062,965

(5) INTERNAL BALANCES:

Internal Balances represent short-term loans to help supplement various funds. At September 30, 2011, the outstanding internal balances were as follows:

Fund	Internal Balances Due To	Internal Balances Due From
General Fund	\$ 461,674	\$ -
Internal Service Funds	-	-
Other Governmental Funds	-	461,674
Total	\$ 461,674	\$ 461,674

(6) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2011 were as follows:

(Transfers out)	Transfers in				Total
General Fund	Capital Projects Fund	Non-Major Governmental Fund	Proprietary Fund		
General Fund	\$ (11,324,673)	\$ 4,917,959	\$ 6,406,714	\$ -	\$ -
Capital Projects Fund	-	(2,999,952)	-	2,999,952	-
Non-Major Govt Funds	374	172,874	(173,248)	-	-
Proprietary Funds	-	-	-	-	-
Total	\$ (11,324,299)	\$ 2,090,881	\$ 6,233,467	\$ 2,999,952	\$ -

Transfers are primarily used to move funds from the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers for fiscal year 2011 were as follows: \$2,362,566 - Court and Corrections fund, \$38,482 - CDBG fund, \$386,098 - General Grants fund, \$4,917,959 - Capital Projects fund, and \$3,619,568 - 2010 Warrants fund, which totaled \$11,324,673 in transfers from the general fund. In addition, \$ 374 was transferred from Other Governmental funds, specifically the General Grants fund, to the General Fund to close out a project. \$173,248 was transferred from the 2010 Warrants fund, to the Capital Projects fund to reimburse for expenditures before the closing. Finally, \$2,999,952 was transferred from the Capital Projects fund to the Redevelopment fund, which is a proprietary fund.

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(7) EMPLOYEE RETIREMENT PLAN:

Plan Description:

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

Funding Policy:

For the fiscal year 2011, the member contribution rate for state correctional officers, certified full-time firefighters, and certified full-time law enforcement officers remains at 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, which is currently 10.51% (fiscal year 2012) of annual covered payroll. This rate decreased from the 11.81% rate in effect for fiscal year 2011 due to the elimination of the DROP program. The contribution requirements of plan members and the City are established and may be amended by the ERSA Board of Control.

Annual Pension Cost:

For fiscal year 2011, the City's annual pension cost of \$4,373,140 for the System was equal to the City's required and actual contributions. The required contribution was determined as part of the September 30, 2010 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on investments of 8% compounded annually, (b) projected annual salary increases of 4.61% - 7.75% per year compounded annually. Both (a) and (b) include an inflation component of 4.5%.

The actuarial value of the System assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2010 was 30 years.

Three-Year Trend Information for the System

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
9/30/2008	\$ 3,573,275	100.00%	-
9/30/2009	3,769,179	100.00%	-
9/30/2010	4,373,140	100.00%	-

Schedule of Funding Progress for the Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
9/30/2005	\$ 68,286,896	\$ 92,577,850	\$ 24,290,954	73.8%	\$ 35,347,498	68.7%
9/30/2006	75,660,134	102,078,546	26,418,411	74.1%	36,228,064	72.9%
9/30/2007	85,529,870	118,279,380	32,749,509	72.3%	37,797,690	86.6%
9/30/2008	92,379,624	129,996,614	37,616,990	71.1%	39,860,394	94.4%
9/30/2009	96,969,118	141,225,527	44,256,409	68.7%	39,390,932	112.4%
9/30/2010	100,462,510	148,256,959	47,794,449	67.8%	39,633,067	120.6%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2011

(8) POST-EMPLOYMENT BENEFITS

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

The plan provisions are contained in the official plan documents. Medical and dental benefits are provided to employees upon actual retirement. The earliest retirement eligibility provisions are as follows: age 55 and 25 years of service; or, age 60 and 10 years of service.

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

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

In Fiscal Year Ending September 30, 2011, the City of Hoover's portion of health care funding cost for retired employees totaled \$78,107. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table on the following page.

Annual Required Contribution. The City of Hoover's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning October 1, 2010 is \$740,018, as set forth below:

		Medical
Normal Cost	\$	339,760
30-year UAL amortization amount		400,259
Annual required contribution (ARC)	\$	740,018

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2011

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

Net Post-employment Benefit Obligation (Asset). The table below shows the City of Hoover's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending September 30, 2011:

	Medical
1. Beginning Net OPEB Obligation (Asset) 10/1/2010	\$1,048,804
2. Annual required contribution	740,018
3. Interest on Net OPEB Obligation (Asset): .04 X [1]	41,952
4. ARC Adjustment: [1]/17.292	60,652
5. OPEB Cost: [2]+[3]-[4]	721,318
6. Contribution	0
7. Current year retiree premium	78,107
8. Change in Net OPEB Obligation: [5]-[6]-[7]	643,211
9. Ending Net OPEB Obligation: (Asset) 9/30/2011: [1]+[8]	\$1,692,015

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

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical	September 30, 2011	\$721,318	10.83%	\$1,692,015

Funded Status and Funding Progress. In the fiscal year ending September 30, 2011, the City of Hoover made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of September 30, 2011, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$7,198,172, which is defined as that portion, as determined by a particular actuarial cost method (the City of Hoover uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2010/2011, the entire actuarial accrued liability of \$7,198,172 was unfunded.

	Medical
Actuarial Accrued Liability (AAL)	\$ 7,198,172
Actuarial Value of Plan Assets	0
Unfunded Act. Accrued Liability (UAAL)	7,198,172
Funded Ratio (Act. Val. Assets/AAL)	0%
Covered Payroll (active plan members)	40,642,589
UAAL as a percentage of covered payroll	17.71%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2011

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

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

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

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

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

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

Post employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence upon actual retirement, which in turn has been assumed to be a six year delay after the earliest eligibility. The six year delay is what is estimated to be the average length of time before initial eligibility and actual cessation of employment.

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2011

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the **employer** for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. After retirement, the employer pays a varying amount of the retiree's individual coverage based on length of service at time or retirement. For those retiring before age 60, the amount is \$10.00 per year of service up to 75% of the total blended rate for the coverage in place. For those retiring on or after age 60, the amount is \$15.00 per year of service up to 75% of the total blended rate for the coverage in place. The retiree pays the remainder of the blended rate for the coverage not paid by the employer.

Since the rates provided used to determine the retiree contribution as described above are "blended" between active and retired, we have used the estimated "unblended" rates provided by Blue Cross to actually value the cost of benefits since unblended rates are required by GASB for the OPEB valuation. The retiree contribution as determined above were then deducted from these total projected costs as produced by the unblended rates.

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

OPEB Cost and Contributions			
	FY 2009	FY 2010	FY 2011
OPEB cost	\$ 566,215	\$ 704,016	\$ 721,318
Contribution	-	-	-
Retiree premium	143,320	78,107	78,107
Total contribution and premium	<u>143,320</u>	<u>78,107</u>	<u>78,107</u>
Change in net OPEB obligation	<u>\$ 422,895</u>	<u>\$ 625,909</u>	<u>\$ 643,211</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution to cost and premium	25.31%	11.09%	10.83%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(9) FUND BALANCES - GOVERNMENTAL FUNDS

As of September 30, 2011, fund balances for the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

Fund Balances				
	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Non-spendable:				
Non-current receivable	\$ 203,438	-	-	203,438
Inventory	118,901	-	-	118,901
Prepaid items	7,994	-	-	7,994
Restricted for:				-
Public safety	-	-	2,672,310	2,672,310
Highways and roadways	-	-	5,011,622	5,011,622
General government	-	-	2,302,232	2,302,232
Recreation services	-	-	13,233	13,233
Committed:				-
Capital projects	-	18,638,394	2,067,080	20,705,474
Assigned:				-
Recreation services	833,837	-	-	833,837
Unassigned:	30,335,830	-	-	30,335,830
Total fund balances	\$ 31,500,000	\$ 18,638,394	\$ 12,066,477	\$ 62,204,871

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(10) OTHER INFORMATION:

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The City manages these risks under a limited risk management program, which is administered by the City through two professional claims-handling firms. The City purchases commercial insurance to cover individual workers' compensation claims in excess of \$500,000 and to cover aggregate annual compensation claims in excess of \$3,424,307 for a two-year policy period. The City's excess workers' compensation coverage provides statutory limits for workers' compensation and \$1,000,000 in employer's liability. The City also purchases commercial insurance to cover individual property, casualty, and liability claims in excess of \$100,000. Some exclusions do apply on these excess limits. The City has not significantly reduced any of its insurance coverage from that of the prior year. All property and casualty claims, claim reserves, and administrative costs of the program are paid from the property and casualty internal service fund and all workers compensation expenses are paid from the workers compensation internal service fund.

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

Changes in the balances of claims liabilities during fiscal 2010 and 2011 are as follows:

Workers compensation (retention)	2010	2011	Difference
Unpaid claims, beginning	\$ 744,918	\$ 701,525	\$ (43,393)
Incurred claims, (including IBNRs)	894,463	190,603	(703,859)
Claim Payments	(937,856)	(108,396)	829,459
Unpaid claims, ending	<u>\$ 701,525</u>	<u>\$ 783,732</u>	<u>\$ 82,207</u>

Property and casualty (retention)	2010	2011	Difference
Unpaid claims, beginning	\$ 520,868	\$ 592,803	\$ 71,935
Incurred claims, (including IBNRs)	1,160,612	405,590	(755,023)
Claim Payments	(1,088,677)	(299,614)	789,064
Unpaid claims, ending	<u>\$ 592,803</u>	<u>\$ 698,779</u>	<u>\$ 105,976</u>

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

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

	FY 2009	FY 2010	FY 2011
Property and casualty	1	1	0
Workers compensation	0	0	0
Total	<u>1</u>	<u>1</u>	<u>0</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

(10) OTHER INFORMATION:

B. Commitments

Board of Education:

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

Construction Projects:

As of September 30, 2011, the City has approved items related to construction projects for all governmental fund types in the amount of \$48,344,117. Of this amount, \$10,836,760 has been incurred to date creating a total remaining commitment of \$37,507,357. The City is responsible for funding \$14,343,684 of this commitment with the remaining \$23,163,673 to be funded by other governmental units.

Other Matters:

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

Subsequently, the City entered into an agreement with the Alabama Department of Transportation for roadway improvements associated with the development, the cost of which are currently estimated to be approximately \$4,000,000. In a separate agreement, the developer assumed this obligation. The major tenant opened for business October 1, 2009. However, the developer was not in compliance with all of the terms and conditions of their agreement with the City and was notified by the City of the non-compliance on October 15, 2009. The City intends to complete all of the necessary roadway improvements and deduct all of the costs of such improvements from the above mentioned reimbursement.

Through fiscal year 2011, \$1,190,148 has been accumulated to offset these estimated costs.

C. Contingent Liabilities

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2011

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

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

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

Bonds payable	\$ 80,265,000
Less: Deferred charge on refundings - 2004 and 2010 (to be amortized as interest expense)	(6,375,686)
Less: Deferred charge for issuance costs - 2004 and 2010 (to be amortized over life of debt)	(572,768)
Issuance premium - 2004 and 2010 issue	6,189,136
Accrued interest payable	284,645
Compensated absences	10,370,206

Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	\$ 90,160,533
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(12) RESTRICTED NET ASSETS

A. Explanation for restrictions on net assets

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

Restricted for:	
Public safety	\$ 1,358,642
Municipal court	1,313,667
General government	2,302,232
Recreation services	13,233
Highway and roadway improvements	5,011,622
Total restricted net assets	\$ 9,999,397

(13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 30, 2012, the date in which the financial statements were available to be issued. There were none to report as of this date.

COMBINING FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2011

	Special Revenue								
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice	Federal Drug Dept of Treasury
Assets									
Pooled cash and investments	\$ 34,554,470	\$ 245,317	\$ 1,922,378	\$ 1,204,530	\$ 1,228,010	\$ 2,302,232	\$ 178,832	\$ 455,307	\$ 283,011
Receivables									
Taxes	-	-	-	-	929,678	-	-	-	-
Accounts	163,380	31,691	-	-	-	-	108	271	168
Due from other governments	-	-	74,213	43,384	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	\$ 197,934	\$ 277,008	\$ 1,996,591	\$ 1,247,915	\$ 2,157,687	\$ 2,302,232	\$ 178,940	\$ 455,578	\$ 283,180
Liabilities and fund balances									
Accounts payable and accrued liabilities	\$ 55,528	\$ -	\$ 4,230	\$ -	\$ 386,340	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	4,055	-	-
Internal balances	-	-	-	-	-	-	-	-	-
Refundable deposits	-	-	-	-	-	-	-	-	-
Total liabilities	55,528	-	4,230	-	386,340	-	4,055	-	-
Fund balances									
Restricted	142,406	277,008	1,992,360	1,247,915	1,771,347	2,302,232	174,885	455,578	283,180
Committed	-	-	-	-	-	-	-	-	-
Total fund balances	142,406	277,008	1,992,360	1,247,915	1,771,347	2,302,232	174,885	455,578	283,180
Total liabilities and fund balances	\$ 197,934	\$ 277,008	\$ 1,996,591	\$ 1,247,915	\$ 2,157,687	\$ 2,302,232	\$ 178,940	\$ 455,578	\$ 283,180

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet - Continued
Non-Major Governmental Funds
September 30, 2011

	Special Revenue - Continued								Capital Projects	Total Nonmajor Governmental Funds
	Court and Correction	Municipal Court Clerk	Court Training	Court Referral Officer Program	Traffic Safety	CDBG	General Grants	Total	Other Capital Projects Fund	
Assets										
Pooled cash and investments	\$ 88,508	\$ 2,179	\$ 58,101	\$ 62,854	\$ 1,196,398	\$ -	\$ -	\$ 9,262,212	\$ 2,067,080	\$ 11,329,291
Receivables										
Taxes	-	-	-	-	-	-	-	929,678	-	929,678
Accounts	4,816	-	-	12,786	-	25,520	461,876	700,616	198,999	899,615
Due from other governments	-	-	-	-	-	-	-	117,598	-	117,598
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 93,324	\$ 2,179	\$ 58,101	\$ 75,639	\$ 1,196,398	\$ 25,520	\$ 461,876	\$ 11,010,103	\$ 2,266,079	\$ 13,276,182
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 93,324	\$ -	\$ 339	\$ 17,921	\$ 390	\$ 10,867	\$ 26,819	\$ 595,760	\$ 133,097	\$ 728,856
Deferred revenue	-	-	-	-	-	-	15,120	19,175	-	19,175
Internal balances	-	-	-	-	-	14,653	381,118	395,771	65,903	461,674
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	93,324	-	339	17,921	390	25,520	423,058	1,010,706	198,999	1,209,705
Fund balances										
Restricted	-	2,179	57,762	57,718	1,196,008	-	38,818	9,999,397	-	9,999,397
Committed	-	-	-	-	-	-	-	-	2,067,080	2,067,080
Total fund balances	-	2,179	57,762	57,718	1,196,008	-	38,818	9,999,397	2,067,080	12,066,477
Total liabilities and fund balances	\$ 93,324	\$ 2,179	\$ 58,101	\$ 75,639	\$ 1,196,398	\$ 25,520	\$ 461,876	\$ 11,010,103	\$ 2,266,079	\$ 13,276,182

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended September 30, 2011

	Special Revenue								
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice	Federal Drug Dept of Treasury
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	2,240	-	749,315	484,554	920,382	391,657	-	-	-
Fines and forfeits	-	-	-	-	-	-	19,896	189,411	20,407
Investment income	-	-	-	-	-	-	339	910	575
Rents and royalties	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	-	-	-
Charges for services	1,593,056	347,706	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>1,595,296</u>	<u>347,706</u>	<u>749,315</u>	<u>484,554</u>	<u>920,382</u>	<u>391,657</u>	<u>20,235</u>	<u>190,321</u>	<u>20,982</u>
Expenditures									
Current operations									
General government	-	-	-	-	-	-	-	-	-
Public safety	1,452,890	558,969	-	-	-	-	16,970	157,371	7,468
Library	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	67,538	-	-	-	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Total	<u>1,452,890</u>	<u>558,969</u>	<u>67,538</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,970</u>	<u>157,371</u>	<u>7,468</u>
Capital outlays	-	-	101,598	17,624	494,538	-	-	205,365	86,845
Total expenditures	<u>1,452,890</u>	<u>558,969</u>	<u>169,136</u>	<u>17,624</u>	<u>494,538</u>	<u>-</u>	<u>16,970</u>	<u>362,736</u>	<u>94,313</u>
Excess of revenues over (under) expenditures	<u>142,406</u>	<u>(211,263)</u>	<u>580,179</u>	<u>466,930</u>	<u>425,844</u>	<u>391,657</u>	<u>3,265</u>	<u>(172,415)</u>	<u>(73,332)</u>
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	142,406	(211,263)	580,179	466,930	425,844	391,657	3,265	(172,415)	(73,332)
Fund balances, beginning of year	<u>-</u>	<u>488,271</u>	<u>1,412,181</u>	<u>780,984</u>	<u>1,345,503</u>	<u>1,910,575</u>	<u>171,620</u>	<u>627,993</u>	<u>356,512</u>
Fund balances, end of year	<u>\$ 142,406</u>	<u>\$ 277,008</u>	<u>\$ 1,992,360</u>	<u>\$ 1,247,915</u>	<u>\$ 1,771,347</u>	<u>\$ 2,302,232</u>	<u>\$ 174,885</u>	<u>\$ 455,578</u>	<u>\$ 283,180</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Continued
Non-Major Governmental Funds
For the year ended September 30, 2011

	Special Revenue - Continued							Capital Projects	Total Nonmajor Governmental Funds
	Court and Corrections	Municipal Court Clerk	Court Training	Court Referral Officer Program	Traffic Safety	CDBG	General Grants	Total	
Revenues									
Taxes	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	-	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	3,645	-	-	68,165	-	37,854	827,698	3,485,510	793,827
Fines and forfeits	680,746	-	24,623	-	189,650	-	-	1,124,732	-
Investment income	-	-	-	-	-	-	28	1,852	688
Rents and royalties	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	1,171	-	-	-	-	-	6,213	7,384	-
Charges for services	6,882	2,179	-	61,195	-	-	750	2,011,767	-
Other	-	-	150	-	-	-	16,959	17,109	-
Total revenues	<u>692,444</u>	<u>2,179</u>	<u>24,772</u>	<u>129,360</u>	<u>189,650</u>	<u>37,854</u>	<u>851,648</u>	<u>6,648,354</u>	<u>794,515</u>
Expenditures									
Current operations									
General government	-	-	-	-	-	66,676	30,000	96,676	-
Public safety	1,806,935	-	-	-	-	-	997,285	4,997,888	-
Library	-	-	-	-	-	-	-	-	-
Municipal court	1,248,076	-	138,832	113,079	121,062	-	-	1,621,049	-
Sanitation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	-	-	67,538	-
Recreation services	-	-	-	-	-	-	25,373	25,373	-
Health	-	-	-	-	-	-	-	-	-
Total	<u>3,055,010</u>	<u>-</u>	<u>138,832</u>	<u>113,079</u>	<u>121,062</u>	<u>66,676</u>	<u>1,052,658</u>	<u>6,808,523</u>	<u>-</u>
Capital outlays	-	-	-	-	-	9,660	201,498	1,117,128	2,174,130
Total expenditures	<u>3,055,010</u>	<u>-</u>	<u>138,832</u>	<u>113,079</u>	<u>121,062</u>	<u>76,336</u>	<u>1,254,156</u>	<u>7,925,652</u>	<u>2,174,130</u>
Excess of revenues over (under) expenditures	<u>(2,362,566)</u>	<u>2,179</u>	<u>(114,060)</u>	<u>16,281</u>	<u>68,588</u>	<u>(38,482)</u>	<u>(402,509)</u>	<u>(1,277,297)</u>	<u>(1,379,615)</u>
Other financing sources (uses)									
Transfers in	2,362,566	-	-	-	-	38,482	386,098	2,787,146	3,619,568
Transfers out	-	-	-	-	-	-	(374)	(374)	(172,874)
Total other financing sources (uses)	<u>2,362,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,482</u>	<u>385,724</u>	<u>2,786,772</u>	<u>3,446,695</u>
Net change in fund balances	-	2,179	(114,060)	16,281	68,588	-	(16,785)	1,509,475	2,067,080
Fund balances, beginning of year	-	-	171,822	41,437	1,127,420	-	55,603	8,489,923	-
Fund balances, end of year	<u>\$ -</u>	<u>2,179</u>	<u>\$ 57,762</u>	<u>\$ 57,718</u>	<u>\$ 1,196,008</u>	<u>\$ -</u>	<u>38,818</u>	<u>\$ 9,999,397</u>	<u>\$ 2,067,080</u>
			<u>\$ 12,066,477</u>						

THE CITY OF HOOVER, ALABAMA
Internal Service Funds
Combining Statement of Net Assets
September 30, 2011

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 2,816,807	\$ 428,080	\$ 1,471,094	\$ 1,929,963	\$ 6,645,944
Prepaid items	-	-	22,586	30,176	52,762
Internal balances	-	-	-	-	-
Accounts/stop loss receivable	139,667	4,147	12,222	3,441	159,477
Statutory actuarial receivable	-	-	138,558	457,670	596,228
Total current assets	<u>2,956,473</u>	<u>432,227</u>	<u>1,644,460</u>	<u>2,421,251</u>	<u>7,454,411</u>
Noncurrent assets:					
Capital assets					
Land	-	-	-	-	-
Construction in progress	-	-	-	-	-
Buildings/improvements to buildings	-	-	-	-	-
Equipment and vehicles	-	-	-	-	-
Improvements o/t buildings	-	-	-	-	-
Infrastructure improvements	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Total capital assets (net of accumulated depreciation)	-	-	-	-	-
Other assets	-	-	-	-	-
Statutory actuarial receivable	-	-	1,705,406	678,704	2,384,110
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>1,705,406</u>	<u>678,704</u>	<u>2,384,110</u>
Total assets	<u>\$ 2,956,473</u>	<u>\$ 432,227</u>	<u>\$ 3,349,866</u>	<u>\$ 3,099,955</u>	<u>\$ 9,838,521</u>
Liabilities					
Current liabilities:					
General obligation warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	157	104,554	104,711
Retainage payable	-	-	-	-	-
Accrued expenses	396,715	23,731	-	-	420,445
Claims payable	-	78,107	289,927	744,869	1,112,903
Compensated absences	-	-	-	-	-
Internal balances	-	-	-	-	-
Total current liabilities	<u>396,715</u>	<u>101,838</u>	<u>290,084</u>	<u>849,423</u>	<u>1,638,060</u>
Noncurrent liabilities:					
Compensated absences	-	-	-	-	-
Claims payable	-	1,613,908	2,337,769	1,090,284	5,041,961
Total noncurrent liabilities	<u>-</u>	<u>1,613,908</u>	<u>2,337,769</u>	<u>1,090,284</u>	<u>5,041,961</u>
Total liabilities	<u>396,715</u>	<u>1,715,746</u>	<u>2,627,853</u>	<u>1,939,707</u>	<u>6,680,021</u>
Net assets					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	2,559,759	(1,283,519)	722,013	1,160,248	3,158,500
Total net assets	<u>\$ 2,559,759</u>	<u>\$ (1,283,519)</u>	<u>\$ 722,013</u>	<u>\$ 1,160,248</u>	<u>\$ 3,158,500</u>

THE CITY OF HOOVER, ALABAMA
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the year ended September 30, 2011

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property and Casualty	Total
Operating revenues					
Charges for services - internal	\$ 6,311,427	\$ 362,975	\$ 475,855	\$ 1,455,895	\$ 8,606,152
Participant premiums	1,399,252	145,401	-	-	1,544,653
Late fees	-	-	-	-	-
Stop loss reimbursements	411,542	4,147	236,825	76,228	728,742
Subrogation recoveries	-	-	-	39,480	39,480
Public assistance/school reimbursements	-	-	-	13,785	13,785
Rebates or refunds	175,283	9,223	1,594	706	186,806
Other	-	-	-	-	-
Total operating revenue	<u>8,297,504</u>	<u>521,746</u>	<u>714,274</u>	<u>1,586,095</u>	<u>11,119,618</u>
Operating expenses					
Costs of services	7,251,654	271,732	438,625	823,372	8,785,383
Administration	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	<u>7,251,654</u>	<u>271,732</u>	<u>438,625</u>	<u>823,372</u>	<u>8,785,383</u>
Operating income (loss)	1,045,851	250,014	275,648	762,723	2,334,235
Non-operating revenues (expenses)					
Actuarial adjustment	-	(643,211)	(82,207)	(105,976)	(831,394)
Investment earnings	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>(643,211)</u>	<u>(82,207)</u>	<u>(105,976)</u>	<u>(831,394)</u>
Transfers in (out)	-	-	-	-	-
Change in net assets	1,045,851	(393,197)	193,441	656,747	1,502,841
Net assets, beginning of year	<u>1,513,908</u>	<u>(890,322)</u>	<u>528,572</u>	<u>503,501</u>	<u>1,655,659</u>
Net assets, end of year	<u>\$ 2,559,759</u>	<u>\$ (1,283,519)</u>	<u>\$ 722,013</u>	<u>\$ 1,160,248</u>	<u>\$ 3,158,500</u>

THE CITY OF HOOVER, ALABAMA
Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2011

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Cash flows from operating activities					
Cash received from government	\$ 6,311,427	\$ 362,975	\$ 475,855	\$ 1,455,895	\$ 8,606,152
Cash received from participants	1,399,252	145,401	-	-	1,544,653
Cash received from stop loss reimbursements	516,715	-	290,187	77,997	884,899
Cash received from subrogation	-	-	-	39,480	39,480
Cash received from public assistance reimbursements	-	-	-	13,785	13,785
Cash received from rebates/overpayments	175,283	9,223	1,594	706	186,806
Payments to suppliers	(7,499,651)	(253,445)	(442,909)	(732,549)	(8,928,554)
Other cash receipts	-	-	-	-	-
Net cash provided (used) by operating activities	<u>903,027</u>	<u>264,153</u>	<u>324,726</u>	<u>855,314</u>	<u>2,347,221</u>
Cash flows from noncapital financing activities					
Transfer to other funds	-	-	-	-	-
Transfer from other funds	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	-	-	-	-	-
Payments of warrants	-	-	-	-	-
Cash paid for interest on debt	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities					
Interest and dividends received	-	-	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	903,027	264,153	324,726	855,314	2,347,221
Pooled cash and investments, beginning of year	1,913,780	163,927	1,146,367	1,074,649	4,298,723
Pooled cash and investments, end of year	<u>\$ 2,816,807</u>	<u>\$ 428,080</u>	<u>\$ 1,471,094</u>	<u>\$ 1,929,963</u>	<u>\$ 6,645,944</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 1,045,851	\$ 250,014	\$ 275,648	\$ 762,723	\$ 2,334,235
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	-	-	-	-	-
(Increase) decrease in accounts receivable	105,173	(4,147)	53,362	1,769	156,157
Increase (decrease) in accounts payable and accrued expenses	(247,997)	18,287	(4,284)	90,516	(143,478)
(Increase) decrease in prepaid items	-	-	-	307	307
Total adjustments	<u>(142,824)</u>	<u>14,140</u>	<u>49,078</u>	<u>92,592</u>	<u>12,986</u>
Net cash provided by operating activities	<u>\$ 903,027</u>	<u>\$ 264,153</u>	<u>\$ 324,726</u>	<u>\$ 855,314</u>	<u>\$ 2,347,221</u>

OTHER SUPPLEMENTARY INFORMATION

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
E-911 Fund
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	2,240	2,240
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	1,550,000	1,550,000	1,593,056	43,056
Other	-	-	-	-
Total revenues	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,595,296</u>	<u>45,296</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	1,589,398	1,594,866	1,452,890	141,976
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,589,398</u>	<u>1,594,866</u>	<u>1,452,890</u>	<u>141,976</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,589,398</u>	<u>1,594,866</u>	<u>1,452,890</u>	<u>141,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,398)</u>	<u>(44,866)</u>	<u>142,406</u>	<u>187,272</u>
Other financing sources (uses)				
Transfers in	39,398	44,866	-	(44,866)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>39,398</u>	<u>44,866</u>	<u>-</u>	<u>(44,866)</u>
Net change in fund balances	-	-	142,405.97	142,405.97
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,405.97</u>	<u>\$ 142,405.97</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Wireless E-911 Fund
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	300,000	300,000	347,706	47,706
Other	-	-	-	-
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>347,706</u>	<u>47,706</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	631,542	631,542	558,969	72,573
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>631,542</u>	<u>631,542</u>	<u>558,969</u>	<u>72,573</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>631,542</u>	<u>631,542</u>	<u>558,969</u>	<u>72,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(331,542)</u>	<u>(331,542)</u>	<u>(211,263)</u>	<u>120,279</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(331,542)	(331,542)	(211,263)	120,279
Fund balances, beginning of year	<u>488,271</u>	<u>488,271</u>	<u>488,271</u>	<u>-</u>
Fund balances, end of year	<u>\$ 156,729</u>	<u>\$ 156,729</u>	<u>\$ 277,008</u>	<u>\$ 120,279</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Seven Cent Gasoline Tax
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	813,000	813,000	749,315	(63,685)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>813,000</u>	<u>813,000</u>	<u>749,315</u>	<u>(63,685)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	175,000	75,000	67,538	7,462
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>175,000</u>	<u>75,000</u>	<u>67,538</u>	<u>7,462</u>
Capital outlays	965,048	1,117,095	101,598	1,015,497
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,140,048</u>	<u>1,192,095</u>	<u>169,136</u>	<u>1,022,959</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(327,048)</u>	<u>(379,095)</u>	<u>580,179</u>	<u>959,274</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(327,048)	(379,095)	580,179	959,274
Fund balances, beginning of year	<u>1,412,181</u>	<u>1,412,181</u>	<u>1,412,181</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,085,133</u>	<u>\$ 1,033,086</u>	<u>\$ 1,992,360</u>	<u>\$ 959,274</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Four and Five Cent Gasoline Tax
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	500,000	500,000	484,554	(15,446)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>484,554</u>	<u>(15,446)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	-	104,454	17,624	86,830
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>104,454</u>	<u>17,624</u>	<u>86,830</u>
Excess (deficiency) of revenues over (under) expenditures	<u>500,000</u>	<u>395,546</u>	<u>466,930</u>	<u>71,384</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	500,000	395,546	466,930	71,384
Fund balances, beginning of year	<u>780,984</u>	<u>780,984</u>	<u>780,984</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,280,984</u>	<u>\$ 1,176,530</u>	<u>\$ 1,247,915</u>	<u>\$ 71,384</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Jefferson County Road Tax
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	975,000	975,000	920,382	(54,618)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>920,382</u>	<u>(54,618)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	1,500,000	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	-	1,500,000	494,538	1,005,462
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,500,000</u>	<u>1,500,000</u>	<u>494,538</u>	<u>1,005,462</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(525,000)</u>	<u>(525,000)</u>	<u>425,844</u>	<u>950,844</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(525,000)	(525,000)	425,844	950,844
Fund balances, beginning of year	<u>1,345,503</u>	<u>1,345,503</u>	<u>1,345,503</u>	<u>-</u>
Fund balances, end of year	<u>\$ 820,503</u>	<u>\$ 820,503</u>	<u>\$ 1,771,347</u>	<u>\$ 950,844</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Alabama Trust Fund Interest
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	425,000	425,000	391,657	(33,343)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>425,000</u>	<u>425,000</u>	<u>391,657</u>	<u>(33,343)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	15,377	15,377	-	15,377
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>15,377</u>	<u>15,377</u>	<u>-</u>	<u>15,377</u>
Excess (deficiency) of revenues over (under) expenditures	<u>409,623</u>	<u>409,623</u>	<u>391,657</u>	<u>(17,966)</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	409,623	409,623	391,657	(17,966)
Fund balances, beginning of year	<u>1,910,575</u>	<u>1,910,575</u>	<u>1,910,575</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,320,198</u>	<u>\$ 2,320,198</u>	<u>\$ 2,302,232</u>	<u>\$ (17,966)</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Drug Enforcement
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	19,896	19,896
Investment income	-	-	339	339
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>20,235</u>	<u>20,235</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	20,000	16,970	3,030
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>20,000</u>	<u>16,970</u>	<u>3,030</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>20,000</u>	<u>16,970</u>	<u>3,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(20,000)</u>	<u>3,265</u>	<u>23,265</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(20,000)	3,265	23,265
Fund balances, beginning of year	<u>171,620</u>	<u>171,620</u>	<u>171,620</u>	<u>-</u>
Fund balances, end of year	<u>\$ 171,620</u>	<u>\$ 151,620</u>	<u>\$ 174,885</u>	<u>\$ 23,265</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Federal Drug Enforcement - Department of Justice
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	189,411	189,411
Investment income	-	-	910	910
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>190,321</u>	<u>190,321</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	3,328	193,088	157,371	35,717
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>3,328</u>	<u>193,088</u>	<u>157,371</u>	<u>35,717</u>
Capital outlays	189,444	206,772	205,365	1,407
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>192,772</u>	<u>399,860</u>	<u>362,736</u>	<u>37,124</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(192,772)</u>	<u>(399,860)</u>	<u>(172,415)</u>	<u>227,445</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(192,772)	(399,860)	(172,415)	227,445
Fund balances, beginning of year	<u>627,993</u>	<u>627,993</u>	<u>627,993</u>	<u>-</u>
Fund balances, end of year	<u>\$ 435,221</u>	<u>\$ 228,133</u>	<u>\$ 455,578</u>	<u>\$ 227,445</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Federal Drug Enforcement - Department of Treasury
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	20,407	20,407
Investment income	-	-	575	575
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>20,982</u>	<u>20,982</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	247,512	7,468	240,044
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>247,512</u>	<u>7,468</u>	<u>240,044</u>
Capital outlays	-	109,000	86,845	22,155
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>356,512</u>	<u>94,313</u>	<u>262,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(356,512)</u>	<u>(73,332)</u>	<u>283,180</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(356,512)	(73,332)	283,180
Fund balances, beginning of year	<u>356,512</u>	<u>356,512</u>	<u>356,512</u>	<u>-</u>
Fund balances, end of year	<u>\$ 356,512</u>	<u>\$ -</u>	<u>\$ 283,180</u>	<u>\$ 283,180</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court and Corrections
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	3,645	3,645
Fines and forfeits	957,000	767,000	680,746	(86,254)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	1,171	1,171
Charges for services	10,000	10,000	6,882	(3,118)
Other	-	-	-	-
Total revenues	<u>967,000</u>	<u>777,000</u>	<u>692,444</u>	<u>(84,556)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,022,582	1,888,681	1,806,935	81,746
Library	-	-	-	-
Municipal court	1,273,114	1,279,711	1,248,076	31,635
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>3,295,696</u>	<u>3,168,392</u>	<u>3,055,010</u>	<u>113,382</u>
Capital outlays				
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,295,696</u>	<u>3,168,392</u>	<u>3,055,010</u>	<u>113,382</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,328,696)</u>	<u>(2,391,392)</u>	<u>(2,362,566)</u>	<u>28,826</u>
Other financing sources (uses)				
Transfers in	2,328,696	2,391,392	2,362,566	(28,826)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>2,328,696</u>	<u>2,391,392</u>	<u>2,362,566</u>	<u>(28,826)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Municipal Court Clerk
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	2,179	2,179
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,179</u>	<u>2,179</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,179</u>	<u>2,179</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	2,179	2,179
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,179</u>	<u>\$ 2,179</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court Training
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	38,000	38,000	24,623	(13,378)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	150	150
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>24,772</u>	<u>(13,228)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	208,460	208,460	138,832	69,628
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>208,460</u>	<u>208,460</u>	<u>138,832</u>	<u>69,628</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>208,460</u>	<u>208,460</u>	<u>138,832</u>	<u>69,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(170,460)</u>	<u>(170,460)</u>	<u>(114,060)</u>	<u>56,400</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(170,460)	(170,460)	(114,060)	56,400
Fund balances, beginning of year	<u>171,822</u>	<u>171,822</u>	<u>171,822</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,362</u>	<u>\$ 1,362</u>	<u>\$ 57,762</u>	<u>\$ 56,400</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court Referral Officer Program
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	74,667	74,667	68,165	(6,502)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	70,000	70,000	61,195	(8,805)
Other	-	-	-	-
Total revenues	<u>144,667</u>	<u>144,667</u>	<u>129,360</u>	<u>(15,307)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	139,273	139,746	113,079	26,667
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>139,273</u>	<u>139,746</u>	<u>113,079</u>	<u>26,667</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>139,273</u>	<u>139,746</u>	<u>113,079</u>	<u>26,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,394</u>	<u>4,921</u>	<u>16,281</u>	<u>11,360</u>
Other financing sources (uses)				
Transfers in	-	473	-	(473)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>473</u>	<u>-</u>	<u>(473)</u>
Net change in fund balances	5,394	5,394	16,281	10,887
Fund balances, beginning of year	<u>41,437</u>	<u>41,437</u>	<u>41,437</u>	<u>-</u>
Fund balances, end of year	<u>\$ 46,831</u>	<u>\$ 46,831</u>	<u>\$ 57,718</u>	<u>\$ 10,887</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Traffic Safety
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	370,000	370,000	189,650	(180,350)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>370,000</u>	<u>370,000</u>	<u>189,650</u>	<u>(180,350)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	450,000	450,000	-	450,000
Library	-	-	-	-
Municipal court	216,646	244,982	121,062	123,920
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>666,646</u>	<u>694,982</u>	<u>121,062</u>	<u>573,920</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>666,646</u>	<u>694,982</u>	<u>121,062</u>	<u>573,920</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(296,646)</u>	<u>(324,982)</u>	<u>68,588</u>	<u>393,570</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(296,646)	(324,982)	68,588	393,570
Fund balances, beginning of year	<u>1,127,420</u>	<u>1,127,420</u>	<u>1,127,420</u>	<u>-</u>
Fund balances, end of year	<u>\$ 830,774</u>	<u>\$ 802,438</u>	<u>\$ 1,196,008</u>	<u>\$ 393,570</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
CDBG
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	324,585	324,586	37,854	(286,732)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>324,585</u>	<u>324,586</u>	<u>37,854</u>	<u>(286,732)</u>
Expenditures				
Current operations				
General government	130,634	172,634	66,676	105,958
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>130,634</u>	<u>172,634</u>	<u>66,676</u>	<u>105,958</u>
Capital outlays	193,951	190,434	9,660	180,774
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>324,585</u>	<u>363,068</u>	<u>76,336</u>	<u>286,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(38,482)</u>	<u>(38,482)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	38,482	38,482	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>38,482</u>	<u>38,482</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
General Grants
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,043,932	1,257,967	827,698	(430,269)
Fines and forfeits	-	-	-	-
Investment income	-	-	28	28
Rents and royalties	-	-	-	-
Contributions and reimbursements	4,429	6,829	6,213	(616)
Charges for services	2,200	2,200	750	(1,450)
Other	-	15,963	16,959	996
Total revenues	<u>1,050,561</u>	<u>1,282,959</u>	<u>851,648</u>	<u>(431,311)</u>
Expenditures				
Current operations				
General government	361,800	30,000	30,000	-
Public safety	816,109	1,021,824	997,285	24,539
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	202,739	-	-	-
Recreation services	26,559	28,188	25,373	2,815
Health	-	-	-	-
Total	<u>1,407,207</u>	<u>1,080,012</u>	<u>1,052,658</u>	<u>27,354</u>
Capital outlays	26,829	644,365	201,498	442,867
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,434,036</u>	<u>1,724,377</u>	<u>1,254,156</u>	<u>470,221</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(383,475)</u>	<u>(441,418)</u>	<u>(402,509)</u>	<u>38,909</u>
Other financing sources (uses)				
Transfers in	332,646	391,438	386,098	(5,340)
Transfers out	-	(374)	(374)	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>332,646</u>	<u>391,064</u>	<u>385,724</u>	<u>(5,340)</u>
Net change in fund balances	(50,829)	(50,354)	(16,785)	33,569
Fund balances, beginning of year	<u>55,603</u>	<u>55,603</u>	<u>55,603</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,774</u>	<u>\$ 5,249</u>	<u>\$ 38,818</u>	<u>\$ 33,569</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Other Capital Projects Fund
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	22,669,822	24,287,639	793,827	(23,493,812)
Fines and forfeits	-	-	-	-
Investment income	-	-	688	688
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>22,669,822</u>	<u>24,287,639</u>	<u>794,515</u>	<u>(23,493,124)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	22,669,822	25,734,608	2,174,130	23,560,478
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>22,669,822</u>	<u>25,734,608</u>	<u>2,174,130</u>	<u>23,560,478</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,446,969)</u>	<u>(1,379,615)</u>	<u>67,354</u>
Other financing sources (uses)				
Transfers in	-	3,619,569	3,619,568	(1)
Transfers out	-	(172,875)	(172,874)	1
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,446,694</u>	<u>3,446,695</u>	<u>-</u>
Net change in fund balances	-	1,999,725	2,067,080	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,999,725</u>	<u>\$ 2,067,080</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
For the year ended September 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	-	-	-	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	120,500	120,500	44,401	(76,099)
Fines and forfeits	-	78,000	73,288	(4,712)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	1,604,763	1,607,763	1,422	(1,606,341)
Charges for services	-	-	-	-
Other	-	-	373,762	373,762
Total revenues	<u>1,725,263</u>	<u>1,806,263</u>	<u>492,873</u>	<u>(1,313,390)</u>
Expenditures				
Current operations				
General government	796,765	824,813	203,689	621,124
Public safety	95,698	95,698	64,426	31,273
Library	10,885	10,885	4,789	6,096
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	263,298	382,118	96,981	285,138
Recreation services	35,811	35,811	-	35,811
Health	-	-	-	-
Total	<u>1,202,457</u>	<u>1,349,325</u>	<u>369,884</u>	<u>979,441</u>
Capital outlays	13,650,906	13,920,766	2,914,327	11,006,439
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>14,853,363</u>	<u>15,270,091</u>	<u>3,284,211</u>	<u>11,985,880</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,128,100)</u>	<u>(13,463,828)</u>	<u>(2,791,338)</u>	<u>10,672,490</u>
Other financing sources (uses)				
Transfers in	620,946	5,252,055	5,090,833	(161,222)
Transfers out	(2,505,567)	(2,999,952)	(2,999,952)	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>(1,884,621)</u>	<u>2,252,103</u>	<u>2,090,881</u>	<u>(161,222)</u>
Special Items				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	(15,012,721)	(11,211,725)	(700,458)	10,511,267
Fund balances, beginning of year	<u>19,338,852</u>	<u>19,338,852</u>	<u>19,338,852</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,326,131</u>	<u>\$ 8,127,127</u>	<u>\$ 18,638,394</u>	<u>\$ 10,511,267</u>

STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	103
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	108
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the sales tax. Schedules relating to property tax and sewer rates are also included.</i>	
Debt Capacity	117
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	121
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	123
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	
Other	126
<i>This schedule is a summary of information that is often requested by citizens and other interested individuals.</i>	

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	\$ -	\$ 209,575,702	\$ 234,374,666	\$ 244,624,314	\$ 277,008,402	\$ 307,721,567	\$ 299,036,189	\$ 300,474,712	\$ 315,155,565	\$ 320,407,177
Restricted capital projects	-	42,821,354	26,859,710	31,654,643	25,323,478	22,904,794	18,749,479	14,921,949	21,707,247	-
Restricted for enabling legislation	-	-	-	-	4,190,334	4,408,972	3,318,260	4,104,890	6,121,528	9,999,398
Unrestricted	-	24,419,598	26,920,917	28,134,223	29,621,882	28,657,385	23,342,942	25,030,075	22,944,883	45,276,047
Total governmental activities net assets	\$ -	\$ 276,816,654	\$ 288,155,293	\$ 304,413,180	\$ 336,144,095	\$ 363,692,718	\$ 344,446,870	\$ 344,531,626	\$ 365,929,222	\$ 375,682,621
Business-type activities										
Invested in capital assets, net of related debt	-	\$ 23,604,673	\$ 23,000,983	\$ 22,498,465	\$ 21,852,572	\$ 24,206,035	\$ 22,413,719	\$ 20,744,083	\$ 19,258,810	\$ 17,577,471
Restricted capital projects	-	-	-	-	-	-	-	-	-	-
Restricted for enabling legislation	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	(1,720,052)	(245,855)	1,372,757	3,672,145	2,100,616	5,037,955	5,396,604	5,161,471	8,186,960
Total business-type activities net assets	\$ -	\$ 21,884,621	\$ 22,755,128	\$ 23,871,222	\$ 25,524,717	\$ 26,306,651	\$ 27,451,674	\$ 26,140,686	\$ 24,420,281	\$ 25,764,431
Primary government										
Invested in capital assets, net of related debt	\$ -	\$ 233,180,375	\$ 257,375,649	\$ 267,122,779	\$ 298,860,973	\$ 331,927,602	\$ 321,449,908	\$ 321,218,795	\$ 334,414,375	\$ 337,984,648
Restricted capital projects	-	42,821,354	26,859,710	31,654,643	25,323,478	22,904,794	18,749,479	14,921,949	21,707,247	-
Restricted for enabling legislation	-	-	-	-	4,190,334	4,408,972	3,318,260	4,104,890	6,121,528	9,999,398
Unrestricted	-	22,699,546	26,675,062	29,506,980	33,294,028	30,758,001	28,380,897	30,426,678	28,106,354	53,463,006
Total primary government net assets	\$ -	\$ 298,701,275	\$ 310,910,421	\$ 328,284,401	\$ 361,668,812	\$ 389,999,369	\$ 371,898,544	\$ 370,672,312	\$ 390,349,503	\$ 401,447,052

Note: Fiscal year 2003 represented the first year of implementation for GASB Statement No. 34, which is why prior to that data is not shown.

¹ Fiscal years 2003, 2004, 2006, and 2007 do not reflect prior period adjustments that were made in the subsequent year relating to capital assets

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	\$ -	\$ 9,441,739	\$ 10,372,215	\$ 9,805,408	\$ 11,194,315	\$ 12,553,950	\$ 12,159,259	\$ 12,843,118	\$ 12,459,943	\$ 11,895,501
Public safety	-	29,387,299	32,635,142	35,433,552	40,463,403	41,027,148	43,244,312	43,857,205	42,186,343	43,231,843
Library	-	4,127,449	4,295,061	4,615,218	5,016,881	5,290,808	5,668,188	6,123,208	6,217,356	6,262,401
Municipal court	-	680,343	756,248	930,830	1,188,252	1,331,392	1,479,847	1,617,927	1,560,283	1,738,663
Sanitation	-	4,546,886	4,210,995	4,530,331	4,803,993	5,100,516	5,478,464	5,658,314	5,843,793	6,075,253
Education	-	7,560,622	8,335,662	1,895,404	7,100,000	7,500,000	7,500,000	2,000,000	2,000,000	2,000,000
Highway and roadway improvements	-	4,456,794	4,610,589	5,175,085	5,436,669	7,067,730	9,226,304	12,148,929	7,831,687	14,673,216
Recreation services	-	6,161,563	6,131,735	6,321,075	7,321,789	7,432,739	8,116,588	9,002,873	8,908,303	8,721,903
Health	-	208,017	238,379	227,382	253,155	260,070	287,748	268,116	268,098	282,764
Interest and fiscal charges	-	4,195,659	5,264,484	4,227,036	4,764,408	4,639,784	4,475,264	4,282,869	4,118,153	2,823,206
Total governmental activities expenses	-	70,766,371	76,850,511	73,161,322	87,542,865	92,204,137	97,635,973	97,802,558	91,393,959	97,704,750
Business-type activities:										
Sewer services	-	3,654,400	3,189,092	3,225,498	3,613,950	3,297,871	3,637,809	5,259,834	5,779,443	5,870,227
Total business-type activities expenses	-	3,654,400	3,189,092	3,225,498	3,613,950	3,297,871	3,637,809	5,259,834	5,779,443	5,870,227
Total primary government expenses	\$ -	\$ 74,420,771	\$ 80,039,603	\$ 76,386,820	\$ 91,156,815	\$ 95,502,008	\$ 101,273,782	\$ 103,062,392	\$ 97,173,402	\$ 103,574,977
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ -	\$ 4,092,060	\$ 4,359,687	\$ 4,685,921	\$ 4,946,810	\$ 5,209,005	\$ 5,446,391	\$ 5,220,064	\$ 5,329,379	\$ 5,429,872
Public safety	-	5,057,430	6,267,496	5,517,548	6,510,590	7,010,384	5,646,968	2,608,890	4,907,942	4,785,120
Library	-	219,955	217,273	243,539	273,053	311,405	328,096	334,370	378,425	380,718
Municipal court	-	1,103,584	1,163,474	1,572,652	2,213,768	2,421,341	2,322,209	3,554,359	2,924,037	2,303,115
Sanitation	-	6,450	5,700	6,450	6,300	6,450	7,200	7,350	7,050	6,825
Highway and roadway improvements	-	1,863	12,170	-	40,095	-	170,904	118,153	150,419	195,188
Recreation services	-	1,231,054	1,257,087	1,194,290	1,356,777	1,537,513	1,508,068	1,512,610	1,546,139	1,587,456
Health	-	-	-	-	-	-	150	-	1,000	1,000
Operating grants and contributions	-	2,282,895	2,254,587	3,238,564	2,401,585	2,869,700	3,900,377	5,596,094	3,569,003	3,627,644
Capital grants and contributions	-	3,358,490	384,234	234,974	103,719	3,170,596	2,720,341	1,447,809	15,333,481	11,347,086
Total governmental activities program revenues	-	17,353,781	15,921,708	16,693,938	17,852,697	22,536,394	22,050,704	20,399,700	34,146,875	29,664,024
Business-type activities:										
Charges for services:										
Sewer services	-	3,244,883	4,059,598	4,336,371	5,267,445	3,883,098	4,623,611	3,924,511	4,050,686	4,195,985
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	5,200	-	-	-	-	-	-
Total business-type activities program revenues	-	3,244,883	4,059,598	4,341,571	5,267,445	3,883,098	4,623,611	3,924,511	4,050,686	4,195,985
Total primary government program revenues	\$ -	\$ 20,598,664	\$ 19,981,306	\$ 21,035,510	\$ 23,120,142	\$ 26,419,492	\$ 26,674,315	\$ 24,324,211	\$ 38,197,561	\$ 33,860,009

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Continued										
Net (expense)/revenue										
Governmental activities	\$ -	\$ (53,412,590)	\$ (60,928,803)	\$ (56,467,384)	\$ (69,690,169)	\$ (69,667,743)	\$ (75,585,268)	\$ (77,402,858)	\$ (57,247,085)	\$ (68,040,726)
Business-type activities	-	(409,517)	870,506	1,116,073	1,653,495	585,227	985,802	(1,335,323)	(1,728,757)	(1,674,241)
Total primary government net expense	<u>\$ -</u>	<u>\$ (53,822,107)</u>	<u>\$ (60,058,297)</u>	<u>\$ (55,351,311)</u>	<u>\$ (68,036,673)</u>	<u>\$ (69,082,516)</u>	<u>\$ (74,599,467)</u>	<u>\$ (78,738,181)</u>	<u>\$ (58,975,842)</u>	<u>\$ (69,714,968)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Sales and use taxes	-	47,552,917	52,097,889	56,449,217	59,153,632	59,301,855	56,570,198	53,182,053	54,755,461	56,503,270
Property taxes	-	6,705,083	7,712,457	8,053,100	8,788,687	9,418,548	10,212,487	10,475,368	10,346,796	10,040,757
Franchise taxes	-	638,415	669,243	665,780	704,528	759,067	799,548	845,086	905,611	956,823
Gross receipts taxes	-	2,663,109	2,763,264	3,026,932	3,425,989	3,793,381	4,548,169	4,364,862	4,592,061	4,749,260
Other taxes	-	2,655,367	2,858,598	2,949,342	3,550,373	3,608,481	3,602,409	3,343,913	3,575,726	3,992,038
Intergovernmental shared revenues	-	1,935,834	2,215,218	2,398,968	2,842,123	2,904,688	2,630,712	2,998,692	2,517,021	2,375,635
Investment earnings	-	1,378,214	1,790,353	1,971,416	2,484,355	3,629,529	2,876,275	2,218,558	1,776,945	1,602,949
Other revenue	-	492,661	209,333	321,894	311,014	394,835	195,698	145,068	175,059	573,346
Gain (loss) on sale of disposed equipment	1	-	-	4,986	282,527	(128,757)	89,151	(85,987)	-	-
Contribution of capital assets	2	-	141,094	525,535	20,913,209	-	-	-	-	-
Special items	-	-	-	(6,656,318)	(1,035,353)	(72,877)	-	-	-	-
Total governmental activities	<u>-</u>	<u>64,011,264</u>	<u>70,457,451</u>	<u>69,710,852</u>	<u>101,421,086</u>	<u>83,608,750</u>	<u>81,524,649</u>	<u>77,487,614</u>	<u>78,644,681</u>	<u>80,794,077</u>
Business-type activities:										
Investment earnings	-	-	-	-	-	196,707	159,212	24,335	8,352	11,650
Other revenues	-	-	-	21	-	-	10	-	-	6,789
Total business-type activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>196,707</u>	<u>159,222</u>	<u>24,335</u>	<u>8,352</u>	<u>18,439</u>
Transfers:										
Governmental activities	-	-	-	-	-	-	-	-	-	(2,999,952)
Business-type activities	-	-	-	-	-	-	-	-	-	2,999,952
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ -</u>	<u>\$ 64,011,264</u>	<u>\$ 70,457,451</u>	<u>\$ 69,710,873</u>	<u>\$ 101,421,086</u>	<u>\$ 83,805,457</u>	<u>\$ 81,683,871</u>	<u>\$ 77,511,949</u>	<u>\$ 78,653,033</u>	<u>\$ 80,812,517</u>
Change in Net Assets										
Governmental activities	-	10,598,674	9,528,648	13,243,468	31,730,917	13,941,007	5,939,380	84,756	21,397,596	9,753,399
Business-type activities	-	(409,517)	870,506	1,116,093	1,653,495	781,934	1,145,023	(1,310,988)	(1,720,405)	1,344,150
Total primary government	<u>-</u>	<u>10,189,157</u>	<u>10,399,154</u>	<u>14,359,562</u>	<u>33,384,413</u>	<u>14,722,941</u>	<u>7,084,403</u>	<u>(1,226,232)</u>	<u>19,677,191</u>	<u>11,097,549</u>

Note: Fiscal year 2003 represented the first year of implementation for GASB Statement No. 34, which is why prior to that data is not shown.

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

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Pre GASB Statement No. 54:										
General fund										
Reserved for non-current receivable	\$ 887,601	\$ 777,445	\$ 680,670	\$ 549,980	\$ 393,180	\$ 324,580	\$ 289,706	\$ 260,306	\$ 234,581	
Reserved other	90,199	-	99,040	158,803	340,345	321,988	135,011	102,556	104,598	
Unreserved	¹ 23,499,652	26,815,425	28,487,586	29,722,353	30,266,475	30,453,433	30,775,283	30,937,137	31,060,821	
Total general fund	<u>24,477,452</u>	<u>27,592,870</u>	<u>29,267,296</u>	<u>30,431,137</u>	<u>31,000,000</u>	<u>31,100,000</u>	<u>31,200,000</u>	<u>31,300,000</u>	<u>31,400,000</u>	
All other governmental funds										
Reserved for capital projects	¹ \$ -	\$ -	\$ -	\$ -	\$ 25,323,478	\$ 22,904,794	\$ 18,072,292	\$ 13,439,823	\$ 12,483,560	
Unreserved, reported in:										
Special revenue funds	2,569,939	3,007,427	4,387,930	4,434,302	4,190,334	4,408,972	3,995,447	5,587,016	8,016,726	
Capital projects funds	10,996,703	42,821,354	26,859,710	31,654,643	8,341,289	7,756,861	1,621,564	3,299,444	7,328,489	
Total all other governmental funds	<u>13,566,642</u>	<u>45,828,781</u>	<u>31,247,640</u>	<u>36,088,945</u>	<u>37,855,101</u>	<u>35,070,627</u>	<u>23,689,303</u>	<u>22,326,283</u>	<u>27,828,774</u>	
Total all governmental funds	<u>\$ 38,044,094</u>	<u>\$ 73,421,651</u>	<u>\$ 60,514,936</u>	<u>\$ 66,520,082</u>	<u>\$ 68,855,101</u>	<u>\$ 66,170,628</u>	<u>\$ 54,889,303</u>	<u>\$ 53,626,283</u>	<u>\$ 59,228,774</u>	
Post GASB Statement No. 54:										
General fund										
Nonspendable										\$ 330,333
Assigned										833,837
Unassigned										<u>30,335,830</u>
Total general fund										<u>31,500,000</u>
All other governmental funds										
Restricted										\$ 9,999,397
Committed										¹ 20,705,474
Total general fund										<u>30,704,871</u>
Total all governmental funds										<u>\$ 62,204,871</u>

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

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	\$ 55,006,564	\$ 60,214,892	\$ 66,101,452	\$ 71,144,371	\$ 75,623,209	\$ 76,881,332	\$ 75,732,812	\$ 72,211,282	\$ 74,175,655	\$ 76,242,148
Licenses and permits	10,254,746	7,774,194	8,750,751	8,498,490	8,987,468	8,753,625	9,046,084	6,229,574	6,875,431	7,069,269
Intergovernmental	3,888,795	5,952,367	4,095,296	5,474,758	4,471,897	5,815,390	6,116,648	6,290,266	5,409,712	5,694,091
Fines and forfeits	1,150,399	1,277,982	1,881,578	2,084,735	3,417,653	4,465,564	2,877,027	3,716,045	4,054,336	2,752,503
Investment income	1,693,602	1,379,526	1,795,771	1,980,059	2,540,019	3,728,266	2,929,797	2,222,208	1,778,099	1,604,899
Rents and royalties	-	358,432	375,860	442,924	517,281	700,954	867,877	815,932	879,945	915,600
Contributions and reimbursements	-	1,439,052	758,743	397,747	874,490	978,704	1,518,762	3,702,758	1,061,255	1,078,960
Charges for services	1,195,571	2,285,998	2,269,281	2,185,504	2,377,059	2,487,467	2,585,195	2,590,304	3,433,024	3,949,779
Other	757,418	1,389,750	209,312	432,568	692,757	410,956	320,355	212,088	216,739	713,180
Total revenues	73,947,095	82,072,193	86,238,043	92,641,156	99,501,833	104,222,257	101,994,557	97,990,456	97,884,197	100,020,428
Expenditures										
General government	\$ 8,074,561	\$ 8,031,148	\$ 9,584,128	\$ 8,771,404	\$ 9,818,864	\$ 11,158,288	\$ 11,710,365	\$ 11,587,522	\$ 11,344,500	\$ 10,742,143
Public safety	25,381,046	27,941,659	30,959,270	34,307,370	37,496,799	40,173,371	42,161,966	40,873,486	41,051,186	42,623,081
Library	-	3,874,224	4,120,702	4,333,627	4,756,851	5,044,181	5,395,337	5,754,381	5,970,683	5,963,107
Municipal court	624,373	671,634	729,106	930,994	1,143,148	1,319,497	1,475,630	1,573,105	1,575,472	1,749,568
Sanitation	4,371,521	4,546,886	4,210,995	4,494,543	4,803,993	5,100,516	5,478,464	5,658,314	5,843,793	6,075,253
Education	-	7,560,622	8,335,662	1,895,404	7,100,000	7,500,000	7,500,000	2,000,000	2,000,000	2,000,000
Highway and roadway improvements	3,032,938	3,583,649	3,289,738	4,130,672	4,715,687	4,501,009	6,088,176	6,074,324	5,081,039	5,124,642
Recreation services	2,431,397	5,190,949	5,684,917	5,426,654	6,319,400	6,345,982	6,891,524	7,217,549	7,626,551	7,581,964
Health	418,807	197,634	205,191	220,172	239,925	252,973	281,702	256,706	262,444	279,050
Capital outlays	8,129,245	17,953,337	22,739,679	6,888,827	11,320,900	16,274,396	17,151,186	9,098,607	2,500,123	6,487,935
Debt service										
Principal	3,370,000	4,355,000	4,095,000	4,760,000	4,585,000	4,670,000	4,805,000	5,020,000	5,050,000	5,970,000
Interest	4,071,665	4,058,279	5,185,590	4,366,420	4,613,046	4,488,630	4,331,633	4,134,583	3,971,966	3,072,173
Fiscal agent fees	4,800	3,235	4,800	6,817	3,899	5,010	4,900	4,900	3,950	2,200
Total expenditures	59,910,353	87,968,256	99,144,778	80,532,902	96,917,512	106,833,852	113,275,882	99,253,477	92,281,706	97,671,115
Excess of revenues over (under) expenditures	14,036,742	(5,896,063)	(12,906,735)	12,108,253	2,584,321	(2,611,596)	(11,281,324)	(1,263,021)	5,602,492	2,349,313
Other financing sources (uses)										
Transfers in	4,415,471	6,212,202	-	25,603,806	27,902,907	31,159,272	27,599,752	25,383,211	28,097,325	32,356,880
Transfers out	(4,415,471)	(6,212,202)	-	(25,603,806)	(27,902,907)	(31,159,272)	(27,599,752)	(25,383,211)	(28,097,325)	(35,356,832)
Transfers out component units	(11,080,323)	-	-	-	-	-	-	-	-	-
Capital portion of refunding bonds issued	-	41,957,326	-	-	-	-	-	-	-	-
Refunding bonds issued	-	40,567,674	-	29,165,000	-	-	-	-	-	58,510,000
Premium on bonds issued	-	-	-	1,934,793	-	-	-	-	-	6,276,046
Payment to bond refunding escrow agent	-	(40,567,674)	-	(30,787,042)	-	-	-	-	-	(60,620,613)
Bond issuance costs	-	(764,499)	-	(299,814)	-	-	-	-	-	(538,697)
Discount on refunding bonds issued	-	(109,456)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(11,080,323)	41,083,371	-	12,937	-	-	-	-	-	626,784
Residual equity transfer from internal service fund	116,222	-	-	-	-	-	-	-	-	-
Special items	-	-	-	(6,116,046)	(249,303)	(72,877)	-	-	-	-
Net changes in fund balances	\$ 3,072,641	\$ 35,187,308	\$ (12,906,735)	\$ 6,005,145	\$ 2,335,018	\$ (2,684,473)	\$ (11,281,324)	\$ (1,263,021)	\$ 5,602,492	\$ 2,976,097
Debt service as a percentage of noncapital expenditures	14.38%	11.88%	12.05%	12.29%	10.73%	9.97%	9.32%	9.64%	9.89%	9.88%

¹ With the implementation of GASB Statement No. 34, some revenue classification were created and or changed. Gross receipts and franchise revenues were reclassified from licenses and permits to taxes.

² The library was changed from a component unit to a department within the General Fund in fiscal year 2003.

³ The schools were removed as a component unit in fiscal year 2003.

⁴ The parks and recreation department was changed from a component unit to a department within the General Fund in fiscal year 2003.

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

Fiscal Year	Sales and Use Taxes	Property Taxes Real/Per/Util	Property Taxes Motor Vehicles	In Lieu of Property Taxes	Rental Taxes	Gross Receipts and Franchise Taxes	Other Municipal Taxes	Total
2002	\$ 43,986,058	\$ 5,629,498	\$ 764,783	\$ 69,211	\$ 609,632	\$ -	\$ 1,861,619	\$ 52,920,801
2003 ¹	47,552,917	5,900,922	804,160	8,847	659,009	3,301,523	1,987,514	60,214,892
2004	52,097,889	6,839,985	872,472	8,847	674,964	3,432,507	2,174,787	66,101,452
2005	56,449,217	7,086,799	966,301	8,847	661,148	3,692,712	2,279,347	71,144,371
2006	59,153,632	7,713,133	1,075,554	8,947	738,330	4,130,516	2,803,096	75,623,209
2007	59,301,855	8,523,963	894,585	-	720,749	4,552,448	2,887,732	76,881,332
2008	56,570,198	9,327,227	885,260	-	778,752	5,347,718	2,823,657	75,732,812
2009	53,182,053	9,645,981	829,388	8,847	644,966	5,209,947	2,690,100	72,211,282
2010	54,755,461	9,537,895	808,901	-	766,826	5,497,673	2,808,900	74,175,655
2011	56,503,270	9,171,222	869,535	-	763,658	5,706,083	3,228,380	76,242,148

¹ With the implementation of GASB Statement No. 34, the City reclassified some accounts to the Taxes category that had not been previously classified as such.

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Merchandise Retail ¹	\$ 31,441,234	\$ 33,990,825	\$ 37,239,571	\$ 40,349,900	\$ 42,283,016	\$ 42,388,966	\$ 40,436,378	\$ 38,014,531	\$ 39,139,204	\$ 40,388,537
Auto Dealers and Supplies ¹	3,593,661	3,885,073	4,256,398	4,611,901	4,832,852	4,844,962	4,621,785	4,344,974	4,473,521	4,616,317
Grocery Stores ¹	2,392,842	2,586,879	2,834,125	3,070,837	3,217,958	3,226,021	3,077,419	2,893,104	2,978,697	3,073,778
Restaurants ¹	3,760,808	4,065,774	4,454,370	4,826,408	5,057,636	5,070,309	4,836,752	4,547,066	4,681,592	4,831,030
Home Furnishings & Appliances ¹	483,847	523,082	573,077	620,941	650,690	652,320	622,272	585,003	602,310	621,536
Pharmacy ¹	307,902	332,870	364,685	395,145	414,075	415,113	395,991	372,274	383,288	395,523
Other Sales ¹	2,005,764	2,168,413	2,375,664	2,574,084	2,697,406	2,704,165	2,579,601	2,425,102	2,496,849	2,576,549
Total	\$ 43,986,058	\$ 47,552,917	\$ 52,097,889	\$ 56,449,217	\$ 59,153,632	\$ 59,301,855	\$ 56,570,198	\$ 53,182,053	\$ 54,755,461	\$ 56,503,270

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

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

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

Jefferson County ¹	<u>Fiscal Year</u>	<u>City Sales Tax Rate</u>	<u>County Sales Tax Rate</u>	<u>State Sales Tax Rate</u>	<u>Total Sales Tax Rate</u>
	2002	3.0%	1.0%	4.0%	8.0%
	2003	3.0%	1.0%	4.0%	8.0%
	2004	3.0%	1.0%	4.0%	8.0%
	2005	3.0%	2.0%	4.0%	9.0%
	2006	3.0%	2.0%	4.0%	9.0%
	2007	3.0%	2.0%	4.0%	9.0%
	2008	3.0%	2.0%	4.0%	9.0%
	2009	3.0%	2.0%	4.0%	9.0%
	2010	3.0%	2.0%	4.0%	9.0%
	2011	3.0%	2.0%	4.0%	9.0%

Shelby County	<u>Fiscal Year</u>	<u>City Sales Tax Rate</u>	<u>County Sales Tax Rate</u>	<u>State Sales Tax Rate</u>	<u>Total Sales Tax Rate</u>
	2002	3.0%	1.0%	4.0%	8.0%
	2003	3.0%	1.0%	4.0%	8.0%
	2004	3.0%	1.0%	4.0%	8.0%
	2005	3.0%	1.0%	4.0%	8.0%
	2006	3.0%	1.0%	4.0%	8.0%
	2007	3.0%	1.0%	4.0%	8.0%
	2008	3.0%	1.0%	4.0%	8.0%
	2009	3.0%	1.0%	4.0%	8.0%
	2010	3.0%	1.0%	4.0%	8.0%
	2011	3.0%	1.0%	4.0%	8.0%

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

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

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

Jefferson County ¹	<u>Fiscal Year</u>	<u>City Auto Tax Rate*</u>	<u>County Auto Tax Rate</u>	<u>State Auto Tax Rate</u>	<u>Total Auto Tax Rate</u>
	2002	1.000%	0.375%	2.000%	3.375%
	2003	1.000%	0.375%	2.000%	3.375%
	2004	1.000%	0.375%	2.000%	3.375%
	2005	1.000%	0.750%	2.000%	3.750%
	2006	1.000%	0.750%	2.000%	3.750%
	2007	1.000%	0.750%	2.000%	3.750%
	2008	1.000%	0.750%	2.000%	3.750%
	2009	1.000%	0.750%	2.000%	3.750%
	2010	1.000%	0.750%	2.000%	3.750%
	2011	1.000%	0.750%	2.000%	3.750%

Shelby County	<u>Fiscal Year</u>	<u>City Auto Tax Rate</u>	<u>County Auto Tax Rate</u>	<u>State Auto Tax Rate</u>	<u>Total Auto Tax Rate</u>
	2002	1.000%	0.375%	2.000%	3.375%
	2003	1.000%	0.375%	2.000%	3.375%
	2004	1.000%	0.375%	2.000%	3.375%
	2005	1.000%	0.375%	2.000%	3.375%
	2006	1.000%	0.375%	2.000%	3.375%
	2007	1.000%	0.375%	2.000%	3.375%
	2008	1.000%	0.375%	2.000%	3.375%
	2009	1.000%	0.375%	2.000%	3.375%
	2010	1.000%	0.375%	2.000%	3.375%
	2011	1.000%	0.375%	2.000%	3.375%

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

* The City of Hoover increased their auto sales tax rate effective January 1, 2002.

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

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

	Calendar Year ¹	
	2011	2002
	Rank	Rank
Wal-mart - 280 location	1	1
Costco	3	
Wal-mart - 150 location (formerly US 31 location)	2	2
Sam's Club	4	4
Belk (formerly Parisian)	5	3
Target	7	
Publix - Highway 280 location	6	
Best Buy	8	
CarMax	9	
Publix - Highway 150 location	10	
Macy's (Galleria/Rich's)		5
Home Depot (Highway 280 location)		6
Long Lewis Ford		7
Home Depot (Galleria)		9
Lowe's (Valleydale)		8
Bruno's Food & Pharmacy - Riverchase Village		10
Total Sales and Use Taxes - Principal Payers	27.05%	27.95%

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

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

Source: The City of Hoover Revenue Department

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

Jefferson County:

Fiscal Year	Real Property		Personal Property (A)		Public Utility Property		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2002	\$ 444,687,947	\$ 3,195,469,305	\$ 51,401,597	\$ 257,007,985	\$ 59,203,660	\$ 197,345,514	\$ 555,293,204	\$ 3,649,822,804	15.21%
2003	460,220,484	3,318,482,231	60,812,830	304,064,150	62,513,240	208,377,467	583,546,554	3,830,923,848	15.23%
2004	531,348,660	3,815,581,059	78,418,828	392,094,140	67,132,840	335,664,200	676,900,328	4,543,339,399	14.90%
2005	561,355,711	4,135,731,086	69,111,960	345,559,800	67,092,040	223,640,133	697,559,711	4,704,931,019	14.83%
2006	609,737,802	4,766,875,285	76,308,794	381,543,970	73,977,240	246,588,334	760,023,836	5,395,007,589	14.09%
2007	740,242,802	5,187,041,365	80,073,115	400,365,575	75,822,180	252,740,595	896,138,097	5,840,147,535	15.34%
2008	815,979,995	5,827,708,810	88,650,383	443,401,915	74,818,360	249,394,533	979,448,738	6,520,505,258	15.02%
2009	871,487,443	6,245,090,738	80,586,224	393,032,108	69,671,380	206,315,000	1,021,745,047	6,844,437,846	14.93%
2010	866,426,114	6,600,123,303	78,606,422	376,061,227	61,894,500	152,862,533	1,006,927,036	7,129,047,063	14.12%
2011	865,019,115	6,589,405,290	75,212,246	359,823,137	45,858,760	113,258,629	986,090,121	7,062,487,056	13.96%

Shelby County:

Fiscal Year	Real Property		Personal Property (A)		Public Utility Property		Total		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2002	\$ 287,342,440	\$ 2,164,067,900	\$ 32,457,980	\$ 162,289,900	\$ 4,684,980	\$ 15,616,600	\$ 324,485,400	\$ 2,341,974,400	13.86%
2003	305,620,680	2,296,739,700	31,414,080	157,070,400	4,722,920	15,743,067	341,757,680	2,469,553,167	13.84%
2004	353,726,180	2,660,485,300	31,451,580	156,669,200	5,251,300	17,504,333	390,429,060	2,834,658,833	13.77%
2005	381,707,660	2,885,636,500	33,236,740	166,183,700	5,573,200	18,577,333	420,517,600	3,070,397,533	13.70%
2006	421,633,940	3,157,637,900	34,149,680	170,748,400	5,798,200	19,327,333	461,581,820	3,347,713,633	13.79%
2007	456,034,340	3,462,971,900	39,204,380	197,072,300	5,899,780	19,665,933	501,138,500	3,679,710,133	13.62%
2008	534,844,420	4,078,949,800	41,144,200	205,721,000	6,194,540	20,648,467	582,183,160	4,305,319,267	13.52%
2009	528,181,540	4,041,760,500	41,519,660	207,598,300	6,545,880	21,819,600	576,247,080	4,271,178,400	13.49%
2010	522,848,120	3,990,017,400	41,474,920	207,374,600	6,270,580	20,901,933	570,593,620	4,218,293,933	13.53%
2011	524,052,540	3,986,758,600	37,783,220	187,364,100	6,120,860	20,402,870	567,956,620	4,194,525,570	13.54%

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

(A) Excludes motor vehicles

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

Jefferson County

Fiscal Year Ended September 30,	City of Hoover			Jefferson County				State of Alabama	Total Tax
	General Fund	City Schools	City Total	County County	School Schools	School District	County Total		
2002	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2003	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2004	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2005	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2006	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2007	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2008	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2009	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2010	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2011	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26

Shelby County

Fiscal Year Ended September 30,	City of Hoover			Shelby County				State of Alabama	Total Tax
	General Fund	City Schools	City Total	County County	School Schools	School District	Hospital		
2002	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2003	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2004	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2005	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2006	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2007	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2008	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2009	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2010	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2011	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65

Source: Jefferson and Shelby County Tax Collectors

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

Jefferson County:

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections*</u>	<u>Total Property Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
2002	\$ 3,502,672	\$ 3,500,780	99.95	\$ 21,629	\$ 3,522,409	100.56
2003	* 3,686,294	3,699,348	100.35	20,445	3,719,793	100.91
2004	* 4,278,404	4,296,294	100.42	20,186	4,316,480	100.89
2005	4,421,652	4,394,795	99.39	12,703	4,407,498	99.68
2006	4,940,155	4,891,079	99.01	11,336	4,902,415	99.24
2007	5,447,216	5,378,437	98.74	10,291	5,388,727	98.93
2008	5,913,220	5,869,775	99.27	5,756	5,875,531	99.36
2009	6,106,450	6,031,066	98.77	8,083	6,039,149	98.90
2010	6,025,722	5,928,585	98.39	38,689	5,967,274	99.03
2011	5,870,776	5,652,653	96.28	25,094	5,677,747	96.71

Shelby County:

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections*</u>	<u>Total Property Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
2002	* \$ 2,087,040	\$ 2,097,756	100.51	\$ 9,335	\$ 2,107,091	100.96
2003	2,199,425	2,180,202	99.13	928	2,181,129	99.17
2004	* 2,507,879	2,522,883	100.60	622	2,523,505	100.62
2005	2,694,468	2,678,109	99.39	1,193	2,679,302	99.44
2006	2,865,139	2,810,328	98.09	390	2,810,718	98.10
2007	* 3,116,525	3,131,794	100.49	3,441	3,135,235	100.60
2008	3,600,312	3,450,316	95.83	1,380	3,451,696	95.87
2009	* 3,556,845	3,605,250	101.36	1,582	3,606,832	101.41
2010	* 3,501,064	3,567,194	101.89	3,427	3,570,621	101.99
2011	* 3,406,342	3,488,426	102.41	5,049	3,493,476	102.56

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

In addition, the current collections in certain years exceed the levy. In Shelby County, this is because its computer system cannot separate out school exemptions, and since all dollars are sent to us and then we remit to the schools, some collections could exceed the levy. For Jefferson County, they include penalties in their tax submittals without detail so we cannot pull those out of the current collections number.

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

Rate Per 100 Cubic Feet of Water Consumption

<u>Fiscal Year ¹</u>	<u>Commercial</u>	<u>Residential (15% Discount)</u>
2002	\$ 3.53	\$ 3.00
2003	4.90	4.17
2004	5.39	4.58
2005	5.39	4.58
2006	5.39	4.58
2007	5.39	4.58
2008	5.39	4.58
2009	5.39	4.58
2010	5.39	4.58
2011	5.39	4.58

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

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

<u>Fiscal Year</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total Primary</u> <u>Government</u>	<u>Personal Income</u>	<u>Percentage of</u> <u>Personal Income</u>	<u>Population</u>		<u>Per Capita</u>
	<u>General Obligation</u> <u>Warrants</u>	<u>General Obligation</u> <u>Warrants</u>						
2002	76,565,000	17,135,000	93,700,000	\$ 2,011,996,130	4.66%	65,885	²	1,422
2003	115,375,000	16,480,000	131,855,000	2,126,334,840	6.20%	67,830	²	1,944
2004	111,280,000	15,800,000	127,080,000	2,369,148,960	5.36%	70,060	²	1,814
2005	108,500,000	15,090,000	123,590,000	2,548,486,518	4.85%	71,151	²	1,737
2006	103,915,000	14,360,000	118,275,000	2,743,647,630	4.31%	73,505	²	1,609
2007	99,245,000	13,600,000	112,845,000	3,106,232,259	3.63%	79,041	²	1,428
2008	94,440,000	30,815,000	125,255,000	3,250,673,945	3.85%	80,933	²	1,548
2009	89,420,000	29,995,000	119,415,000	3,165,966,256	3.77%	81,616	²	1,463
2010	84,370,000	29,145,000	113,515,000	3,213,176,792	3.53%	81,619	¹	1,391
2011	80,265,000	28,260,000	108,525,000	3,293,093,832	3.30%	83,649	¹	1,297

¹ Federal Census

² House Consultants

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

<u>Fiscal Year</u>	<u>General Obligation Debt</u>	<u>Estimated Actual Value of Taxable Property</u> ³	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
2002	76,565,000	5,991,797,204	1.28%	65,885 ¹	1,162
2003	115,375,000	6,300,477,015	1.83%	67,830 ¹	1,701
2004	111,280,000	7,377,998,232	1.51%	70,060 ¹	1,588
2005	108,500,000	7,775,328,552	1.40%	71,151 ¹	1,525
2006	103,915,000	8,742,721,222	1.19%	73,505 ¹	1,414
2007	99,245,000	9,519,857,668	1.04%	79,401 ¹	1,250
2008	94,440,000	10,825,824,525	0.87%	80,933 ¹	1,167
2009	89,420,000	11,115,616,246	0.80%	81,616 ¹	1,096
2010	84,370,000	11,347,340,996	0.74%	81,619 ²	1,034
2011	80,265,000	11,257,012,626	0.71%	83,649 ²	960

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

¹ House Consultants

² Federal Census

³ Jefferson and Shelby County

THE CITY OF HOOVER, ALABAMA
Direct and Overlapping Governmental Activities Debt
As of September 30, 2011

	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Hoover</u> ¹	<u>Amount Applicable to City of Hoover</u>
Direct Debt:			
City of Hoover	\$ 80,265,000	100.00%	\$ 80,265,000
Total direct debt	<u>80,265,000</u>		<u>80,265,000</u>
Overlapping Debt:			
Hoover City Board of Education	187,570,000	100.00%	187,570,000
Jefferson County	200,520,000	9.80%	19,654,025
Jefferson County Board of Education	111,882,614	9.80%	10,966,206
Shelby County	-	18.77%	-
Shelby County Board of Education	<u>142,529,539</u>	18.77%	<u>26,749,088</u>
Total overlapping debt	<u>642,502,154</u>		<u>244,939,319</u>
Total direct and overlapping debt	<u>\$ 722,767,154</u>		<u>\$ 325,204,319</u>

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

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

Source:

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

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 200,352,873	\$ 210,508,019	\$ 240,975,822	\$ 254,754,122	\$ 279,033,267	\$ 308,317,899	\$ 340,439,092	\$ 345,890,913	\$ 341,446,447	\$ 338,765,468
Total net debt applicable to limit	<u>76,565,000</u>	<u>115,375,000</u>	<u>111,280,000</u>	<u>108,500,000</u>	<u>103,915,000</u>	<u>99,245,000</u>	<u>94,440,000</u>	<u>89,420,000</u>	<u>84,370,000</u>	<u>80,265,000</u>
Legal debt margin	<u>\$ 123,787,873</u>	<u>\$ 95,133,019</u>	<u>\$ 129,695,822</u>	<u>\$ 146,254,122</u>	<u>\$ 175,118,267</u>	<u>\$ 209,072,899</u>	<u>\$ 245,999,092</u>	<u>\$ 256,470,913</u>	<u>\$ 257,076,447</u>	<u>\$ 258,500,468</u>
Total net debt applicable to the limit as a percentage of debt limit	38.22%	54.81%	46.18%	42.59%	37.24%	32.19%	27.74%	25.85%	24.71%	23.69%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value of property:	1
Jefferson County	\$ 1,071,286,941
Shelby County	<u>622,540,400</u>
Total assessed value of property	1,693,827,341
Debt limit - 20 percent of total assessed value	338,765,468
Debt applicable to limit:	
General obligation warrants	<u>80,265,000</u>
Legal debt margin	<u>\$ 258,500,468</u>

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

¹ Includes assessed value of motor vehicles totaling \$131,462,440 (Jefferson County - \$79,036,500 and Shelby County - \$52,425,940).
Source: Jefferson County and Shelby County Tax Assessors

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (Birmingham-Hoover MSA)</u> ⁵	<u>School Enrollment</u> ³	<u>Unemployment Rate</u> ⁴
2002	65,885 ²	\$ 2,011,996,130	\$ 30,538	10,265	2.4%
2003	67,830 ²	2,126,334,840	31,348	10,765	2.5%
2004	70,060 ²	2,369,148,960	33,816	11,163	2.3%
2005	71,151 ²	2,548,486,518	35,818	11,771	2.3%
2006	73,505 ²	2,743,647,630	37,326	12,036	2.1%
2007	79,041 ²	3,106,232,259	39,299	12,400	2.1%
2008	80,933 ²	3,250,673,945	40,165	12,538	2.9%
2009	81,616 ¹	3,165,966,256	38,791	12,875	5.8%
2010	81,619 ²	3,213,176,792	39,368	13,099	5.6%
2011	83,649	3,293,093,832	39,368	13,384	5.4%

¹ Federal Census

² House Consultants

³ Hoover City Schools

⁴ Alabama Department of Industrial Relations

⁵ U.S. Department of Commerce, Bureau of Economic Analysis (no update for 2011)

⁶ Revised

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

Employer	2011			2002		
	Employees ¹	Rank	Percentage of Total City Employment	Employees ¹	Rank	Percentage of Total City Employment
Bellsouth Telecommunications	4,469	1	na	na		
Regions Bank	3164	2				
Blue Cross Blue Shield of Alabama	2,559	3				
Hoover Board of Education	1,900	4				
B E & K Construction/Engineering	1,178	5				
Southern Company Services	880	6				
Wal-mart - 2 locations	790	7				
City of Hoover	704	8				
Southern Nuclear	570	9				
Publix - 4 locations	517	10				
Total top 10	16,731					
Total all employees in the City	¹ na			na		

Note: Data for nine years ago is not available

Source: The City of Hoover Revenue Department estimates

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

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

	Fiscal Year																			
	2002		2003		2004		2005		2006		2007		2008		2009		2010		2011	
	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO
General government																				
Administration	na	na	na	na	13	6	13	8	16	8	16	8	16	8	15	8	14	8	14	8
Building services	na	na	na	na	10	0	11	0	12	0	12	0	14	0	16	0	15	0	15	0
Development	na	na	na	na	2	0	2	0	2	0	2	0	0	0	0	0	0	0	0	0
Finance	na	na	na	na	8	0	8	0	8	0	8	0	8	0	8	0	8	0	8	0
Fleet	na	na	na	na	7	0	7	0	7	0	7	0	7	0	6	0	6	0	6	0
Human resources	na	na	na	na	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0
Revenue	na	na	na	na	7	0	9	0	10	0	10	0	10	0	10	0	9	0	9	0
Support services/mis	na	na	na	na	8	0	8	0	8	0	8	0	8	0	8	0	8	0	8	0
Total general government	na	na	na	na	60	6	63	8	68	8	68	8	68	8	68	8	65	8	65	8
Public safety																				
Police																				
Officers	na	na	na	na	139	0	143	0	154	0	155	0	157	0	157	0	157	0	157	0
Civilians (including park rangers) ¹	na	na	na	na	29	10	35	12	33	12	33	12	33	3	33	2	33	2	35	2
Fire																				
Firefighters and officers	na	na	na	na	149	12	149	12	152	12	152	12	158	12	159	12	160	9	160	9
Civilians	na	na	na	na	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Homeland security (officer)	na	na	na	na	0	0	1	0	1	0	1	0	1	0	0	0	0	0	0	0
Communications/dispatch																				
Officers	na	na	na	na	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Civilians	na	na	na	na	26	0	27	0	27	1	27	0	27	0	27	0	27	0	27	0
Inspection services	na	na	na	na	19	0	19	0	21	0	21	0	21	0	21	0	18	0	18	0
Total public safety	na	na	na	na	364	22	376	24	390	25	391	24	399	15	399	14	397	11	399	11
Library	na	na	na	na	41	49	42	53	44	56	43	60	44	59	44	59	44	59	44	59
Municipal court ¹	na	na	na	na	10	1	12	1	14	0	14	0	14	0	14	0	14	0	14	0
Highway and roadway																				
Engineering and horticulture	na	na	na	na	5	0	5	0	5	0	5	0	5	0	6	0	5	0	5	0
Public works	na	na	na	na	33	0	34	0	35	0	35	0	33	0	31	0	30	0	30	0
Total highway and roadway	na	na	na	na	38	0	39	0	40	0	40	0	38	0	37	0	35	0	35	0
Recreation services																				
Recreation/senior center/park rangers ¹	na	na	na	na	18	35	19	33	21	34	23	33	23	32	24	32	24	32	20	32
Park maintenance	na	na	na	na	36	6	36	6	36	6	36	6	36	6	36	6	37	6	37	6
Total recreation services	na	na	na	na	54	41	55	39	57	40	59	39	59	38	60	38	61	38	57	38
Health																				
Animal control	na	na	na	na	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0
Total health	na	na	na	na	2	0														
Sewer	na	na	na	na	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Total approved positions	na	na	na	na	570	119	590	125	616	129	618	131	625	120	625	119	619	116	617	116

Note: Data is unavailable for fiscal year 2002 thru fiscal year 2003; FT = full-time, PT = part-time, TP = temporary/seasonal, and EO = elected official

¹ Changes from FY 2010 to FY 2011 are as follows:

Police - moved 2 park rangers from recreation services to police civilians

Recreation services/recreation - deleted 2 custodians

Recreation services/recreation - moved 2 park rangers from recreation services to police civilians

Municipal court - approved a temporary court referral officer from a grant, but decided not to accept the grant, so we deleted the position

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

Function		Fiscal Year									
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government											
Employees hired	7	134	82	79	122	116	80	96	79	86	82
Business licenses issued	8	7,810	8,184	8,736	8,970	9,168	9,466	9,452	9,229	9,203	9,212
Public safety:											
Police											
Arrests (adults only)	3	2,334	2,516	2,625	3,058	3,118	3,205	3,507	4,241	3,976	3,625
Fire											
Number of calls:	6										
Emergency medical services		na	na	na	5,019	5,605	5,786	5,716	5,955	6,146	6,171
Fire		na	na	na	1,513	1,436	1,397	1,527	1,296	1,480	1,355
Service/other		na	na	na	1,251	1,226	1,397	1,450	1,715	2,034	2,047
Total fire calls					7,783	8,267	8,580	8,693	8,966	9,660	9,573
Inspections											
Building permits issued		1,620	1,836	2,062	1,873	1,951	1,754	1,611	1,368	1,748	1,832
Library											
Materials checked out	9	868,344	962,086	1,072,196	1,141,311	1,262,067	1,404,302	1,487,497	1,630,981	1,663,743	1,631,044
Municipal court											
Non-traffic court cases	5	2,381	2,318	2,471	2,826	3,086	3,404	3,533	3,911	3,544	3,072
Traffic cases	5	6,887	7,004	7,935	12,692	17,566	16,992	19,429	25,063	17,583	13,800
Adjudicated cases	5	9,170	9,197	9,359	12,805	18,577	19,526	21,075	28,143	21,508	15,827
Failure to appear warrants	5	2,446	1,986	2,273	3,399	5,096	5,338	5,191	5,856	4,609	3,507
Other warrants	5	2,895	2,351	3,252	4,264	5,959	6,198	3,304	2,036	1,413	939
Sanitation											
Single homes:											
Regular garbage service	4	na	na	na	20,448	21,279	21,883	22,400	22,680	23,074	23,434
Backdoor garbage service		na	na	na	50	50	50	50	50	50	58
Recreation services											
Average daily recreation center visits	2	na	na	484	441	494	527	579	634	666	682
Sewer											
Average daily flow (gallons per day):											
Inverness	10	884,000	837,000	852,000	795,000	963,000	872,000	920,000	926,000	802,000	946,000
Riverchase	10	1,662,000	2,138,000	1,454,000	2,770,000	2,984,000	1,622,000	1,054,000	1,649,000	1,321,000	1,207,000

1 Assume fiscal year unless otherwise noted
2 Source: Recreation Center (based on a calendar year)
3 Source: Police Department (based on a calendar year)
4 Source: Finance Department (data indicates # of homes serviced in September of the associated fiscal year)
5 Source: Municipal Court (based on a calendar year)
6 Source: Hoover Fire Department (based on a calendar year)
7 Source: Human Resources Department
8 Source: Revenue Department (based on a calendar year)
9 Source: Library
10 Source: Engineering Department (based on a calendar year)

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

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Vehicles	na	na	na	na	33	38	38	38	38	38
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	3	2	3	3	3	4	4	4	4	4
Vehicles	na	na	na	na	196	211	211	211	211	215
Fire:										
Fire stations	8	8	8	8	8	8	8	9	9	9
Vehicles	na	na	na	na	50	49	49	51	52	53
Other public safety:										
Vehicles	na	na	na	na	18	21	21	19	15	15
Library										
Vehicles	na	na	na	na	2	2	2	2	2	2
Municipal Court										
Vehicles	na	na	na	na	4	4	4	4	4	4
Highway and roadways										
Streets (miles) ¹	na	307	307	307	334	323	293	293	306	306
Streetlights	na	na	na	na	495	490	490	490	492	492
Traffic signals:										
Jefferson County	na	na	na	66	66	69	69	74	75	75
Shelby County	na	na	na	30	30	30	30	30	30	30
Vehicles	na	na	na	na	49	55	55	56	56	57
Recreation services										
Lakes ²	na	na	na	na	6	6	6	6	6	6
Acres ²	na	na	na	na	na	na	24	24	24	24
Parks ²	na	na	na	21	22	22	23	23	23	23
Acres ²	na	na	na	na	na	na	837	837	837	837
Unimproved ²	na	na	na	na	na	na	115	200	200	200
Vehicles	na	na	na	na	36	39	39	39	40	40
Health										
Vehicles	na	na	na	na	3	3	3	3	3	3
Sewer										
Sanitary sewer miles				86	86	86	86	89	89	95
Vehicles	na	na	na	na	1	1	1	1	1	3

na - not available

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

² Source: Risk management

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 2011

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (7 members)

Population:

1968	410	(A)
1970	1,393	(A)
1980	19,792	(A)
1990	39,788	(A)
2000	62,742	(A)
2010	81,619	(A)
2011	83,649	(B)

Estimated number of housing units:

Owner occupied (townhomes or single family detached)	24,117	(B)
Renter occupied (multi-family or group quarters)	<u>11,518</u>	(B)
Total	<u><u>35,635</u></u>	(B)

Public Schools (Established August 29, 1988):

Buildings:		
High schools	2	(C)
Freshman school	1	(C)
Middle Schools	3	(C)
Elementary Schools	10	(C)
Crossroads School	<u>1</u>	(C)
Total	<u><u>17</u></u>	(C)

Area (Square Miles): 47.79 (D)

Source:

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