

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2009

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, 2009

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INTRODUCTORY SECTION

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The City of Hoover has an estimated population of 81,616 and is located in north-central Alabama within the Birmingham/Hoover metropolitan statistical area. Hoover occupies approximately 45.47 square miles within Jefferson and Shelby counties.

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**Mayor's Office
City of Hoover**

Tony Petelos
Mayor

March 29, 2010

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, 2009, 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 2009, 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 81,616 today, making it the sixth largest city in the state based on population. Along with this continued population growth, the City comprises approximately 45.47 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 more than 200 specialty stores and is anchored by Macy’s, Belk’s, JC Penney, and Sears. The Galleria includes restaurants, a branch of the U.S. Post Office, a hotel, and a 17-story office tower. The City receives 20 to 25% of its sales and use tax revenue from the Galleria.

In addition, the Galleria has spurred other retail 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. Recently, along the Highway 150 corridor, a new development has recently opened that includes a Target, as well as several other new businesses.

Component Units

The City has no component units included on its financial statements. At one time, parks and recreation and library were included as discretely presented component units. However, upon review the City determined that both operate as any other department does within the City, except that they have their own boards governing them. Thus, because the City controls all willful functions such as budgeting, approval of new positions, and payment of bills for these entities, they are included as departments and not as a component unit.

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 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, for the last few fiscal years, 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 2009, this transfer was \$2,706,508.

Relevant Financial Policies

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

Local Economy

The Government's overall financial condition continues to be strong. However, the City's total revenue for All Governmental Funds for the fiscal year ended September 30, 2009 decreased by \$4,004,100, or 3.93% over the fiscal year ended September 30, 2008.

The following schedule presents a summary of revenues for all Governmental Funds for the fiscal year ended September 30, 2009, with the amount and percentage of increase (decrease) in relation to the fiscal year ended September 30, 2008.

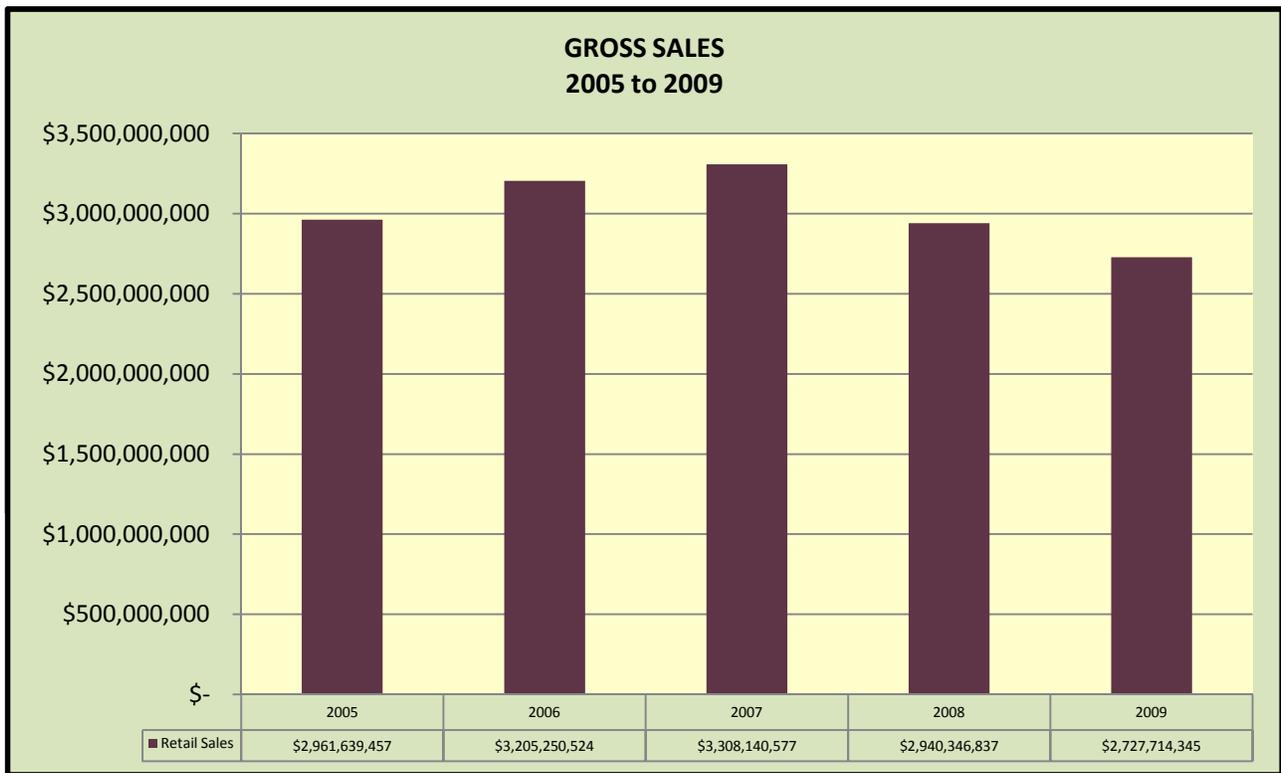
Below, revenues are broken down by major categories. As shown, five individual categories decreased. They are taxes (4.65%), licenses and permits (31.14%), investment income (24.15%), rents and royalties (5.99%), and other revenue (33.80%). Taxes, licenses and permits, and investment income are indicative of the overall economic recession that the country has experienced.

Revenues	FY 2009 Amount	Percent of Total	FY 2008 Amount	Increase (Decrease) From FY 2008	Percent of Increase (Decrease)
Taxes	\$ 72,211,282	73.69 %	\$ 75,732,812	\$ (3,521,530)	(4.65) %
Licenses and permits	6,229,574	6.36	9,046,084	(2,816,510)	(31.14)
Intergovernmental	6,290,266	6.42	6,116,648	173,618	2.84
Fines and forfeits	3,716,045	3.79	2,877,027	839,018	29.16
Investment income	2,222,208	2.27	2,929,797	(707,589)	(24.15)
Rents and royalties	815,932	0.83	867,877	(51,945)	(5.99)
Contributions and reimbursements	3,702,758	3.78	1,518,762	2,183,996	143.80
Charges for services	2,590,304	2.64	2,585,195	5,109	0.20
Other	212,088	0.22	320,355	(108,267)	(33.80)
Total revenues	<u>\$ 97,990,456</u>	<u>100.00 %</u>	<u>\$ 101,994,557</u>	<u>\$ (4,004,100)</u>	<u>(3.93) %</u>

The three largest sources of revenue by major category are taxes, intergovernmental, and licenses and permits, which comprise 86.47% of total revenues. Overall, these three categories decreased by \$6,164,422 over the previous year. Most of this decrease affects the General Fund in particular. However, the City's General Fund was still able to add \$100,000 to fund balance and transfer \$2.7 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, while sales tax revenue decreased, property tax revenue continued its growth trend. Thus, the local economy for the City of Hoover has experienced some decline in its major revenue source, but it has been offset somewhat by its second largest source of revenue.

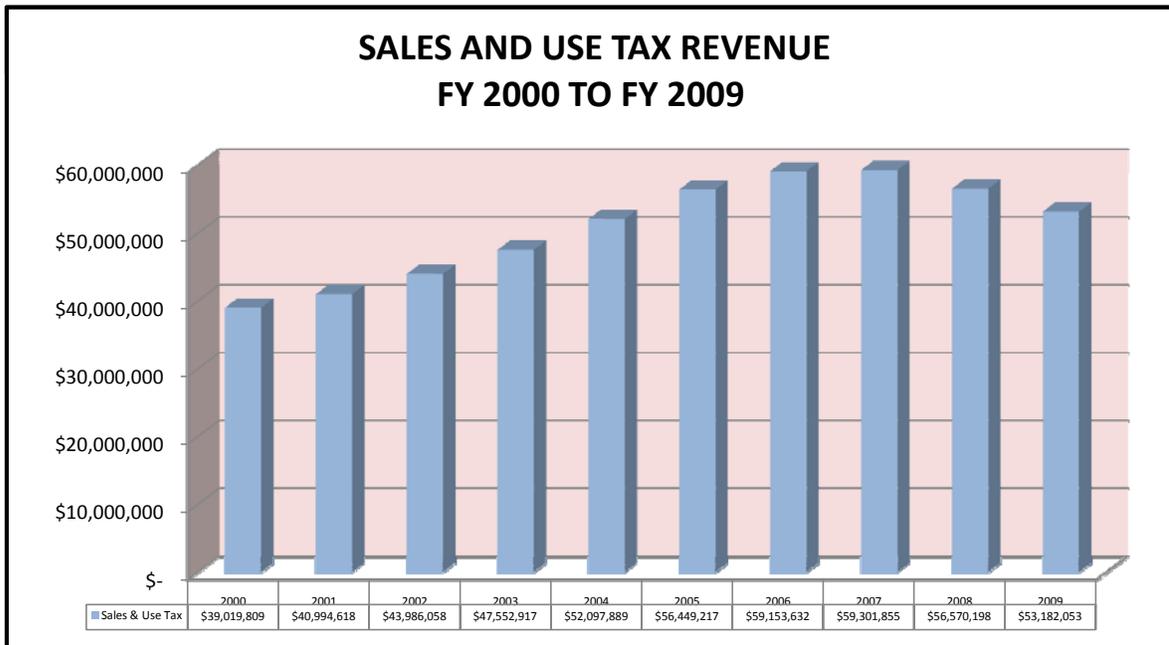
Related to sales and use taxes, the City's total gross sales decreased by \$212,632,492 over the previous year to a total of \$2,727,714,344. This represented a decrease of 7.23%. Of particular concern is that over the last two years, the gross sales have decreased by \$580,426,233, or 17.55%. The chart below depicts the gross sales growth for the last five years.



Continued commercial expansion had resulted in greater sales and use tax revenues in the past. Fiscal year 2009 represented the second year that the City experienced a decline in sales and use tax revenue. 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>
2000	\$ 39,019,809	1.68	\$ 66,801,814	58.41
2001	40,994,618	5.06	68,738,820	59.64
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

City management expects some additional sales tax decline in the near future.

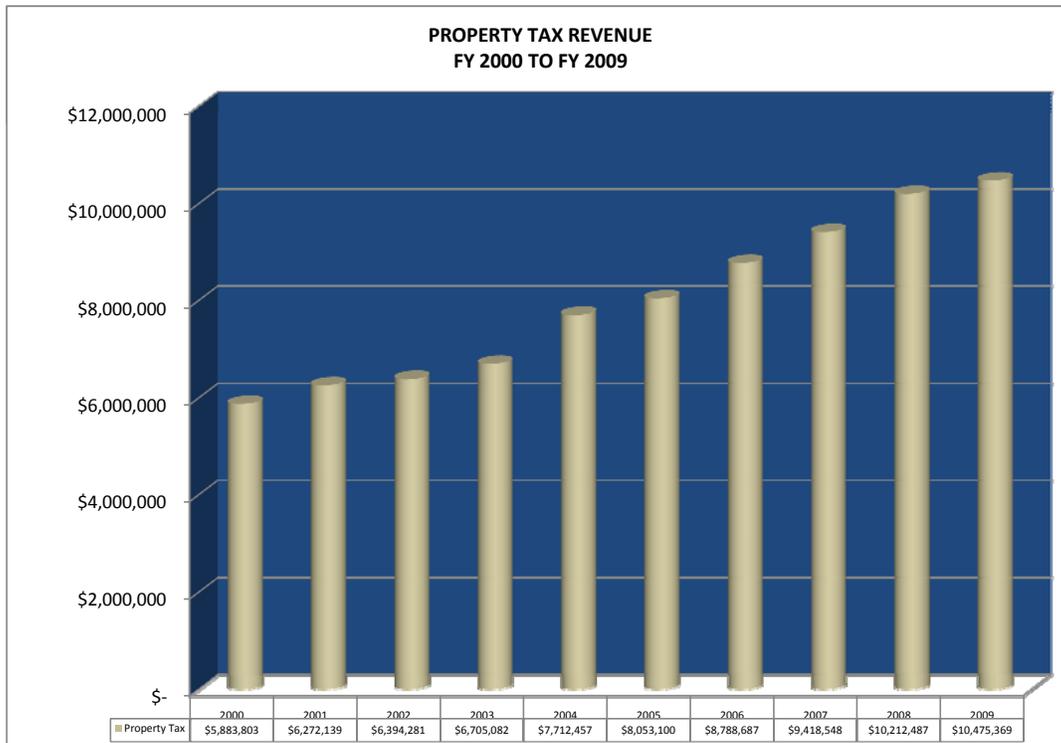


The second largest revenue source for the City is property tax, which comprises 10.69% of total revenues for governmental fund types. A 10 year summary of property tax is as follows:

Fiscal Year	Property Tax Revenue	Percent of Increase (Decrease) from Previous Year	Total All Governmental Fund Types	Percent of Total Revenue
2000	\$ 5,883,803	18.33	\$ 66,801,814	8.81
2001	6,272,139	6.60	68,738,820	9.12
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

* 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 increased 2.57% over FY 2008. Management expects this number to continue to level somewhat in the near future as the decline in housing prices affects 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, 2008. This was the twenty-seventh 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,


Tony Petelos
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, 2008

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.



President

Executive Director

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Citizens

City Council

President
Pro Tem

Committees
Boards
Liaisons

City Clerk

Assistant City Clerk

Zoning Clerk

City Attorney

Municipal Judge

City Prosecutor

Parks & Recreation Board

Library Board

Hoover City School Board

Mayor

Administrative Assistant
Media and Press Assistant
Internal Auditor

Homeland Security

Executive Director

Asst. Executive Director

Facilities Coordinator
Risk Management & Legal Coordinator
Events Coordinator

Finance Director

Accountants
Accounting Operations Manager
Accounts Payable/Purchasing

Accounting Services
Budget & Financial Manager
Payroll

Human Resources

Support Services

Revenue & Taxation

Police Chief

Fire Chief

Bldg Inspections

City Engineer

Public Works & Park Maint.

Magistrate Court

Fleet

Development

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OFFICIALS FOR THE CITY OF HOOVER, ALABAMA

ELECTED OFFICIALS

Mayor	Tony Petelos
Council President	Gary Ivey
Council President Pro Tempore	Jack Wright
Council Member	John Greene
Council Member	Trey Lott
Council Member	Mari Morrison
Council Member	Brian Skelton
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

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, 2009, 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, 2009, 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.

As discussed in Note 8 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, in 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2010, 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.

The management's discussion and analysis and schedules for the modified approach on pages 19 through 40 and 73 through 88 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 have been subjected to the auditing procedures applied in the audit of the basic financial statements 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 express no opinion on them.

A handwritten signature in black ink, appearing to read "Borland Benefield". The signature is written in a cursive style with a large initial "B".

Borland Benefield, P.C.
Birmingham, Alabama
March 26, 2010

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, 2009. 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 41).

FINANCIAL HIGHLIGHTS

- The assets of the City of Hoover exceeded its liabilities at the close of the fiscal year ended September 30, 2009, by \$370,672,312. Of this amount, \$4,104,890 is restricted by enabling legislation, which by definition is legally restricted to certain uses, \$14,921,949 is restricted for capital projects, and \$30,426,678 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$1,226,232 or -.33% 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 \$53,626,283, a decrease of \$1,263,021 in comparison with the prior year. Approximately \$39,823,597 of this total amount is available for spending at the government's discretion (unreserved fund balance).
- Total net assets for governmental activities increased by \$84,756, bringing the total to \$344,531,626 for fiscal year 2009.

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 42-43) 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 44 and page 46, 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 seventeen 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 fifteen 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 89).

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 47).

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 five proprietary funds, one enterprise fund and four internal service funds. They are the Sewer 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 51-72).

Other information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information that details the implementation of the modified approach to accounting for its streets and bridges infrastructure assets. With the implementation of GASB Statement No. 34, the City must now report its infrastructure assets. The City opted to adopt the modified approach for its streets and bridges. By using this approach, the City will not depreciate these assets. Thus, for the fiscal year ended 2003, the City conducted a comprehensive inventory and valuation on all of its streets and bridges for the first time. A comprehensive inventory will be done every three years. Fiscal year 2009 represented a partial re-assessment. More detailed information on this approach is available in the Notes to Required Supplementary Information, which begins on page 79.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets

The City's total assets on its Statement of Net Assets for fiscal year 2009 totaled \$506,826,598, of which \$450,027,100 or 88.79% was from governmental activities. This was a decrease of \$6,791,355 for assets in governmental activities. The majority of this decrease was due to a reduction in pooled cash and investments, as well as depreciation in capital assets. Several capital projects were completed during the fiscal year, which depleted the fund balance that had been set aside for them. These projects included completing an addition to the library, a new fire station, the purchase of park land, as well as various other projects.

Business-type activities made up \$56,799,498, or 11.21% of total assets for fiscal year 2009, which was a decrease of \$3,020,007, or 11.58% in fiscal year 2008. This decrease was mostly due to increased debt service on the issuance of \$18 million in general obligation sewer warrants in 2007 for an expansion of the Riverchase sewer treatment plant, as well as using up some of the proceeds from the warrant issue.

As shown in the summary below, noncurrent assets comprise 86.13% of total assets, which is a slight increase from fiscal year 2008 where the percentage was 85.19%. For fiscal 2009, current assets comprised 13.87% of all assets, a decrease from fiscal year 2008 where the percentage was 14.81%. Overall, the decrease in government-wide assets of \$9,811,362 was due mainly to the change in total capital assets through funding new assets, as well as the depreciation of new and existing assets.

Breakdown of Assets - Statement of Net Assets - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Current assets	\$ 64,673,812	\$ 61,411,071	\$ 11,851,743	\$ 8,900,844	\$ 76,525,555	\$ 70,311,914
Noncurrent assets:						
Capital assets, net of depreciation	391,236,548	387,813,019	47,559,313	47,514,823	438,795,862	435,327,843
Other assets	618,388	542,704	408,449	383,831	1,026,837	926,535
Long-term receivables	289,706	260,306	-	-	289,706	260,306
Total noncurrent assets	<u>392,144,643</u>	<u>388,616,029</u>	<u>47,967,762</u>	<u>47,898,654</u>	<u>440,112,405</u>	<u>436,514,684</u>
Total Assets	<u>\$ 456,818,455</u>	<u>\$ 450,027,100</u>	<u>\$ 59,819,505</u>	<u>\$ 56,799,498</u>	<u>\$ 516,637,960</u>	<u>\$ 506,826,598</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Current assets	14.16%	13.65%	19.81%	15.67%	14.81%	13.87%
Noncurrent assets:						
Capital assets, net of depreciation	85.64%	86.18%	79.50%	83.65%	84.93%	85.89%
Other assets	0.14%	0.12%	0.68%	0.68%	0.20%	0.18%
Long-term receivables	0.06%	0.06%	0.00%	0.00%	0.06%	0.05%
Total noncurrent assets	<u>85.84%</u>	<u>86.35%</u>	<u>80.19%</u>	<u>84.33%</u>	<u>85.19%</u>	<u>86.13%</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	
	2008	2009	2008	2009	2008	2009
Current assets	84.51%	87.34%	15.49%	12.66%	100.00%	100.00%
Noncurrent assets:						
Capital assets, net of depreciation	89.16%	89.09%	10.84%	10.91%	100.00%	100.00%
Other assets	60.22%	58.57%	39.78%	41.43%	100.00%	100.00%
Long-term receivables	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Total noncurrent assets	<u>89.10%</u>	<u>89.03%</u>	<u>10.90%</u>	<u>10.97%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Assets	<u>88.42%</u>	<u>88.79%</u>	<u>11.58%</u>	<u>11.21%</u>	<u>100.00%</u>	<u>100.00%</u>

Liabilities

The City's total liabilities on its Statement of Net Assets totaled \$136,154,286 of which \$105,495,474 or 77.48% was from governmental activities. This resulted in a decrease of \$6,876,111 for liabilities in governmental activities in fiscal year 2009 compared with fiscal year 2008's liabilities of \$112,371,585. The majority of this was due to long-term debt principal that had been paid and thus relieved and a decrease in accounts payable. This decrease in liabilities was offset some by the other post-employment benefits claims payable in the amount of \$422,895, which was added for the first time in fiscal year 2009.

Business-type activities made up \$30,658,813, or 22.52% of total liabilities for fiscal year 2009. This was a slight decrease over the previous year. Specifically, it decreased by \$1,709,019 from the previous year. This was mostly due to the debt service that was paid on the issuance of \$18 million of sewer general obligation warrants in 2007.

Overall, as shown in the summary below, long-term liabilities consisting of net bonds/warrants payable, compensated absences, and claims payable comprise 87.48% of total liabilities, with current liabilities comprising 12.52%. The percentage represented was a slight change from fiscal year 2008, which was 86.33% and 13.67% respectively.

Category	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Current liabilities:						
Accounts payable and other accrued liabilities	\$ 8,898,764	\$ 6,124,128	\$ 1,159,803	\$ 283,349	\$ 10,058,566	\$ 6,407,476
Internal payable	3,160	2,318	(3,160)	(2,318)	-	-
Bonds and warrants payable, net	4,862,053	4,891,240	836,754	866,754	5,698,807	5,757,993
Compensated absences	3,622,805	4,068,399	8,233	7,647	3,631,037	4,076,045
Claims payable opeb	-	422,895	-	-	-	422,895
Claims payable workers compensation	123,527	183,097	-	-	123,527	183,097
Claims payable property and casualty	276,029	202,515	-	-	276,029	202,515
Total current liabilities	17,786,338	15,894,592	2,001,630	1,155,432	19,787,966	17,050,021
Long-term liabilities:						
Bonds and warrants payable, net	87,338,307	82,447,067	30,349,471	29,482,717	117,687,778	111,929,784
Compensated absences	6,418,338	6,273,641	16,731	20,664	6,435,070	6,294,305
Deferred premium on debt	-	-	-	-	-	-
Claims payable workers compensation	341,345	561,821	-	-	341,345	561,821
Claims payable property and casualty	487,257	318,353	-	-	487,257	318,353
Total long-term liabilities	94,585,247	89,600,882	30,366,202	29,503,381	124,951,450	119,104,263
Total Liabilities	<u>\$ 112,371,585</u>	<u>\$ 105,495,474</u>	<u>\$ 32,367,832</u>	<u>\$ 30,658,813</u>	<u>\$ 144,739,416</u>	<u>\$ 136,154,284</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Current liabilities	15.83%	15.07%	6.18%	3.77%	13.67%	12.52%
Long-term liabilities	84.17%	84.93%	93.82%	96.23%	86.33%	87.48%
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	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Current liabilities	89.88%	93.22%	10.12%	6.78%	100.00%	100.00%
Long-term liabilities	75.70%	75.23%	24.30%	24.77%	100.00%	100.00%
Total Liabilities	<u>77.64%</u>	<u>77.48%</u>	<u>22.36%</u>	<u>22.52%</u>	<u>100.00%</u>	<u>100.00%</u>

Net Assets

The City's entity-wide net assets totaled \$370,672,312. Governmental activities comprised \$344,531,626 or 92.95% of the total net assets for fiscal year 2009. While there was a slight increase of \$84,756 for net assets in governmental activities, the percentage represented was relatively the same in comparison with fiscal year 2008, which was 92.62%.

Business-type activities made up \$26,140,686, or 7.05% of total net assets for fiscal year 2009. While there was a decrease of \$1,310,988, likewise, the percentage represented was relatively the same in comparison with fiscal year 2008, which was 7.38%. Most of this decrease was due to the decrease in the outstanding balance to be spent out of the 2007 sewer warrants.

The largest portion of the City's assets is restricted or invested in capital assets. In particular, \$321,218,795, or 86.66% is invested in capital assets such as buildings, roads and bridges, less any related debt used to acquire those assets that is still outstanding, \$14,921,949, or 4.03% of net assets is restricted for capital projects, and \$4,104,890, or 1.11% is restricted for other purposes. Thus, the total percentage of restricted assets totaled 91.79% for fiscal year 2009, as compared with fiscal year 2008 at 92.37%.

At the same time, the City has \$30,426,678 or 8.21% 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 \$2,045,781 from fiscal year 2008 to fiscal year 2009, with governmental activities representing a \$1,687,133 increase, while the business-type activities increased \$358,649. Considering the condition of the economy during fiscal year 2009, an increase in unrestricted net assets government-wide, as well as separately between governmental and business-type activities, is indicative of the city's conservative approach to its finances.

Summary of Net Assets - Primary Government - Actual

	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Invested in capital assets, net of related debt	\$ 299,036,189	\$ 300,474,712	\$ 22,413,719	\$ 20,744,083	\$ 321,449,908	\$ 321,218,795
Restricted for capital projects	18,749,479	14,921,949	-	-	18,749,479	14,921,949
Restricted for other purposes	3,318,260	4,104,890	-	-	3,318,260	4,104,890
Unrestricted	23,342,942	25,030,075	5,037,955	5,396,604	28,380,897	30,426,678
Total net assets	\$ 344,446,870	\$ 344,531,626	\$ 27,451,674	\$ 26,140,686	\$ 371,898,544	\$ 370,672,312

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Invested in capital assets, net of related debt	86.82%	87.21%	81.65%	79.36%	86.43%	86.66%
Restricted for capital projects	5.44%	4.33%	0.00%	0.00%	5.04%	4.03%
Restricted for other purposes	0.96%	1.19%	0.00%	0.00%	0.89%	1.11%
Unrestricted	6.78%	7.26%	18.35%	20.64%	7.63%	8.21%
Total net assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	Governmental Activities		Business-Type Activities		Total	
	2008	2009	2008	2009	2008	2009
Invested in capital assets, net of related debt	93.03%	93.54%	6.97%	6.46%	100.00%	100.00%
Restricted for capital projects	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Restricted for other purposes	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Unrestricted	82.25%	82.26%	17.75%	17.74%	100.00%	100.00%
Total net assets	92.62%	92.95%	7.38%	7.05%	100.00%	100.00%

As mentioned above, the largest portion of the City's net assets (86.66%) 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.

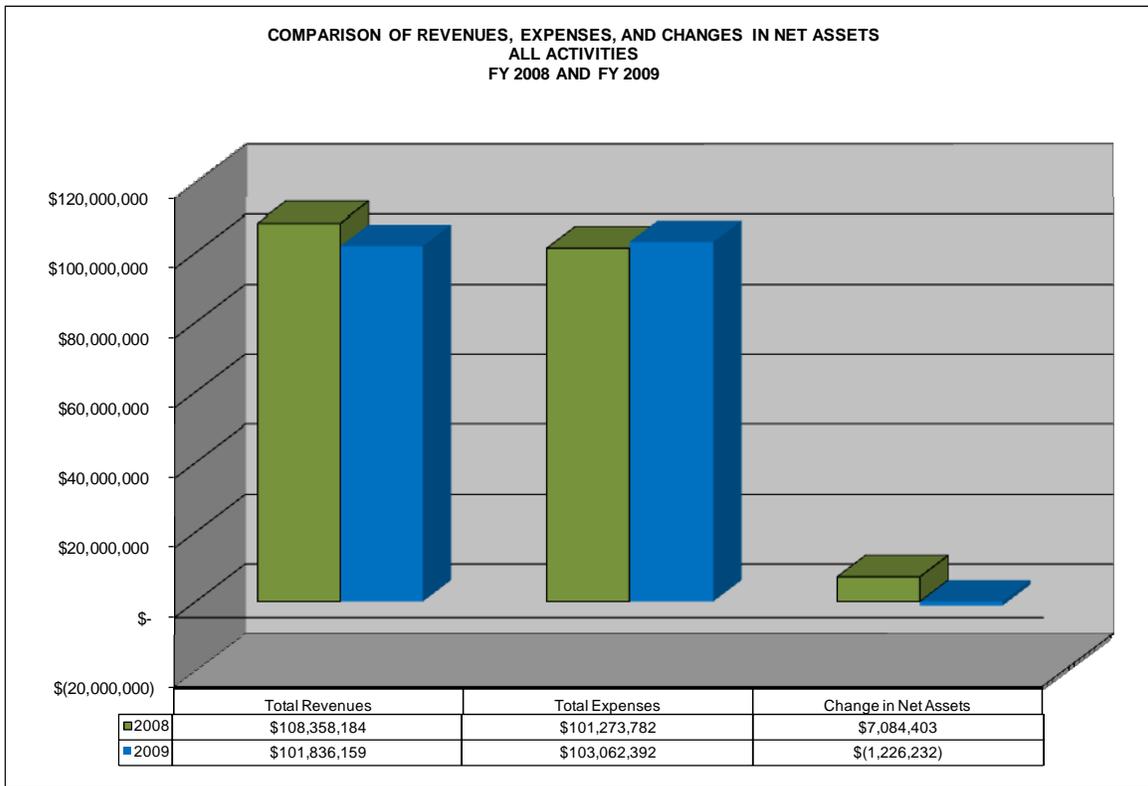
Statement of Activities

The Statement of Activities includes governmental activities and business-type activities. The total change in net assets for the fiscal year ended 2009 was (\$1,226,232) compared with the fiscal year ended 2008 change in net assets of \$7,084,403, a difference of (\$8,310,635). The main reason for the large difference between the two years is that fiscal year 2009 had an overall decrease in revenues of \$6,522,025 with a corresponding increase in total expenses of \$1,788,610. The former was mostly due to a decrease in sales tax revenue as the overall economy slowed during the fiscal year.

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	
	2008	2009	2008	2009	2008	2009
CHANGE IN NET ASSETS AS OF SEPTEMBER 30						
REVENUES						
Program Revenues:						
Charges for services	\$ 15,429,986	\$ 13,355,797	\$ 4,623,611	\$ 3,924,511	\$ 20,053,597	\$ 17,280,308
Operating grants and contributions	3,900,377	5,596,094	-	-	3,900,377	5,596,094
Capital grants and contributions	2,720,341	1,447,809	-	-	2,720,341	1,447,809
General Revenues:						
Sales and use taxes	56,570,198	53,182,053	-	-	56,570,198	53,182,053
Property taxes	10,212,487	10,475,368	-	-	10,212,487	10,475,368
Other taxes	8,950,126	8,553,861	-	-	8,950,126	8,553,861
Intergovernmental revenue not restricted	2,630,712	2,998,692	-	-	2,630,712	2,998,692
Unrestricted Investment income	2,876,275	2,218,558	159,212	24,335	3,035,487	2,242,893
Gain (loss) on asset disposals	89,151	(85,987)	-	-	89,151	(85,987)
Other revenue	195,698	145,068	10	-	195,708	145,068
Total Revenues	<u>\$ 103,575,351</u>	<u>\$ 97,887,313</u>	<u>\$ 4,782,833</u>	<u>\$ 3,948,846</u>	<u>\$ 108,358,184</u>	<u>\$ 101,836,159</u>
EXPENSES						
Program Activities:						
General government	\$ 12,159,259	\$ 12,843,118	\$ -	\$ -	\$ 12,159,259	\$ 12,843,118
Public safety	43,244,312	43,857,205	-	-	43,244,312	43,857,205
Library	5,668,188	6,123,208	-	-	5,668,188	6,123,208
Municipal court	1,479,847	1,617,927	-	-	1,479,847	1,617,927
Sanitation	5,478,464	5,658,314	-	-	5,478,464	5,658,314
Education	7,500,000	2,000,000	-	-	7,500,000	2,000,000
Highway and roadway improvements	9,226,304	12,148,929	-	-	9,226,304	12,148,929
Recreation services	8,116,588	9,002,873	-	-	8,116,588	9,002,873
Health	287,748	268,116	-	-	287,748	268,116
Interest and fiscal charges	4,475,264	4,282,869	-	-	4,475,264	4,282,869
Sewer services	-	-	3,637,809	5,259,834	3,637,809	5,259,834
Total Expenses	<u>\$ 97,635,973</u>	<u>\$ 97,802,558</u>	<u>\$ 3,637,809</u>	<u>\$ 5,259,834</u>	<u>\$ 101,273,782</u>	<u>\$ 103,062,392</u>
Excess (deficiency) before special items	5,939,380	84,756	1,145,023	(1,310,988)	7,084,403	(1,226,232)
CHANGE IN NET ASSETS	<u>\$ 5,939,380</u>	<u>\$ 84,756</u>	<u>\$ 1,145,023</u>	<u>\$ (1,310,988)</u>	<u>\$ 7,084,403</u>	<u>\$ (1,226,232)</u>

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



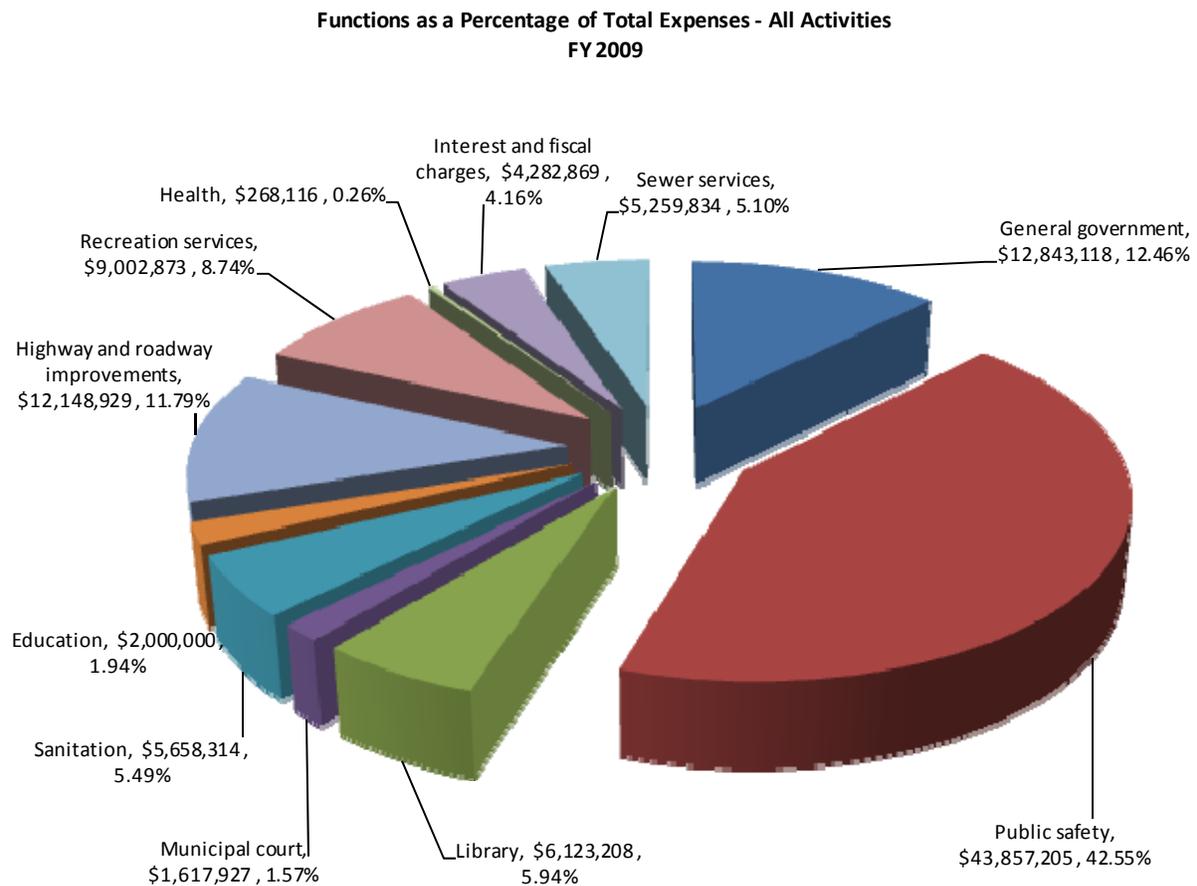
The schedule below shows the % change in detail by each category. The largest decrease in revenues is that of sales and use taxes, which was mentioned above. However, the % composition to total revenues changed only slightly. For fiscal year 2009, this category represented 52.22% of total revenues, whereas 2008 represented 52.21%.

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

Category	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
REVENUES						
Program Revenues:						
Charges for services	14.90%	13.64%	96.67%	99.38%	18.51%	16.97%
Operating grants and contributions	3.77%	5.72%	0.00%	0.00%	3.60%	5.50%
Capital grants and contributions	2.63%	1.48%	0.00%	0.00%	2.51%	1.42%
General Revenues:						
Sales and use taxes	54.62%	54.33%	0.00%	0.00%	52.21%	52.22%
Property taxes	9.86%	10.70%	0.00%	0.00%	9.42%	10.29%
Other taxes	8.64%	8.74%	0.00%	0.00%	8.26%	8.40%
Intergovernmental revenue not restricted	2.54%	3.06%	0.00%	0.00%	2.43%	2.94%
Unrestricted Investment income	2.78%	2.27%	3.33%	0.62%	2.80%	2.20%
Gain on sale of disposed equipment	0.09%	-0.09%	0.00%	0.00%	0.08%	-0.08%
Other revenue	0.19%	0.15%	0.00%	0.00%	0.18%	0.14%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
EXPENSES						
Program Activities:						
General government	12.45%	13.13%	0.00%	0.00%	12.01%	12.46%
Public safety	44.29%	44.84%	0.00%	0.00%	42.70%	42.55%
Library	5.81%	6.26%	0.00%	0.00%	5.60%	5.94%
Municipal court	1.52%	1.65%	0.00%	0.00%	1.46%	1.57%
Sanitation	5.61%	5.79%	0.00%	0.00%	5.41%	5.49%
Education	7.68%	2.04%	0.00%	0.00%	7.41%	1.94%
Highway and roadway improvements	9.45%	12.42%	0.00%	0.00%	9.11%	11.79%
Recreation services	8.31%	9.21%	0.00%	0.00%	8.01%	8.74%
Health	0.29%	0.27%	0.00%	0.00%	0.28%	0.26%
Interest and fiscal charges	4.58%	4.38%	0.00%	0.00%	4.42%	4.16%
Sewer services	0.00%	0.00%	100.00%	100.00%	3.59%	5.10%
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 42.55% of the total expenses on the Statement of Activities. After the general government category that represented 12.46% of expenses, highway and roadway improvements, recreation services (including park maintenance), library, and sanitation comprised 11.79%, 8.74%, 5.94%, and 5.49% of expenses, respectively. In fiscal year 2008, the City's education contribution represented 7.41%, or \$7,500,000, compared to only 1.94%, or \$2,000,000, in fiscal year 2009. With the economic downturn, the City had to reduce this contribution to the school system.



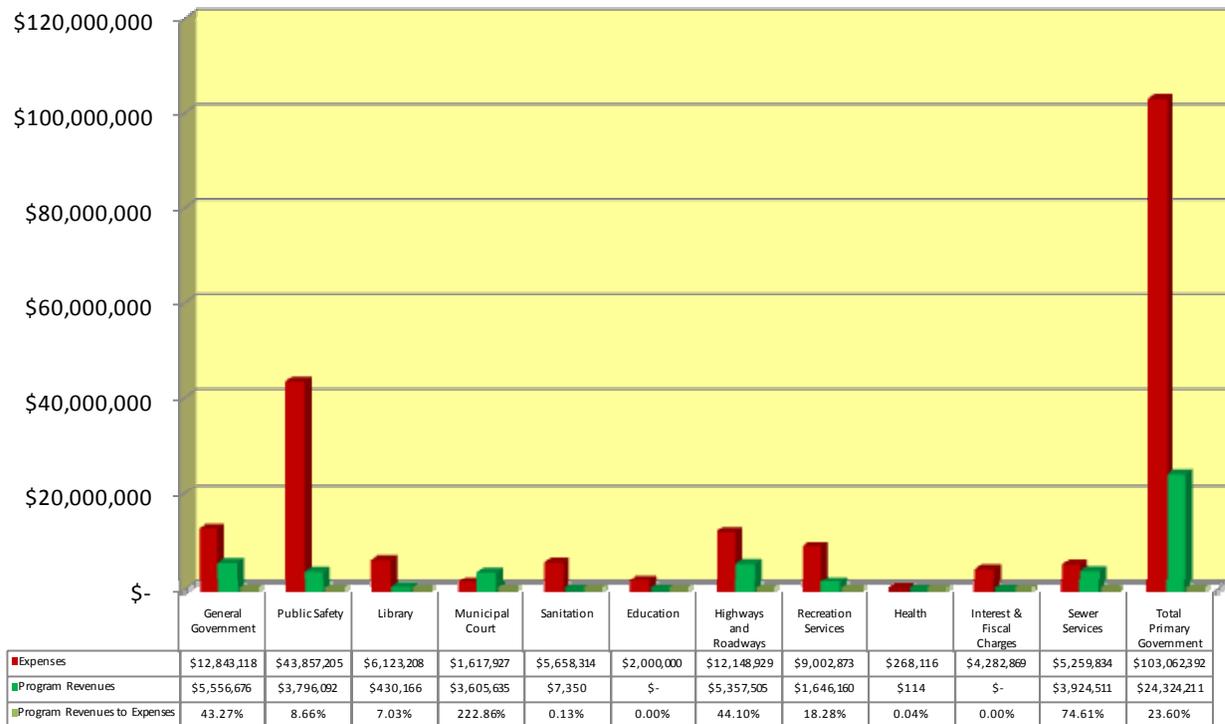
The chart above illustrates the entire expense breakdown by function and corresponding percentage for fiscal year 2009. Other than education discussed above and highway & roadway improvements, the percentages match closely with those of fiscal year 2008 in that no category changed more than 1.51% of their representation. Highway and roadway improvements changed by 2.68% of their representation due to some long-term roadway projects coming to fruition.

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, general government makes up the largest program revenue category in the amount of \$5,556,676, or 22.84%. The majority of this program revenue comes from business licenses, which comprise \$4,874,770 of the total general government revenue. Highways and roadways held a close second with \$5,357,505, or 22.03%, in program revenues, where over \$2.5 million was due to a developer agreement to do road work in exchange for a sales tax reimbursement and another \$1.4 million were reimbursements from the state.

Expenses and Program Revenues - All Activities
FY 2009



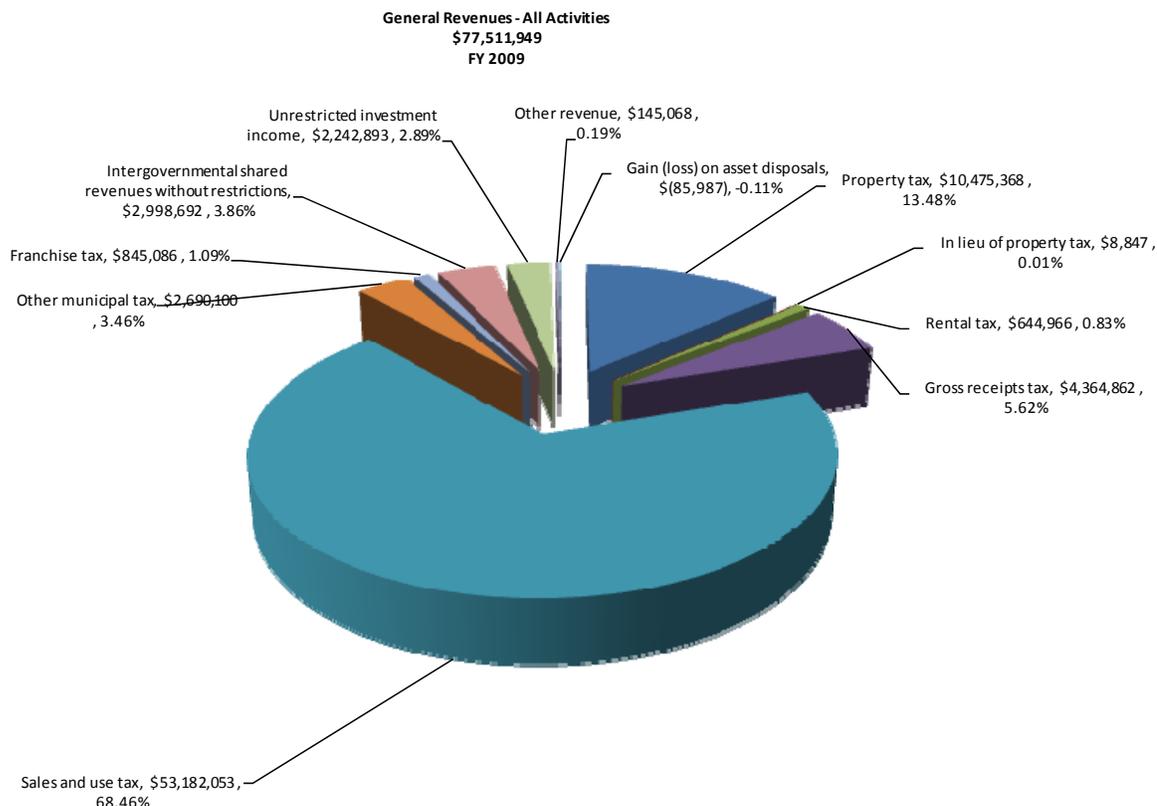
In addition, Municipal Court was the only program that took in more revenue than they had expenses. For fiscal year 2009, Municipal Court had expenses totaling \$1,617,927 and program revenues totaling \$3,605,635, which represented 222.86% of revenues to expenses. It is important to note that by state law, some of their 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 2009 totaled \$5,259,834 and program revenues totaled \$3,924,511, which represented 74.61% of revenues to expenses. This percentage is lower than fiscal year 2008, which was 127.10% of revenues to expenses in the sewer fund. This was due to a dramatic decrease in tap fees due to the economy, as well as an increase in debt service regarding the 2007 sewer warrants.

General Revenues

As a whole, primary government programs offset 23.60% of their total expenses (\$103,062,392) from program revenue (\$24,324,211). General revenues also helped to offset the balance of these programs by \$77,511,949.

Sales and use tax encompass the overwhelming percentage of general revenues, making up \$53,182,053 of them, which is 68.61% of total general revenues. The second largest category that contributes to general revenues is property tax, which comprised \$10,475,368 or 13.51% of total revenues. Gross receipts taxes from public utilities and insurance companies comprised the third largest source of general revenue bringing in \$4,364,862, or 5.63%.



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 decreased by \$1,226,232 for the primary government. As a result, the net assets at the end of the year totaled \$370,672,312 for all activities. Although there was an overall decrease, governmental activities alone had a slight increase of \$84,756, which is positive, considering the overall economic downturn experienced throughout the nation.

OTHER PROPRIETARY FUNDS

Internal Service Funds

In addition to the Sewer Enterprise Fund, the City has four internal service funds. These internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements on pages 48-50. Individual fund data for these funds is provided in the form of *combining statements* on pages 94-96 of this report.

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 \$242,363 in net assets, while the health insurance - retirees - internal service fund ended the year with (\$462,083) 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 \$476,585 in net assets, while the property and casualty internal service fund, ended the year with \$309,588 in net assets, for a combined total in all internal service funds of \$566,354 in net assets. Overall, the City is pleased with the net asset position of these internal service funds. However, the health insurance - retirees - internal service fund is currently being analyzed and reviewed for changes that might make it more affordable and more equitable among city employees.

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 2009.

	2009			Total Governmental Funds
	Governmental Funds			
	General Fund	Capital Projects Fund	Other Governmental Funds	
Total revenues	\$ 87,731,082	\$ 2,555,571	\$ 7,703,803	\$ 97,990,456
Total expenditures	81,472,267	8,141,813	9,639,397	99,253,477
Total other financing sources (uses)	<u>(6,158,816)</u>	<u>2,706,509</u>	<u>3,452,307</u>	<u>-</u>
Net change in fund balances	100,000	(2,879,734)	1,516,713	(1,263,021)
Fund balances, beginning of year	<u>31,200,000</u>	<u>18,973,825</u>	<u>4,715,478</u>	<u>54,889,303</u>
Fund balances, end of year	<u><u>\$ 31,300,000</u></u>	<u><u>\$ 16,094,092</u></u>	<u><u>\$ 6,232,191</u></u>	<u><u>\$ 53,626,283</u></u>
Percent of fund balance to expenditures	38.42%	197.67%	64.65%	54.03%

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, 2009, the City of Hoover's governmental funds reported combined ending fund balances of \$53,626,283. Approximately \$39,823,597 or 74.26% constitutes unreserved fund balance and is available for spending at the government's discretion. The remainder of the fund balance is reserved for a non-current receivable, inventories, prepaid items, and ongoing capital projects in the amount of \$13,802,685 or 25.74%.

In fiscal year 2008, the combined governmental ending fund balances were \$54,889,303. The total end of the year fund balances decreased by \$1,263,021 from fiscal 2008 to fiscal 2009. This decrease was due to several major capital projects being undertaken and substantially complete by the end of the fiscal year.

General Fund

The general fund is the chief operating fund for the City of Hoover. As of September 30, 2009, the total fund balance of the general fund was \$31,300,000 as compared with September 30, 2008 where it was \$31,200,000, an increase of \$100,000. The end of the year fund balance for fiscal year 2009 represents approximately 38.42% 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, 2009, the total ending fund balance for the capital projects fund was \$16,094,092. At the end of the fiscal year, a transfer from the general fund in the amount of \$2,706,509 offset the total expenditures during the year of \$8,141,813.

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. The total city portion of commitments from this fund is estimated at \$12,794,648 and shows as reserved fund balance. The balance, \$3,299,444 is unreserved and available to be allocated to future projects as needed.

Other Governmental Funds

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

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund resulted in a net increase of budgetary fund balance in the amount of \$100,000. As shown below, budgeted revenues increased by \$1,274,013, or 1.46% of the original budget.

The total expenditure budget decreased by \$4,178,805, or 4.87%. The major reason for this 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.

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	\$ 71,912,449	\$ 72,351,948	\$ 439,499	0.61	%
Licenses and permits	5,959,600	6,229,574	269,974	4.53	
Intergovernmental	2,244,735	2,324,210	79,475	3.54	
Fines and forfeits	1,650,000	2,024,086	374,086	22.67	
Investment income	1,902,000	2,219,422	317,422	16.69	
Rents and royalties	832,934	815,340	(17,594)	-2.11	
Contributions and reimbursements	1,404,867	1,139,731	(265,136)	-18.87	
Charges for services	1,470,775	1,506,788	36,013	2.45	
Other	171,500	211,774	40,274	23.48	
Total revenues	87,548,860	88,822,873	1,274,013	1.46	%
Expenditures					
Current operations					
General government	12,689,046	11,251,557	(1,437,489)	-11.33	%
Public safety	37,333,110	36,209,220	(1,123,890)	-3.01	
Library	5,699,547	5,640,099	(59,448)	-1.04	
Municipal court	175,581	143,290	(32,291)	-18.39	
Sanitation	5,903,481	5,658,462	(245,019)	-4.15	
Education	2,000,000	2,000,000	-	0.00	
Highway and roadway improvements	4,262,281	4,031,536	(230,745)	-5.41	
Recreation services	7,286,035	6,736,194	(549,841)	-7.55	
Health	280,277	257,844	(22,433)	-8.00	
Total	75,629,358	71,928,202	(3,701,156)	-4.89	%
Capital outlays	941,701	464,052	(477,649)	-50.72	%
Debt service					
Principal	5,020,000	5,020,000	-	0.00	%
Interest	4,134,584	4,134,584	-	0.00	
Fiscal agent fees	4,900	4,900	-	0.00	
Bond issuance costs	-	-	-		
Total expenditures	85,730,543	81,551,738	(4,178,805)	-4.87	%
Excess (deficiency) of revenues over (under) expenditures	1,818,317	7,271,135	5,452,818	3.00	
Other financing sources (uses)					
Transfers in	23,581,080	19,326,176	(4,254,904)	-0.18	
Transfers out	(25,399,397)	(26,497,311)	(1,097,914)	0.04	
Total other financing sources (uses)	(1,818,317)	(7,171,135)	(5,352,818)	2.94	
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	31,200,000	31,200,000	-		
Fund balances, end of year	31,200,000	31,300,000	100,000		

In terms of budget to actual, the graph below shows the percentage difference by function for each category. Revenues came in at \$1,091,791 less than projected. Most of this, \$972,750, was due to a change in accounting for the Jefferson County Road Tax. Prior to fiscal year 2009, this revenue source was accounted for in the General Fund. After review, due to its funding restrictions, the City created a new special revenue fund to track these monies.

Total expenditures were \$79,471 less than the amended budget. As mentioned previously, an amendment was done that moved a great deal of expenditure surplus to the capital projects fund to finance future capital projects. This requires a final budget amendment that closely mirrors the actual expenditures for the fiscal year.

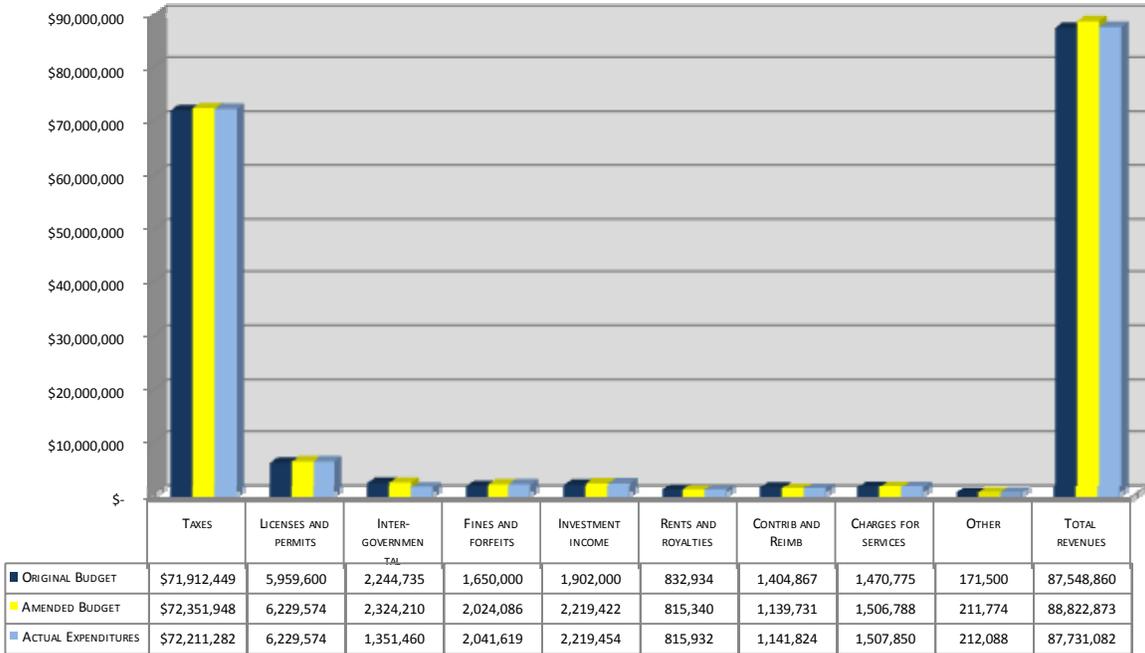
General Fund Original Budget, and Amended Budget to Actual

	Original Budget	Amended Budget	Actual	Amended Variance Favorable (Unfavorable)	% Difference Between Amended Budget and Actual Expenditure
Revenues					
Taxes	\$ 71,912,449	\$ 72,351,948	\$ 72,211,282	\$ (140,666)	-0.19 %
Licenses and permits	5,959,600	6,229,574	6,229,574	-	0.00
Intergovernmental	2,244,735	2,324,210	1,351,460	(972,750)	-41.85
Fines and forfeits	1,650,000	2,024,086	2,041,619	17,533	0.87
Investment income	1,902,000	2,219,422	2,219,454	32	0.00
Rents and royalties	832,934	815,340	815,932	592	0.07
Contributions and reimbursements	1,404,867	1,139,731	1,141,824	2,093	0.18
Charges for services	1,470,775	1,506,788	1,507,850	1,062	0.07
Other	171,500	211,774	212,088	314	0.15
Total revenues	87,548,860	88,822,873	87,731,082	(1,091,791)	-1.23
Expenditures					
Current operations					
General government	12,689,046	11,251,557	11,221,279	30,278	0.27
Public safety	37,333,110	36,209,220	36,183,853	25,367	0.07
Library	5,699,547	5,640,099	5,632,612	7,487	0.13
Municipal court	175,581	143,290	142,705	585	0.41
Sanitation	5,903,481	5,658,462	5,658,314	148	0.00
Education	2,000,000	2,000,000	2,000,000	-	0.00
Highway & roadway improvements	4,262,281	4,031,536	4,027,046	4,490	0.11
Recreation services	7,286,035	6,736,194	6,726,850	9,344	0.14
Health	280,277	257,844	256,706	1,138	0.44
Total	75,629,358	71,928,202	71,849,364	78,838	0.11
Capital outlays	941,701	464,052	463,420	632	0.14
Debt service					
Principal	5,020,000	5,020,000	5,020,000	-	0.00
Interest	4,134,584	4,134,584	4,134,583	1	0.00
Fiscal agent fees	4,900	4,900	4,900	-	0.00
Bond issuance costs	-	-	-	-	0.00
Total expenditures	85,730,543	81,551,738	81,472,267	79,471	0.10
Excess (deficiency) of revenues over (under) expenditures	1,818,317	7,271,135	6,258,816	(1,012,319)	-13.92
Other financing sources (uses)					
Transfers in	23,581,080	19,326,176	19,212,170	(114,006)	-0.59
Transfers out	(25,399,397)	(26,497,311)	(25,370,986)	1,126,325	-4.25
Total other financing sources (uses)	(1,818,317)	(7,171,135)	(6,158,816)	1,012,319	-14.12
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 100,000	\$ 100,000	\$ -	100.00 %

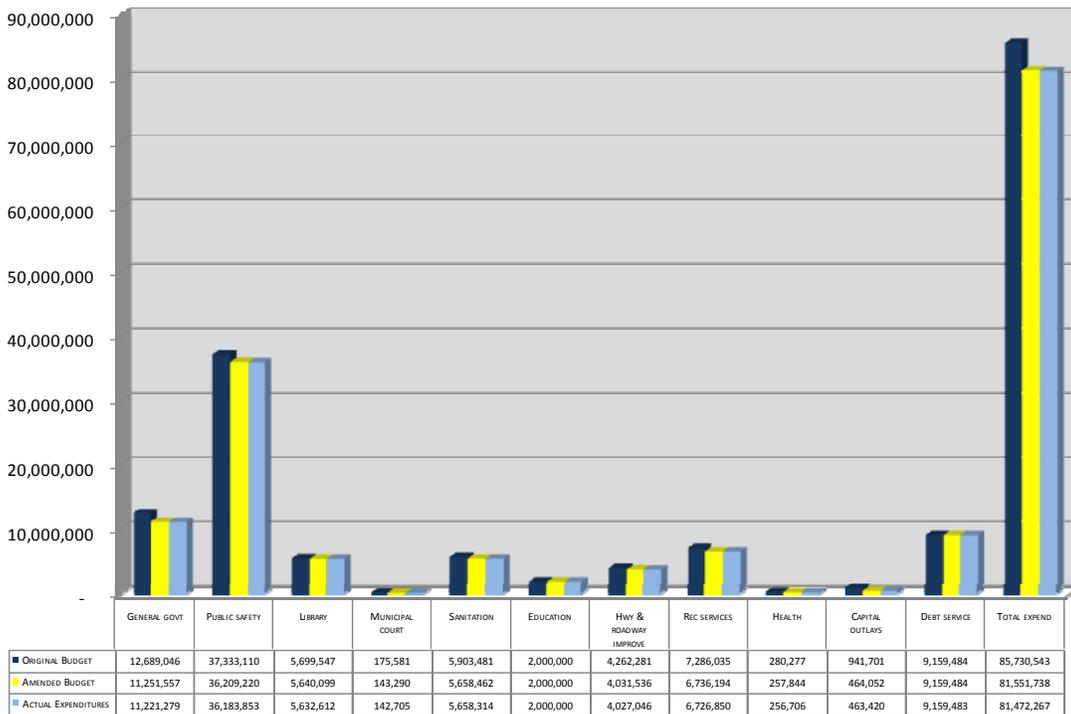
In comparing the original budget to actual, revenues were over the original budget by \$182,222. Expenditures were \$4,258,276 less than the original budget. Overall, the City did quite well with its conservative projections in a down economy.

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 2009.

GENERAL FUND BUDGET - REVENUES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL REVENUE
FY 2009



GENERAL FUND BUDGET - EXPENDITURES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL EXPENDITURES
FY 2009



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, 2009, amounts to \$435,327,843 (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.

The City added streets and bridges infrastructure to its capital assets in fiscal year 2003 by using the modified approach as allowed by GASB and defined in Statement No. 34. Fiscal year 2009 represented a partial re-inventory and re-assessment of streets. The City hired an outside consultant to inventory, rate, and value its streets. All streets that were re-assessed were given a ranking of 1 – 5 with 5 being the best. The minimum threshold established by the City was a rating of 3. Of 292.71 miles of streets in the inventory, 5.96 miles fell below the minimum threshold. However, of these 5.96 miles, only 4.57 miles needs to be re-paved. These roads have been identified to be addressed in the fiscal year 2009 budget. The other 1.39 miles can be fixed with patchwork.

In fiscal year 2009, some roadways, 1405 feet, that were previously designated as City maintained were determined to be otherwise and thus re-classified appropriately. Similarly, some roadways, 1605 feet, which were previously not classified as City maintained, also were re-classified appropriately. The City continues to evaluate its road inventory each year for accuracy.

The preservation of condition level estimates for streets is shown on page 76. This schedule shows the dollar estimate to improve those roads that are below an acceptable condition level and compares the estimate with the actual expenditures. Each year our Public Works Department obtains the list of 1 and 2 ratings and gives this list to the contractor who has been awarded the paving bid to establish the estimate. The estimate for fiscal year 2009 was more than the actual expenditures, because only 2/3 of the roadways were paved. It is the City's intent to address the other 1/3 in fiscal year 2010.

For the City's ten bridges, the ratings were from 1 – 10, with 10 being the best. The minimum threshold established for bridges was a rating of 5. No bridges had an overall rating below 5 in the current year assessment. Using this approach, the City capitalizes the estimated cost of its street and bridge systems, but does not report depreciation expense for those assets. Bridges are re-evaluated every two years. The ratings in this report reflect the 2008 evaluation.

Please refer to the Other Required Supplementary Information section, which begins on page 73, for more detail on this modified approach to infrastructure reporting.

Business-type activities increased its assets from expenses related to the 2007 sewer warrants. Most of this was due to completion of construction improvements at the Riverchase sewer system, as well as a major upgrade to a pump station within that same system. The completion of the improvements resulted in moving \$13.9 million from construction in progress to improvements other than buildings. The overall net change with accumulated depreciation for the sewer system assets was a small decrease of \$44,490.

Please refer to the Notes to the Financial Statements section on pages 59-60 for more detail on capital asset activity.

Debt Administration

As of the fiscal year end, the City of Hoover had \$89,420,000 of governmental debt and \$29,995,000 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 Aa3 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 \$345,942,979, which is significantly in excess of the City of Hoover's outstanding general obligation debt by \$256,522,979. 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 61 of this report.

ECONOMIC FACTORS

The Government's financial condition continues to be strong. However, the economic downturn has had an impact on the City. 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 tax growth has slowed considerably. It decreased from \$56,570,198 in fiscal year 2008 to \$53,183,053 in fiscal year 2009. However, despite this decrease, and due to conservative budgeting, our unreserved fund balance still increased from \$30,775,283 to \$30,937,137. Even though this was a small increase, it does substantiate the strength of the city's financial position. Management continues to address the downward trend in revenues by budgeting conservatively with level or below level allocations. In the sewer business-type activities, the user pays a fee or charge associated with the service in order to offset its costs.

The unemployment rate for the City of Hoover for 2009 was 6.0%, which doubled from 2008's number of 2.9%. However, it is still favorable compared to other government entities within the State of Alabama and nationally.

Overall, the City has experienced a significant downturn, but due to its conservative financial practices both in the past and currently, management expects to weather this current economic slowdown and still remain financially sound. Overall, fiscal year 2009 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.

BASIC FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Statement of Net Assets
September 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 53,567,786	\$ 8,535,078	\$ 62,102,864
Receivables:			
Taxes	5,104,235	-	5,104,235
Accounts	2,467,092	365,766	2,832,858
Due from other governments	114,989	-	114,989
Inventories	93,893	-	93,893
Prepaid items	63,075	-	63,075
Total current assets	<u>61,411,071</u>	<u>8,900,844</u>	<u>70,311,914</u>
Noncurrent assets			
Capital assets			
Depreciable:			
Buildings/improvements to buildings	97,820,065	26,626,760	124,446,825
Storm sewer inventory/drainage improvements	44,735,736	-	44,735,736
Equipment and vehicles	31,539,936	809,446	32,349,382
Improvements o/t buildings	16,398,838	19,037,692	35,436,529
Other infrastructure	6,401,287	23,990,497	30,391,784
Accumulated depreciation	(66,286,020)	(24,846,745)	(91,132,765)
Non-depreciable:			
Land	36,908,766	1,670,000	38,578,766
Streets and bridges	215,231,189	-	215,231,189
Construction in progress - street inventory	4,027,895	-	4,027,895
Construction in progress - other	1,035,327	227,174	1,262,501
Total capital assets, net of depreciation	<u>387,813,019</u>	<u>47,514,823</u>	<u>435,327,843</u>
Other assets	542,704	383,831	926,535
Long-term receivables	260,306	-	260,306
Total noncurrent assets	<u>388,616,029</u>	<u>47,898,654</u>	<u>436,514,684</u>
Total assets	<u>\$ 450,027,100</u>	<u>\$ 56,799,498</u>	<u>\$ 506,826,598</u>
Liabilities			
Current liabilities payable from current assets			
Accounts payable and accrued liabilities	\$ 5,649,237	\$ 86,218	\$ 5,735,455
Interest payable	334,069	197,131	531,199
Unearned revenue	138,632	-	138,632
Refundable deposits	2,190	-	2,190
Internal payable	2,318	(2,318)	-
Current maturities of long-term liabilities:			
Bonds and warrants payable, net	4,891,240	866,754	5,757,993
Compensated absences	4,068,399	7,647	4,076,045
Claims payable opeb	422,895	-	422,895
Claims payable workers compensation	183,097	-	183,097
Claims payable property and casualty	202,515	-	202,515
Total current liabilities	<u>15,894,592</u>	<u>1,155,431</u>	<u>17,050,022</u>
Long-term liabilities			
Bonds and warrants payable, net	82,447,067	29,482,717	111,929,784
Compensated absences	6,273,641	20,664	6,294,305
Claims payable workers compensation	561,821	-	561,821
Claims payable property and casualty	318,353	-	318,353
Total noncurrent liabilities	<u>89,600,882</u>	<u>29,503,381</u>	<u>119,104,264</u>
Total liabilities	<u>105,495,474</u>	<u>30,658,812</u>	<u>136,154,286</u>
Net assets			
Invested in capital assets, net of related debt	300,474,712	20,744,083	321,218,795
Restricted for:			
Capital projects	14,921,949	-	14,921,949
Public safety	1,103,703	-	1,103,703
Municipal court	1,031,372	-	1,031,372
Library	63,400	-	63,400
Recreation services	25,006	-	25,006
Highway and roadway improvements	1,881,409	-	1,881,409
Unrestricted	25,030,075	5,396,604	30,426,678
Total net assets	<u>\$ 344,531,626</u>	<u>\$ 26,140,686</u>	<u>\$ 370,672,312</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, 2009

	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
		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	\$ 12,843,118	\$ 5,220,064	\$ 336,612	\$ -	\$ (7,286,441)	\$ -	\$ (7,286,441)
Public safety	43,857,205	2,608,890	1,187,202	-	(40,061,113)	-	(40,061,113)
Library	6,123,208	334,370	95,796	-	(5,693,041)	-	(5,693,041)
Municipal court	1,617,927	3,554,359	51,276	-	1,987,708	-	1,987,708
Sanitation	5,658,314	7,350	-	-	(5,650,964)	-	(5,650,964)
Education	2,000,000	-	-	-	(2,000,000)	-	(2,000,000)
Highway and roadway improvements	12,148,929	118,153	3,791,543	1,447,809	(6,791,424)	-	(6,791,424)
Recreation services	9,002,873	1,512,610	133,550	-	(7,356,713)	-	(7,356,713)
Health	268,116	-	114	-	(268,002)	-	(268,002)
Interest and fiscal charges	4,282,869	-	-	-	(4,282,869)	-	(4,282,869)
Total governmental activities	97,802,558	13,355,797	5,596,094	1,447,809	(77,402,858)	-	(77,402,858)
Business-type activities							
Sewer services	5,259,834	3,924,511	-	-	-	(1,335,323)	(1,335,323)
Total business-type activities	5,259,834	3,924,511	-	-	-	(1,335,323)	(1,335,323)
Total primary government	\$ 103,062,392	\$ 17,280,308	\$ 5,596,094	\$ 1,447,809	(77,402,858)	(1,335,323)	(78,738,180)
General revenues							
Property tax					10,475,368	-	10,475,368
In lieu of property tax					8,847	-	8,847
Rental tax					644,966	-	644,966
Gross receipts tax					4,364,862	-	4,364,862
Sales and use tax					53,182,053	-	53,182,053
Other municipal tax					2,690,100	-	2,690,100
Franchise tax					845,086	-	845,086
Intergovernmental shared revenues without restrictions					2,998,692	-	2,998,692
Unrestricted investment income					2,218,558	24,335	2,242,893
Other revenue					145,068	-	145,068
Gain (loss) on asset disposals					(85,987)	-	(85,987)
Total general revenues					77,487,614	24,335	77,511,949
Change in net assets					84,756	(1,310,988)	(1,226,232)
Net assets at beginning of year					344,446,870	27,451,674	371,898,544
Net assets at end of year					\$ 344,531,626	\$ 26,140,686	\$ 370,672,312

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

THE CITY OF HOOVER, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2009

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investments	\$ 29,140,396	\$ 16,347,434	\$ 5,225,478	\$ 50,713,307
Receivables				
Taxes	4,131,483	-	972,752	5,104,235
Accounts	1,414,931	-	964,003	2,378,935
Due from other governments	685	-	114,304	114,989
Internal balances	546,808	-	-	546,808
Inventories	93,893	-	-	93,893
Prepaid items	8,663	-	-	8,663
Non-current receivable	260,306	-	-	260,306
	<u>\$ 35,597,166</u>	<u>\$ 16,347,434</u>	<u>\$ 7,276,537</u>	<u>\$ 59,221,137</u>
Total assets				
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 4,264,156	\$ 253,342	\$ 389,725	\$ 4,907,224
Deferred revenue	30,819	-	107,813	138,632
Internal balances	-	-	546,808	546,808
Refundable deposits	2,190	-	-	2,190
	<u>4,297,166</u>	<u>253,342</u>	<u>1,044,346</u>	<u>5,594,854</u>
Total liabilities				
Fund balances				
Reserved for non-current receivable	260,306	-	-	260,306
Reserved for inventory	93,893	-	-	93,893
Reserved for prepaid items	8,663	-	-	8,663
Reserved for capital projects	-	12,794,648	645,175	13,439,823
Unreserved				
General fund	30,937,137	-	-	30,937,137
Capital projects funds	-	3,299,444	-	3,299,444
Special revenue funds	-	-	5,587,016	5,587,016
	<u>31,300,000</u>	<u>16,094,092</u>	<u>6,232,191</u>	<u>53,626,283</u>
Total fund balances				
Total liabilities and fund balances				
	<u>35,597,166</u>	<u>16,347,434</u>	<u>7,276,537</u>	<u>59,221,137</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.				387,813,019
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.				564,036
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.				(97,471,712)
Net assets of governmental activities				\$ 344,531,626

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, 2009

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 72,211,282	\$ -	\$ -	\$ 72,211,282
Licenses and permits	6,229,574	-	-	6,229,574
Intergovernmental	1,351,460	-	4,938,806	6,290,266
Fines and forfeits	2,041,619	-	1,674,426	3,716,045
Investment income	2,219,454	-	2,753	2,222,208
Rents and royalties	815,932	-	-	815,932
Contributions and reimbursements	1,141,824	2,555,571	5,363	3,702,758
Charges for services	1,507,850	-	1,082,454	2,590,304
Other	212,088	-	-	212,088
Total revenues	<u>87,731,082</u>	<u>2,555,571</u>	<u>7,703,803</u>	<u>97,990,456</u>
Expenditures				
Current operations				
General government	11,221,279	363,255	2,989	11,587,522
Public safety	36,183,853	311,744	4,377,888	40,873,486
Library	5,632,612	107,322	14,447	5,754,381
Municipal court	142,705	-	1,430,400	1,573,105
Sanitation	5,658,314	-	-	5,658,314
Education	2,000,000	-	-	2,000,000
Highway and roadway improvements	4,027,046	33,888	2,013,390	6,074,324
Recreation services	6,726,850	468,875	21,824	7,217,549
Health	256,706	-	-	256,706
Total	<u>71,849,364</u>	<u>1,285,084</u>	<u>7,860,938</u>	<u>80,995,387</u>
Capital outlays	463,420	6,856,729	1,778,458	9,098,607
Debt service:				
Principal	5,020,000	-	-	5,020,000
Interest	4,134,583	-	-	4,134,583
Fiscal agent fees	4,900	-	-	4,900
Total expenditures	<u>81,472,267</u>	<u>8,141,813</u>	<u>9,639,397</u>	<u>99,253,477</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,258,816</u>	<u>(5,586,242)</u>	<u>(1,935,594)</u>	<u>(1,263,021)</u>
Other financing sources (uses)				
Transfers in	19,212,170	2,706,509	3,464,532	25,383,211
Transfers out	<u>(25,370,986)</u>	<u>-</u>	<u>(12,225)</u>	<u>(25,383,211)</u>
Total other financing sources (uses)	<u>(6,158,816)</u>	<u>2,706,509</u>	<u>3,452,307</u>	<u>-</u>
Net change in fund balances	100,000	(2,879,734)	1,516,713	(1,263,021)
Fund balances, beginning of year	<u>31,200,000</u>	<u>18,973,825</u>	<u>4,715,478</u>	<u>54,889,303</u>
Fund balances, end of year	<u>\$ 31,300,000</u>	<u>\$ 16,094,092</u>	<u>\$ 6,232,191</u>	<u>\$ 53,626,283</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, 2009

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (1,263,021)

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 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	5,020,000
Amortization of bond issuance costs	(75,684)
Amortization of debt premium on 2004 issue	196,646
Amortization of debt discount on 2003 issue	(6,473)
Amortization of deferred loss 2003 and 2004 issues	(348,120)

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

Capital outlays capitalized	4,274,386
Depreciation	(7,594,773)

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	206,010
Removal of items that are not capital assets	(184,138)

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	(573,677)
Accumulated depreciation of assets disposed	448,664

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

14,561

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	(300,898)
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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.

271,274

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 84,756

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

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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 71,912,449	\$ 72,351,948	\$ 72,211,282	\$ (140,666)
Licenses and permits	5,959,600	6,229,574	6,229,574	0
Intergovernmental	2,244,735	2,324,210	1,351,460	(972,750)
Fines and forfeits	1,650,000	2,024,086	2,041,619	17,533
Investment income	1,902,000	2,219,422	2,219,454	32
Rents and royalties	832,934	815,340	815,932	592
Contributions and reimbursements	1,404,867	1,139,731	1,141,824	2,093
Charges for services	1,470,775	1,506,788	1,507,850	1,062
Other	171,500	211,774	212,088	314
Total revenues	<u>87,548,860</u>	<u>88,822,873</u>	<u>87,731,082</u>	<u>(1,091,791)</u>
Expenditures				
Current operations				
General government	12,689,046	11,251,557	11,221,279	30,278
Public safety	37,333,110	36,209,220	36,183,853	25,367
Library	5,699,547	5,640,099	5,632,612	7,487
Municipal court	175,581	143,290	142,705	585
Sanitation	5,903,481	5,658,462	5,658,314	148
Education	2,000,000	2,000,000	2,000,000	-
Highway and roadway improvements	4,262,281	4,031,536	4,027,046	4,490
Recreation services	7,286,035	6,736,194	6,726,850	9,344
Health	280,277	257,844	256,706	1,138
Total	<u>75,629,358</u>	<u>71,928,202</u>	<u>71,849,364</u>	<u>78,838</u>
Capital outlays	941,701	464,052	463,420	632
Debt service:				
Principal	5,020,000	5,020,000	5,020,000	-
Interest	4,134,584	4,134,584	4,134,583	1
Fiscal agent fees	4,900	4,900	4,900	-
Total expenditures	<u>85,730,543</u>	<u>81,551,738</u>	<u>81,472,267</u>	<u>79,471</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,818,317</u>	<u>7,271,135</u>	<u>6,258,816</u>	<u>(1,012,319)</u>
Other financing sources (uses)				
Transfers in	23,581,080	19,326,176	19,212,170	(114,006)
Transfers out	(25,399,397)	(26,497,311)	(25,370,986)	1,126,325
Total other financing sources (uses)	<u>(1,818,317)</u>	<u>(7,171,135)</u>	<u>(6,158,816)</u>	<u>1,012,319</u>
Net change in fund balances	-	100,000	100,000	-
Fund balances, beginning of year	<u>31,200,000</u>	<u>31,200,000</u>	<u>31,200,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 31,200,000</u>	<u>\$ 31,300,000</u>	<u>\$ 31,300,000</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, 2009

	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	
Assets		
Current assets:		
Pooled cash and investments	\$ 8,535,078	\$ 2,854,479
Prepaid items	-	54,412
Internal balances	-	16,753
Accounts receivable	365,766	88,157
Total current assets	8,900,844	3,013,801
Noncurrent assets:		
Capital assets		
Land	1,670,000	-
Construction in progress	227,174	-
Buildings/improvements to buildings	26,626,760	-
Equipment and vehicles	809,446	-
Improvements o/t buildings	19,037,692	-
Infrastructure improvements	23,990,497	-
Less accumulated depreciation	(24,846,745)	-
Total capital assets (net of accumulated depreciation)	47,514,823	-
Other assets	383,831	-
Total noncurrent assets	47,898,654	-
Total assets	\$ 56,799,498	\$ 3,013,801
Liabilities		
Current liabilities:		
General obligation warrants payable	\$ 866,754	\$ -
Accounts payable	83,618	79,055
Retainage payable	-	-
Accrued salary expense	2,600	662,958
Interest payable	197,131	-
Claims payable	-	808,507
Compensated absences	7,647	-
Internal balances	-	16,753
Total current liabilities	1,157,748	1,567,274
Noncurrent liabilities:		
Compensated absences	20,664	-
Claims payable	-	880,174
General obligation warrants payable	29,482,717	-
Total noncurrent liabilities	29,503,381	880,174
Total liabilities	30,661,130	2,447,448
Net assets		
Investment in capital assets, net of related debt	20,744,083	-
Unrestricted	5,394,286	566,354
Total net assets	\$ 26,138,368	\$ 566,354
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.		
	2,318	
Net assets of business-type activities	\$ 26,140,686	

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, 2009

	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	
Operating revenues		
Charges for services	\$ 3,924,511	\$ 8,061,601
Participant premiums	-	1,072,877
Late fees	-	104
Stop loss reimbursements	-	169,850
Subrogation recoveries	-	59,350
Public assistance reimbursements	-	8,956
Rebates or refunds	-	214,633
Total operating revenue	3,924,511	9,587,370
Operating expenses		
Costs of services	-	8,857,772
Collection fees	166,978	-
Depreciation	1,917,408	-
Management fees	1,017,290	-
Personal services	116,724	-
Repairs and maintenance	179,425	-
Supplies	172,426	-
Telephone	16,769	-
Utilities	504,036	-
Total operating expenses	4,091,056	8,857,772
Operating income (loss)	(166,544)	729,598
Non-operating revenues (expenses)		
Investment earnings	24,335	-
Actuarial adjustment	-	(460,523)
Other revenue	-	1,356
Interest and fiscal charges	(1,167,936)	-
Total non-operating revenues (expenses)	(1,143,601)	(459,167)
Change in net assets	(1,310,146)	270,431
Net assets, beginning of year	27,448,514	295,922
Net assets, end of year	\$ 26,138,368	\$ 566,354
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.	(843)	
Change in net assets of business-type activities	\$ (1,310,988)	

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, 2009

	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	Funds
Cash flows from operating activities		
Cash received from government	\$ -	\$ 8,061,601
Cash received from customers	3,885,121	-
Cash payments to suppliers	(1,984,449)	(8,842,710)
Cash received from stop loss reimbursements	-	81,693
Cash received from subrogation	-	59,350
Cash received from rebates/overpayments	-	214,633
Cash received from public assistance reimbursements	-	1,072,981
Cash received from participants	-	8,956
Cash payments to management companies	(1,017,290)	-
Cash payments to employees	(113,036)	-
Net cash provided (used) by operating activities	770,347	656,503
Cash flows from noncapital financing activities		
Other revenue	-	1,356
Transfer to other funds	-	(16,753)
Transfer from other funds	-	16,753
Net cash provided (used) by noncapital financing activities	-	1,356
Cash flows from capital and related financing activities		
Proceeds from capital debt	-	-
Premium on debt	-	-
Debt issuance cost	-	-
Acquisition and construction of capital assets	(1,691,612)	-
Payments of warrants	(820,000)	-
Cash paid for interest on debt	(1,275,570)	-
Net cash provided (used) by capital and related financing activities	(3,787,182)	-
Cash flows from investing activities		
Interest and dividends received	26,545	-
Net cash provided (used) by investing activities	26,545	-
Net increase (decrease) in pooled cash and investments	(2,990,289)	657,859
Pooled cash and investments, beginning of year	11,525,367	2,196,620
Pooled cash and investments, end of year	\$ 8,535,078	\$ 2,854,479
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ (166,544)	\$ 729,598
Adjustments to reconcile operating income to net cash provided (used) by operating activities		
Depreciation expense	1,917,408	-
(Increase) decrease in accounts receivable	(39,390)	(88,157)
Increase (decrease) in accounts payable and accrued expenses	(944,473)	20,055
Increase (decrease) in compensated absences payable	3,347	(4,993)
Total adjustments	936,891	(73,095)
Net cash provided by operating activities	\$ 770,347	\$ 656,503

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

NOTES TO THE FINANCIAL STATEMENTS

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THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(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, 2009

(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.

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.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(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. For fiscal year 2009, with the implementation of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, we have 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, 2009

(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/department level. Management may not amend or transfer appropriations within the budget at or above the fund/department level without the approval of the City Council. 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, 2009

(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, 2009, most all of the City's depositories are participating in the SAFE program, with a bank balance of \$9,480,420 and a carrying balance of \$8,205,292.

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

As of September 30, 2009, 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	\$ 4,146,466	\$ 4,146,466	\$ -	\$ -	\$ -
Money market accounts	21,109	21,109	-	-	-
Certificates of Deposit	-	-	-	-	-
U.S. Government Agencies:					
Federal Home Loan Bank	2,651,078	502,500	1,000,000	1,148,578	-
Federal National Mortgage Association	23,336,631	6,216,319	15,096,875	2,023,438	-
Federal Home Loan Mortgage Corp	17,244,057	-	9,979,288	7,264,769	-
US Treasury STRIPS	6,040,013	-	-	6,040,013	-
Total U.S. government agencies	<u>49,271,779</u>	<u>6,718,819</u>	<u>26,076,163</u>	<u>16,476,797</u>	<u>-</u>
Grand total all investments	<u>\$ 53,439,355</u>	<u>\$ 10,886,395</u>	<u>\$ 26,076,163</u>	<u>\$ 16,476,797</u>	<u>\$ -</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 committee, through its operation, monitors the maturity structure or average life of the portfolio on a regular basis.

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, 2009

(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 9/24/09 to purchase a Federal National Mortgage Association (FNMA) note, maturity date 5/05/2015, face value \$2,000,000 and fair value \$1,996,875, to purchase a Federal Home Loan Mortgage Corp (FHLMC) fixed note, maturity date 06/30/2014, face value \$2,000,000 and fair value \$2,000,000, and to purchase a Federal Farm Credit Bank (FFCB) fixed note, maturity date 02/25/2013, face value \$500,000 and fair value \$500,000, for a total of \$4,146,466. FNBB agreed to repurchase the investment on 10/1/2009 for \$4,146,608.

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 the lower of weighted average cost or market.

I. Reservation of Fund Balance

Non-current receivables have been reserved because the amount is not expected to mature in the current fiscal year. The City records the non-current receivable as a result of a 1987 agreement in which the cost of certain capital outlays is being recovered through the collection of sewer tap fees. The receivable is guaranteed by a real estate developer (including interest at 7.25%) and is collectible over a period of at least 30 years.

J. 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."

K. 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.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

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

L. 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."

(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

The City elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting of its streets system. The City commissioned a physical condition re-assessment of its streets in October 2009. Using this approach, the City capitalizes the cost of its street system but does not report depreciation expense for those assets. Instead, the City reports 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. These additions or improvements are not expensed but are added to the historical cost of the assets. The City uses an asset management system to provide an up-to-date inventory of its streets and perform condition assessments on the street pavement for all roads at least once every three years, and estimate an annual amount needed to maintain the streets at a specified condition level. The City's asset management system is discussed in Required Supplementary Information, immediately following these notes.

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 \$227,174.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(2) CAPITAL ASSETS (CONTINUED)

	Balance Beginning of Year	Classification Reclasses	Adjusted Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities						
Capital assets not being depreciated						
Land	\$ 35,959,766	\$ -	\$ 35,959,766	\$ 950,000	\$ (1,000)	\$ 36,908,766
Construction in progress	6,418,114	-	6,418,114	635,259	(6,018,047)	1,035,327
Infrastructure:						
Street system inventory	211,548,496	-	211,548,496	206,010	(184,138)	211,570,368
Street system inventory - cip	4,027,895	-	4,027,895	-	-	4,027,895
Bridges inventory	3,660,821	-	3,660,821	-	-	3,660,821
Total capital assets not being depreciated	<u>261,615,093</u>	<u>-</u>	<u>261,615,093</u>	<u>1,791,269</u>	<u>(6,203,185)</u>	<u>257,203,177</u>
Other capital assets						
Buildings/improvements to buildings	90,486,183	-	90,486,183	7,333,883	-	97,820,065
Storm sewer inventory/drainage improvements	44,735,736	-	44,735,736	-	-	44,735,736
Equipment and vehicles	30,902,459	-	30,902,459	1,069,591	(432,113)	31,539,936
Improvements o/t buildings	16,417,900	(20,000)	16,397,900	938	-	16,398,838
Other infrastructure	6,219,089	20,000	6,239,089	301,363	(139,164)	6,401,287
Total other capital assets at historical cost	<u>188,761,366</u>	<u>-</u>	<u>188,761,366</u>	<u>8,705,774</u>	<u>(571,277)</u>	<u>196,895,863</u>
Less accumulated depreciation for						
Buildings and capital facilities	15,335,227	-	15,335,227	511,949	-	15,847,177
Storm sewer inventory/drainage improvements	21,124,168	-	21,124,168	816,642	-	21,940,810
Equipment and vehicles	17,933,831	-	17,933,831	4,295,423	(391,434)	21,837,820
Improvements o/t buildings	3,742,600	-	3,742,600	1,725,795	-	5,468,395
Other infrastructure	1,004,084	-	1,004,084	244,965	(57,230)	1,191,819
Total accumulated depreciation	<u>59,139,910</u>	<u>-</u>	<u>59,139,910</u>	<u>7,594,773</u>	<u>(448,664)</u>	<u>66,286,020</u>
Other capital assets, net	<u>129,621,456</u>	<u>-</u>	<u>129,621,456</u>	<u>1,111,000</u>	<u>(122,614)</u>	<u>130,609,842</u>
Governmental activities capital assets, net	<u>\$ 391,236,548</u>	<u>\$ -</u>	<u>\$ 391,236,548</u>	<u>\$ 2,902,269</u>	<u>\$ (6,325,799)</u>	<u>\$ 387,813,019</u>
Business Type Activities - Sewer Fund						
Capital assets not being depreciated						
Land	\$ 1,670,000	\$ -	\$ 1,670,000	\$ -	\$ -	\$ 1,670,000
Construction in progress	13,987,178	-	13,987,178	227,174	(13,987,178)	227,174
Total capital assets not being depreciated	<u>15,657,177</u>	<u>-</u>	<u>15,657,177</u>	<u>227,174</u>	<u>(13,987,178)</u>	<u>1,897,174</u>
Other capital assets						
Buildings/improvements to buildings	26,626,760	-	26,626,760	-	-	26,626,760
Equipment and vehicles	809,446	-	809,446	-	-	809,446
Improvements o/t buildings	3,721,900	-	3,721,900	15,315,792	-	19,037,692
Infrastructure improvements	23,673,367	-	23,673,367	317,130	-	23,990,497
Total other capital assets at historical cost	<u>54,831,473</u>	<u>-</u>	<u>54,831,473</u>	<u>15,632,922</u>	<u>-</u>	<u>70,464,394</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	9,456,317	-	9,456,317	546,741	-	10,003,058
Equipment and vehicles	621,672	-	621,672	40,039	-	661,711
Improvements o/t buildings	2,193,158	-	2,193,158	767,430	-	2,960,588
Infrastructure improvements	10,658,189	-	10,658,189	563,200	-	11,221,389
Total accumulated depreciation	<u>22,929,337</u>	<u>-</u>	<u>22,929,337</u>	<u>1,917,408</u>	<u>-</u>	<u>24,846,745</u>
Other capital assets, net	<u>31,902,136</u>	<u>-</u>	<u>31,902,136</u>	<u>13,715,513</u>	<u>-</u>	<u>45,617,649</u>
Business-type activities capital assets, net	<u>\$ 47,559,313</u>	<u>\$ -</u>	<u>\$ 47,559,313</u>	<u>\$ 13,942,688</u>	<u>\$ (13,987,178)</u>	<u>\$ 47,514,823</u>

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

Governmental activities:	
General government and administration	\$ 1,471,375
Public safety	2,825,094
Library	331,196
Municipal court	25,911
Highway and roadway improvements	1,178,259
Recreational services	1,757,677
Health	5,262
Total depreciation expense - Governmental activities	<u>\$ 7,594,773</u>
Business-type activities:	
Sewer services	\$ 1,917,408
Total depreciation expense - Business-type activities	<u>\$ 1,917,408</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, 2009

(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, 2009, bonds payable consisted of the following individual issues:

	<u>Governmental</u>	<u>Business-type</u>
\$12,400,000 general obligation warrants dated May 1, 1999; due \$525,000 to \$2,800,000 annually beginning September 1, 1999; interest at 3.20% to 4.45% due semiannually commencing September 1, 1999	\$ 2,800,000	\$ -
\$78,330,000 general obligation warrants dated January 1, 2003; due \$2,865,000 to \$8,840,000 annually beginning March 1, 2003; interest at 2.00% to 4.80% due semiannually commencing March 1, 2003	58,705,000	-
\$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	27,915,000	-
\$8,505,000 series 1999 general obligation sewer warrant; due \$300,000 to \$580,000 annually beginning February 15, 2001; interest at 2.00% due semiannually commencing February 15, 2001	-	5,400,000
\$9,565,000 series 2000 general obligation sewer warrant; due \$325,000 to \$675,000 annually beginning February 15, 2002; interest at 2.00% due semiannually commencing August 15, 2001	-	6,595,000
\$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
Total Bonds Payable	<u>\$ 89,420,000</u>	<u>\$ 29,995,000</u>
Less deferred amounts:		
For issue discounts (2003)	(55,778)	-
For issue premiums (2004)	988,152	-
For issue premiums (2007)	-	354,471
For deferred loss on refunding (2003)	(728,156)	-
For deferred loss on refunding (2004)	<u>(2,285,911)</u>	<u>-</u>
Total Bonds Payable, net	<u>\$ 87,338,307</u>	<u>\$ 30,349,471</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(3) LONG-TERM DEBT (CONTINUED):

Changes in Long-term Liabilities

	Balance October 1, 2008	Additions	Reductions	Balance September 30, 2009	Due within one year
Governmental activities					
Bonds payable	\$ 94,440,000	\$ -	\$ (5,020,000)	\$ 89,420,000	\$ 5,050,000
Less deferred amounts:					
For issue discounts (2003)	(62,251)	-	6,473	(55,778)	(6,271)
For issue premiums (2004)	1,184,798	-	(196,646)	988,152	195,630
For deferred loss on refunding (2003)	(799,196)	-	71,040	(728,156)	(71,040)
For deferred loss on refunding (2004)	(2,562,991)	-	277,080	(2,285,911)	(277,080)
Bonds and warrants payable, net	92,200,360	-	(4,862,053)	87,338,307	4,891,240
Internal service funds					
Claims payable - other post employment benefits	\$ -	\$ 422,895	\$ -	422,895	422,895
Claims payable - workers compensation	464,872	745,051	(465,005)	744,918	183,097
Claims payable - property & casualty	763,286	528,442	(770,860)	520,868	202,515
Total claims payable	1,228,158	1,696,389	(1,235,866)	1,688,681	808,507
Compensated absences	10,041,143	4,175,563	(3,874,666)	10,342,040	4,068,399
Total governmental activities	\$ 103,469,661	\$ 5,871,952	\$ (9,972,584)	\$ 99,369,028	\$ 9,768,146
Business-type activities - sewer					
Bonds payable	\$ 30,815,000	\$ -	\$ (820,000)	\$ 29,995,000	\$ 850,000
For issue premiums (2007)	371,225	-	(16,754)	354,471	16,754
Bonds and warrants payable, net	31,186,225	-	(836,754)	30,349,471	866,754
Compensated absences	24,964	10,629	(7,282)	28,311	7,647
Total proprietary fund types	\$ 31,211,189	\$ 10,629	\$ (844,036)	\$ 30,377,781	\$ 874,400

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

Due within one year includes above FY 2009 reduction amount plus increase of 5% 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, 2009

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2009 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2010	5,050,000	3,971,986	850,000	1,289,599	11,161,585
2011	5,305,000	3,719,481	885,000	1,257,661	11,167,142
2012	5,525,000	3,500,853	915,000	1,224,525	11,165,378
2013	5,760,000	3,259,350	950,000	1,190,190	11,159,540
2014	6,015,000	3,003,835	985,000	1,154,560	11,158,395
2015	6,285,000	2,740,070	1,025,000	1,117,548	11,167,618
2016	6,565,000	2,457,595	1,060,000	1,079,153	11,161,748
2017	8,595,000	2,089,228	1,100,000	1,039,375	12,823,603
2018	7,330,000	1,716,220	1,140,000	998,119	11,184,339
2019	7,670,000	1,378,720	1,185,000	955,288	11,189,008
2020	8,045,000	1,005,020	1,225,000	910,890	11,185,910
2021	8,435,000	614,108	745,000	873,860	10,667,968
2022	8,840,000	212,160	775,000	843,412	10,670,572
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>\$ 89,420,000</u>	<u>\$ 29,668,624</u>	<u>\$ 29,995,000</u>	<u>\$ 21,061,235</u>	<u>\$ 170,144,859</u>

On December 22, 2004, the City issued \$31,099,793 (includes bond proceeds and original issue premium) of General Obligation Warrants, all of which were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments through 2017 of the 1995 Aldridge warrant (\$1,700,000 principal) and the Series 2000A (\$25,485,000 principal) warrant issues. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This advanced refunding undertaken decreased total debt service payments over the next 20 years by a cash benefit of approximately \$1,885,809 and obtained an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$1,424,085. As of September 30, 2009 the Aldridge warrant has been paid off with the Series 2000A warrant still outstanding in the amount of \$25,485,000.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(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, 2006 through December 31, 2010. 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, 2009 was \$252,752.

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

Cost of Leased Asset	Carrying Value	Depreciation thru 9/30/09
\$ 17,947,287	\$ 13,615,949	\$ 4,331,339

(5) INTERNAL BALANCES:

Internal Balances represent short-term loans to help supplement various funds. At September 30, 2009, the outstanding internal balances were as follows:

Fund	Internal Balances Due To	Internal Balances Due From
General Fund	\$ 546,808	\$ -
Internal Service Funds	16,753	16,753
Non-Major Govt Funds	-	546,808
Total	\$ 563,562	\$ 563,562

(6) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2009 were as follows:

(Transfers out)	Transfers in			Total
	General Fund	Capital Projects Fund	Non-Major Governmental Fund	
General Fund	\$ (6,171,040)	\$ 2,706,509	\$ 3,464,532	\$ -
Non-Major Govt Funds	12,225	-	(12,225)	-
Total	\$ (6,158,816)	\$ 2,706,509	\$ 3,452,307	\$ -

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 2009 were as follows: \$1,337,361 - E911 fund, \$1,863,363 - Court and Corrections fund, \$263,807 - General Grants fund, \$2,706,509 - Capital Projects fund, which totaled \$6,171,040 in transfers from the general fund. Also, \$12,225 was transferred from Other Governmental funds, specifically the General Grants fund, to the General Fund to close out a project.

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, 2009

(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 2009, 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 11.27% (fiscal year 2010) of annual covered payroll. This rate increased over the 9.69% rate in effect for fiscal year 2009. 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 2008, the City's annual pension cost of \$3,573,275 for the System was equal to the City's required and actual contributions. The required contribution was determined as part of the September 30, 2008 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, 2008 was 20 years.

Three-Year Trend Information for the System

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
9/30/2006	3,021,855	100.00%	-
9/30/2007	3,176,035	100.00%	-
9/30/2008	3,573,275	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]
9/30/2003	55,363,633	71,649,694	16,286,061	77.3%	29,127,884	55.9%
9/30/2004	61,208,949	76,764,919	15,555,970	79.7%	30,979,612	50.2%
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%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(8) POST-EMPLOYMENT BENEFITS

Plan Description. In April 2000, the City of Hoover began providing post retirement health and dental care benefits for certain retirees and their dependents. The benefits vary depending on the age and years of service of the retiree. Certain eligibility requirements must be met by the retiree, including a minimum of ten years of full-time service with the City and being at least 45 years of age. Eligibility is lost when the retiree becomes eligible for Medicare benefits or becomes eligible for coverage under another plan (whether applied for or not).

The plan provides a benefit (applied toward the cost of the retiree's insurance premium, which is the same as the regular health and dental premium) of up to \$15 per month for each year of full-time service with the City. Benefits under the plan are limited to a maximum of \$1,000 for each year of service with the City. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

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

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 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. In fiscal year 2009, the City of Hoover's portion of health care funding cost for retired employees totaled \$143,320.

Effective for fiscal year 2009, 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 City participates in the Deferred Retirement Option Plan (D.R.O.P.). For the GASB 45 implementation, in order to determine the earliest retirement eligibility, an assumption of D.R.O.P. entry was made as follows: age 55 and 25 years of service; or, age 60 and 10 years of service without a D.R.O.P. entry.

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, closed 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 2009 is \$566,215, as set forth below:

		Medical
Normal Cost	\$	262,462
30-year UAL amortization amount		303,753
Annual required contribution (ARC)	\$	566,215

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(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, 2009:

	Medical
Beginning Net OPEB Obligation (Asset) 10/1/2008	\$0
Annual required contribution	+566,215
Interest on Net OPEB Obligation (Asset)	-0
ARC Adjustment	+0
OPEB Cost	<u>566,215</u>
Contribution	0
Current year retiree premium	<u>-143,320</u>
Change in Net OPEB Obligation	+422,895
Ending Net OPEB Obligation (Asset) 9/30/2009	\$422,895

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, 2009	\$566,215	34.58%	\$422,895

Funded Status and Funding Progress. In the fiscal year ending September 30, 2009, 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 October 1, 2008, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$5,252,509, which is defined as that portion, as determined by a particular actuarial cost method (the City of Hoover uses the 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 2008, the entire actuarial accrued liability of \$5,252,509 was unfunded.

	Medical
Actuarial Accrued Liability (AAL)	\$ 5,252,509
Actuarial Value of Plan Assets	0
Unfunded Act. Accrued Liability (UAAL)	<u>5,252,509</u>
Funded Ratio (Act. Val. Assets/AAL)	0%
Covered Payroll (active plan members)	36,389,848
UAAL as a percentage of covered payroll	14.43%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(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 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 this is the first actuarial valuation, 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 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 5.5%. The rates for each age are below:

Age	Percent Turnover
18 - 25	12.0%
26 - 40	6.0%
41 - 55+	5.0%

Based on past experience, it has further been assumed that 40% 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 as set forth in the foregoing section entitled "Plan Description". The D.R.O.P. period is limited to between three and five years. The six year delay is what is estimated to be the average length of time before initial eligibility and actual cessation of employment (3 years D.R.O.P. plus 3 more years, or a similar combination of 3 or more years in D.R.O.P. plus 1 to 3 additional years). Medical and dental benefits are provided to employees upon actual retirement. The earliest retirement eligibility (D.R.O.P. entry) provisions are as follows: age 55 and 25 years of service; or, age 60 and 10 years of service outside of D.R.O.P. entry.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

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 (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

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 the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

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 of 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.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(9) 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 \$3,804,813 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. 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 liability for claims and judgments is not expected to be liquidated with current financial resources.

Changes in the balances of claims liabilities during fiscal 2008 and 2009 are as follows:

	2008	2009
Workers compensation		
Unpaid claims, beginning	\$ 728,018	\$ 464,872
Incurred claims, (including IBNRs)	17,824	745,051
Claim Payments	(280,970)	(465,005)
Unpaid claims, ending	\$ 464,872	\$ 744,918
Property and casualty		
Unpaid claims, beginning	\$ 1,154,507	\$ 763,286
Incurred claims, (including IBNRs)	237,406	528,442
Claim Payments	(628,627)	(770,860)
Unpaid claims, ending	\$ 763,286	\$ 520,868

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, 2009, the City has executed contracts related to construction projects for all governmental fund types in the amount of \$50,686,709. Of this amount, \$11,344,498 has been incurred to date creating a total remaining commitment of \$39,342,211. The City is responsible for funding \$14,057,323 of this commitment with the remaining \$25,284,888 to be funded by other governmental units.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(9) OTHER INFORMATION (CONTINUED):

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.

(10) 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	\$ 89,420,000
Less: Deferred charge on refundings - 2003 and 2004 (to be amortized as interest expense)	(3,014,068)
Less: Deferred charge for issuance costs - 2003 and 2004 (to be amortized over life of debt)	(542,704)
Less: Issuance discount- 2003 issue (to be amortized as interest expense)	(55,778)
Issuance premium - 2004 issue	988,152
Accrued interest payable	334,069
Compensated absences	10,342,040
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u><u>\$ 97,471,712</u></u>

(11) RESTRICTED NET ASSETS

A. Explanation for restrictions on net assets

In the Statement of Net Assets, net assets are restricted for capital projects and for enabling legislation. The former are restricted due to ongoing construction projects or capital items that have begun or been encumbered but not completed, as well as the Alabama Trust Fund special revenue fund. The latter is as a result of 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:	
Capital projects	\$ 14,921,949
Public safety	1,103,703
Municipal court	1,031,372
Library	63,400
Recreation services	25,006
Highway and roadway improvements	1,881,409
Total restricted net assets	\$ 19,026,839

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2009

(12) SUBSEQUENT EVENTS

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.

(13) NEW PRONOUNCEMENTS

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. GASB 51 requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. This includes items such as easements, water rights, timber rights, patents, trademarks, and computer software. GASB 51 is effective for the City's fiscal year ending September 30, 2010, and its effect on the City's basic financial statements has not yet been determined.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB 53 enhances the usefulness and comparability of derivative instrument information reported by state and local governments. This Statement provides a comprehensive framework for the measurement, recognition, and disclosure of derivative instrument transactions. GASB 53 is effective for the City's fiscal year ending September 30, 2010, and its adoption is not expected to have a material effect on the City's basic financial statements.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This Statement establishes fund balance classifications that comprise hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB 54 is effective for the City's fiscal year ending September 30, 2011, and its adoption is not expected to have a material effect on the City's basic financial statements.

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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THE CITY OF HOOVER, ALABAMA
Modified Approach for Infrastructure Assets
Assessed Condition - Streets
For the Fiscal Year Ending September 30, 2009

		Streets		Streets	
		2008		2009	
	Quality Rating Standards	Length (in feet)	%	Length (in feet)	%
Excellent	5	303,442	19.64%	373,108	24.14%
Good	4	880,919	57.01%	879,078	56.88%
Fair	3	244,531	15.82%	238,975	15.46%
Poor	2	92,820	6.01%	30,750	1.99%
Unsatisfactory	1	737	0.05%	737	0.05%
Under Construction	UC	22,885	1.48%	22,885	1.48%
Total*		<u>1,545,332</u>	<u>100.00%</u>	<u>1,545,533</u>	<u>100.00%</u>

		Streets		Streets	
		2008		2009	
	Quality Rating Standards	Value	%	Value	%
Excellent	5	\$ 49,249,227	22.85%	\$ 58,400,860	27.09%
Good	4	117,881,788	54.68%	117,645,549	54.57%
Fair	3	31,510,781	14.62%	30,797,914	14.28%
Poor	2	12,812,157	5.94%	4,631,502	2.15%
Unsatisfactory	1	94,543	0.04%	94,543	0.04%
Under Construction	UC	4,027,895	1.87%	4,027,895	1.87%
Total		<u>\$ 215,576,391</u>	<u>100.00%</u>	<u>\$ 215,598,262</u>	<u>100.00%</u>

		Streets		Streets	
		2008		2009	
	Quality Rating Standards	Length (in miles)	%	Length (in miles)	%
Excellent	5	57.47	19.64%	70.66	24.14%
Good	4	166.84	57.01%	166.49	56.88%
Fair	3	46.31	15.82%	45.26	15.46%
Poor	2	17.58	6.01%	5.82	1.99%
Unsatisfactory	1	0.14	0.05%	0.14	0.05%
Under Construction	UC	4.33	1.48%	4.33	1.48%
Total*		<u>292.68</u>	<u>100.00%</u>	<u>292.71</u>	<u>100.00%</u>

THE CITY OF HOOVER, ALABAMA
Modified Approach for Infrastructure Assets
Preservation of Condition Level Estimate - Streets
Comparison for the Last Five Fiscal Years

Current Estimated Amount to Preserve Condition Level for Streets - Based on Bid

Description of Work	FY 2010
Manholes	\$ 8,750.00
Milling	236,185
Seal	429,858
Striping	11,438
Raised pavement markers	2,772
Markings and legends	12,000
Tack	27,438
Traffic signal loops	6,300
CPI adjustment (from bid prices)	<u>206,682</u>
Total	<u><u>\$ 941,423</u></u>

Note: Roadway total - 4.57 miles

Actual Expenditures - Roadway Maintenance & Repair - Last Five Fiscal Years

Fund Description	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
7 Cent Gas Tax Fund	\$ 326,303	\$ 596,708	\$ 473,454	\$ 887,808	\$ 883,727
4 & 5 Cent Gas Tax Fund	<u>398,599</u>	<u>350,984</u>	<u>210,595</u>	<u>999,996</u>	<u>1,100,599</u>
Total	<u><u>\$ 724,901</u></u>	<u><u>\$ 947,692</u></u>	<u><u>\$ 684,049</u></u>	<u><u>\$ 1,887,805</u></u>	<u><u>\$ 1,984,326</u></u>

Estimated Expenditures - Roadway Maintenance & Repair - Last Five Fiscal Years

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year ¹ 2008	Fiscal Year ¹ 2009
Total	<u><u>\$ 1,416,907</u></u>	<u><u>\$ 640,448</u></u>	<u><u>\$ 1,297,713</u></u>	<u><u>\$ 3,150,169</u></u>	<u><u>\$ 2,852,085</u></u>

¹ Estimated expenditures are based on actual bid prices compared to previous years where the estimate was from the consultant.

THE CITY OF HOOVER, ALABAMA
Modified Approach for Infrastructure Assets
Assessed Condition - Bridges
For the Fiscal Year Ending September 30, 2009

BIN #	Description	Structure Length	Deck Width	Barrel Length*	Overall Rating 2008	Square Footage	Estimated Value with Deflator	Estimated Age at Time Added to Capital Assets	Fiscal Year Added
1	020158 ROSS BRIDGE @ RAILROAD	139.6	51.7		8.0	7,217	\$ 700,000	3	2008
2	019892 ROSS BRIDGE @ SHADES CREEK	455.1	51.7		8.0	23,529	1,800,000	0	2006
3	019453 DOUG BAKER BLVD	31.0		88.0	8.0	2,728	200,000	0	2006
4	008425 PATTON CREEK @ CREEKVIEW DR	68.0	29.0		6.2	1,972	112,682	25	2003
5	008426 PATTON CREEK @ KESTWICK DR	102.0	29.2		6.0	3,060	174,851	25	2003
6	006694 PATTON CREEK @ SOUTHLAND DR	102.0	30.9		6.2	3,432	196,107	25	2003
7	010601 LOCKHAVEN RD	103.0	31.0		7.0	3,399	194,221	25	2003
8	017655 RIVERCHASE PKWY W	48.0	33.4		6.6	1,603	95,996	15	2003
9	008429 STARLAKE/DEO DARA DR	25.0		28.8	5.0	720	42,856	25	2003
10	017656 SOUTHLAKE PKWY	97.0		25.6	5.0	2,483	144,109	10	2003
TOTAL/AVERAGE		<u>1170.7</u>	<u>256.9</u>	<u>142.4</u>	<u>6.6</u>	<u>50,143</u>	<u>\$ 3,660,821</u>	<u>15</u>	

* These bridges are culvert bridges

NOTE: Since bridges were added as a network under the modified approach, no bridge has fallen below the acceptable preservation level (5 rating). Thus, no estimate for maintaining expenditures is given and likewise, no funds have been expended.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2009

STREETS AND BRIDGES

The City of Hoover adopted the modified approach in accounting for its road and bridge infrastructure assets, as part of the infrastructure network. This approach is allowable by the Governmental Accounting Standards Board (GASB) if the following three conditions are met by the City:

1. Maintains an up-to-date inventory of eligible infrastructure assets;
2. Assesses the condition of its infrastructure assets in a replicable manner and summarizes the results; this assessment must be consistent and applied to the entire inventory every three years, but may be provided on a cyclical basis;
3. Estimates annually the amount needed to preserve the infrastructure assets at or above the minimum acceptable threshold established by the City and provides appropriate documentation to verify such.

For the fiscal year ended 2009, the City inventoried and valued a portion of its streets under the modified approach. By using the modified approach, the City will not depreciate expense associated with such assets. In addition, the City will not capitalize any amounts associated with improving the useful life of the assets, unless the improvements also expand the breadth of the asset (i.e. additional road lanes). The following discusses how the City intends to comply with the above criteria for these two facets of our infrastructure network.

A. Streets

1. In order to fulfill the above GASB standards, the City has provided a mechanism to ensure that its infrastructure inventory database is properly maintained. The City identified four situations throughout the year that could arise and cause a need to update the inventory database in order to keep it properly maintained.
 - i. Complete condition assessment every three years:
 1. Year 1 (FY 2008) assess all roads with a rating of 3 and under (approximately 21.83% condition assessment)
 2. Year 2 (FY 2009) assess all roads with a rating of 3 and under (approximately 21.83% condition assessment)
 3. Year 3 (FY 2010) assess all roads with a rating of 5 and under (100% condition assessment)

Since level 3 is the established minimum acceptable condition level, every year these will be formally reevaluated. Because 4 and 5 condition levels will be assessed formally every three years, and the long life of a road, it was felt that Year 1 and Year 2 would only address level 3 in order to ensure those that might drop to 2 or 1 would be identified and elevated to a higher status.

- ii. City/county road work, including paving and milling:
 1. At the time city maintenance work is completed, the road will be re-rated and properly updated in the database with a corresponding rating and year field.

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2009

iii. Addition/acceptance of new public roads built by entity other than City:

1. When a new road or street is within the city limits and is opened for use by the public, the road or street will be added to our existing inventory when it is included in the appropriate county database and available on our GIS (geographic information system). A UC (under construction) rating should be given, when the street is opened before the final seal coat is finished (see below).
2. When the seal coat bond has been released, the rating of the road should be updated from UC (under construction) to 5. This change may occur once every three years since only 3 and lower ratings are evaluated each year.
3. The City will seek to obtain the true historical cost of any roads turned over from a developer.

iv. Addition of new public roads built by the City of Hoover:

1. Some new roads or additions will be funded directly by the City. These roads will be taken into account when they are included in the appropriate county's database and available on our GIS.
2. To avoid duplication, those roads that the City pays for and that run through as a city expense will be removed from the capital asset list and added to the road inventory at the appropriate time in the appropriate classification (ex. Construction in progress, etc.). This will ensure that the modified approach is applied to all roads and thus that they will not be depreciated like other assets.

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2009

2. In order to comply with the above GASB standards, the City had to assess the condition of its infrastructure assets in a replicable manner and summarize the results, which include the processes for valuing the inventory as follows.

If any distresses are located along the plane of a linear segment, that plane is considered to be entirely distressed. Therefore, the percentages reflect the evaluation of the linear segment and not the segment's overall area. For example, if 60' of a 100' segment contains any of the distresses mentioned below, the segment is considered to be 60% distressed and would receive a rating of 2.

Rating 5 – Excellent

No visible deterioration.

Rating 4 – Good

Overall rating is based on 2% to 25% of the roadway consisting of but not limited to the following distresses: transverse cracking, longitudinal cracking, alligator cracking, edge raveling, and minor pothole presence.

Rating 3 – Fair

Overall rating is based on 25% to 50% of the roadway consisting of but not limited to the following distresses: transverse cracking, longitudinal cracking, alligator cracking, block cracking, slippage cracking, stone polishing, edge raveling, and minor pothole.

Rating 2 – Poor

Overall rating is based on 50% to 75% of the roadway consisting of but not limited to the following distresses: transverse cracking, longitudinal cracking, alligator cracking, block cracking, slippage cracking, stone polishing, edge raveling, and minor pothole. Rideability is slightly affected.

Rating 1 – Unsatisfactory

Distresses are to the point that the roadway requires immediate repair. Rideability is significantly affected. Speed must be reduced in order to safely maneuver.

For fiscal year 2009, Kellogg Brown & Root Services, Inc. was hired to complete the total re-assessment by applying the standards above.

In fiscal year 2003, the original roadways that were placed on the capital assets list were valued as discussed in the following detail.

Each street segment within the Hoover area was determined to be either inside the city limits or outside the city limits. Those street segments within the city limits were then categorized by who maintains the street in one of the following ways:

City – Road is maintained by the City of Hoover

County – Road is maintained by the County

State – Road is maintained by the State

Private – In a gated community that is maintained by that community

Other – Usually apartment complexes or shopping centers

N/A – Usually alleys, driveways, unknown or non-existing roadways

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2009

If a street segment was classified as City or County, it was subsequently rated according to the Roadway Quality Ratings Standards described above. PLEASE NOTE: For accounting purposes, only City and County maintained value segments within the City were added originally. Thus, because Private roads are not officially considered the City's, their value has not been added. Since the original addition of these roadways to capital assets, the City has determined that county maintained roadways should not be included. As a result, in fiscal year 2008, all county maintained roadways were removed through a prior period adjustment.

In order to estimate a value for each segment within the City that fell into City or County maintained, several steps occurred. First, a depreciation factor was calculated based on the average age of Hoover streets at the time of the initial inventory, December 2003. Because only City and County maintained roads were valued, the ages of these categories were averaged. To obtain the age, the City was divided into 11 different areas and an average age was applied to each area as follows:

<u>Area</u>	<u>Years</u>
Area 1	5
Area 2	10
Area 3	15
Area 4	25
Area 5	10
Area 6	5
Area 7	9
Area 8	2
Area 9	8
Area 10	25
Area 11	1

The equation for determining the average age of Hoover's streets was:

$$\sum [(Total\ Length\ of\ Roads)_{Area} * (Average\ age)_{Area}] / (Total\ Length\ of\ Roads)_{All\ Areas} = Average\ Age\ of\ Hoover\ Streets$$

Thus, the total lengths of each area were multiplied by the designated average age for the area and divided by total lengths of all areas within the city and county maintained roadways. After completing this calculation, the following results occurred:

$$\sum [(Total\ Length\ of\ Roads)_{Area} * (Average\ age)_{Area}] = 5219.5$$

$$(Total\ Length\ of\ Roads)_{All\ Areas} = 307.3$$

$$5219.5 / 307.3 = 16.985\ or\ \underline{17\ years}$$

By utilizing the Construction Cost Index provided by Engineering News Record, a depreciation factor for the age was calculated. It was determined that the average age calculation of the street assets within the City of Hoover was 17 years. Going back 17 years from 2003, the average construction cost was \$4,295. For 2003, the annual average construction cost was \$6,694. Therefore, the depreciation factor was calculated as follows:

$$(4295/6694) * 100\% = 64.16\%$$

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2009

With the depreciation factor established, the estimated value of Hoover streets was determined. The equation for this was as follows:

$$\sum [(\text{Length})_{ft} * (\# \text{ of Lanes}) * (\text{Replacement Cost per Foot per Lane})] * \text{Depreciation Factor} = \text{Total Value}$$

In this equation, the mileage taken from the inventory was converted to feet and the length of the road was multiplied by the number of lanes to account for multi-laned roadways. The average replacement cost used for the roadways was \$100/foot.

Based on this formula, the total estimated value for Hoover streets was \$219,289,072. This value was added to our capital assets in fiscal year 2003.

1. In order to comply with GASB standards for the modified approach, the City must annually estimate the amount needed to preserve the roadways at or above the minimum acceptable threshold, which is a Rating of 3 or higher.

To estimate a value on elevating ratings of 1 and 2, a list was created of such ratings and submitted to the Public Works Department, which is responsible for paving and maintaining city roads. Funds for such improvements are provided via the Jefferson County Road Tax fund, the 4 & 5 cent gas tax fund and the 7 cent gas tax fund, which are all special revenue funds.

The total length of roads that required rehabilitation was approximately **5.96 miles**. However, beginning with fiscal year 2009's evaluation, implemented in fiscal year 2010, a designation has been made between those roads that need minor repairs (patchwork) versus those that need a total re-paving. Thus, only **4.57 miles** needs to be re-paved. The City will prioritize their paving and maintenance of roads based on this list and will address them in fiscal year 2010.

The estimated cost to raise the ratings of 1 and 2 is approximately **\$941,423**.

For informational purposes, the table below illustrates how much the City has expended on roadway maintenance and repair for the last five fiscal years:

Actual Expenditures - Roadway Maintenance & Repair - Last Five Fiscal Years

Fund Description	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
7 Cent Gas Tax Fund	\$ 326,303	\$ 596,708	\$ 473,454	\$ 887,808	\$ 883,727
4 & 5 Cent Gas Tax Fund	<u>398,599</u>	<u>350,984</u>	<u>210,595</u>	<u>999,996</u>	<u>1,100,599</u>
Total	<u>\$ 724,901</u>	<u>\$ 947,692</u>	<u>\$ 684,049</u>	<u>\$ 1,887,805</u>	<u>\$ 1,984,326</u>

For informational purposes, the table below illustrates how much the City has estimated on roadway maintenance and repair for the last five fiscal years:

Estimated Expenditures - Roadway Maintenance & Repair - Last Five Fiscal Years

Fund Description	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009
Total	<u>\$ 1,416,907</u>	<u>\$ 640,448</u>	<u>\$ 1,297,713</u>	<u>\$ 3,150,169</u>	<u>\$ 2,852,085</u>

Estimated expenditures are based on actual bid prices compared to previous years where the estimate was from the consultant.

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2009

In sum, the City will seek to continually improve the processes for maintaining an adequate inventory and sustaining the minimum threshold for the quality of its roads. The mechanisms discussed above are a beginning to a dynamic accounting approach that will see new innovative techniques to enhance its accuracy, effectiveness, and efficiency.

B. Bridges

1. In order to fulfill the above GASB standards, the City needs to provide a mechanism to ensure that our infrastructure inventory database is properly maintained.
2. Every two years the State of Alabama conducts inspections for our bridges. Thus, all of the bridges were inspected in 2008. As a result, the ratings are from the 2008 inspection.

These inspections cover a number of areas including the bridge's deck, superstructure, substructure, and culverts, if applicable. Each area is broken out into different categories, with a rating from 1-10, with 10 being the highest rating. These rates are then combined into an overall rating for each area. The different areas and their subsequent categories are as follows:

i. Deck

1. Wearing surface
2. Deck-Structural
3. Curbs
4. Median
5. Sidewalks
6. Railing
7. Paint
8. Drains
9. Lighting standards
10. Utilities
11. Joint leakage
12. Expansion joints/devices
13. Collision damage

ii. Superstructure

1. Bearing devices
2. Stringers, girders, beams and deck slabs
3. Floor beams
4. Diaphragms and cross frames
5. Trusses
6. Paint
7. Machinery (movable spans)
8. Rivets or bolts
9. Welds-cracking
10. Collision damage
11. Deflection under load
12. Alignment of members
13. Vibration under load

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2009

iii. Substructure

1. Abutments
2. Piers or bents
3. Debris on seats
4. Paint
5. Collision damage

iv. Culverts

1. Barrel
2. Headwall
3. Intermediate wall
4. Adequacy
5. Debris
6. Erosion/scour
7. Settlement

To determine the value of the bridges, the overall rate for each of the bridges and the applicable areas was combined into one combined GASB34 rate as follows:

$$\text{GASB34 rate} = 20\% (\text{Deck rate}) + 40\% (\text{Superstructure Rate}) + 40\% (\text{Substructure rate})$$

This equation does not apply to culvert bridges, which are three out of the ten bridges. Instead, for culvert bridges, the rating is based on the overall rating of the culvert category.

In fiscal year 2003, when bridges were added to capital assets, the City only had seven bridges. In fiscal year 2006, we added two bridges and in fiscal year 2008, we added one bridge, for a total of ten bridges. The description below provides detail on how the original seven bridges' estimated values were calculated.

The equation for determining the average age of Hoover's bridges was:

$$\frac{\sum [(\text{Avg Age})_{\text{Area}}]}{(\text{Total Number of Bridges})} = \text{Average Age of Hoover Bridges}$$

Thus, with 150 total estimated years and 7 bridges, the average age of Hoover Bridges = **21 years**.

By utilizing the Construction Cost Index provided by Engineering News Record, a depreciation factor for the age was calculated. It was determined that the average age calculation of the bridge assets within the City of Hoover was 21 years. Going back 21 years from 2003, the average construction cost was \$3,825. For 2003, the annual average construction cost was \$6,694. Therefore, the depreciation factor was calculated as follows:

$$(3,825/6,694) * 100\% = 57.14072304\%$$

With the depreciation factor established, the estimated value of Hoover bridges could be determined. The equation for this is as follows:

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2009

$$\Sigma [(\text{Square Footage of Deck})_{\text{All Bridges}} * (\text{Replacement Cost per Foot})] * \text{Depreciation Factor} = \text{Total Value}$$

In this equation, the total square footage of deck for all bridges was 16,815. The average replacement cost used for the bridges was \$100/foot.

Thus, $16,815 * \$100 * 57.14072304\% = \$960,821.26$

Based on this formula, the total estimated value for Hoover bridges in 2003 = **\$960,821.26.**

3. In order to comply with GASB standards with the modified approach, the City must estimate the amount needed to preserve the bridges at or above the minimum acceptable threshold, which is a Rating 5.

Currently, no bridges have an insufficient overall rating and therefore all nine bridges are in satisfactory condition as a whole. However, it is possible that certain characteristics within the categories rated could have a 4 or lower rating, but as a whole be satisfactory. As these deficient characteristics are identified, they will be monitored by the Engineering Department for future repair and maintenance.

In sum, the City will seek to continually improve the processes for maintaining an adequate inventory and sustaining the minimum threshold for the quality of its bridges. Because the bridge inventory only consists of ten items, the monitoring process will be minimized. The City will rely greatly upon the State of Alabama to utilize its rating system and processes to ensure an accurate database and rating update.

C. Conclusion

Finally, this document is intended to be a fluid document that takes into account changes necessary to comply with not only GASB Statement 34, but also any other recommendations and requirements that further valuing and tracking infrastructure. Because this is a new undertaking, the City has had to periodically change this document to account for those things that might not have been considered in the beginning. As a result, the City will seek to continually improve on its infrastructure policy and provide written guidance to facilitate changes.

COMBINING FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2009

	Special Revenue								
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	CDBG	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice
Assets									
Pooled cash and investments	\$ -	\$ 667,083	\$ 723,256	\$ 336,161	\$ -	\$ -	\$ 1,498,719	\$ 174,409	\$ 694,617
Receivables									
Taxes	-	-	-	-	972,752	-	-	-	-
Accounts	92,618	28,600	-	-	-	1,374	-	-	-
Due from other governments	-	-	70,108	44,195	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	\$ 92,618	\$ 695,683	\$ 793,364	\$ 380,357	\$ 972,752	\$ 1,374	\$ 1,498,719	\$ 174,409	\$ 694,617
Liabilities and fund balances									
Accounts payable and accrued liabilities	\$ 46,091	\$ -	\$ -	\$ 389	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-	107,813	-
Internal balances	46,527	-	-	-	-	1,374	-	-	-
Refundable deposits	-	-	-	-	-	-	-	-	-
Total liabilities	92,618	-	-	389	-	1,374	-	107,813	-
Fund balances									
Reserved for capital projects	-	-	530,048	-	-	-	169,651	-	20,332
Unreserved, undesignated fund balance	-	695,683	263,316	379,967	972,752	-	1,329,068	66,597	674,285
Total fund balances	-	695,683	793,364	379,967	972,752	-	1,498,719	66,597	694,617
Total liabilities and fund balances	\$ 92,618	\$ 695,683	\$ 793,364	\$ 380,357	\$ 972,752	\$ 1,374	\$ 1,498,719	\$ 174,409	\$ 694,617

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet - Continued
Non-Major Governmental Funds
September 30, 2009

	Special Revenue - Continued						Capital Projects	Total Nonmajor Governmental Funds
	Court and Correction	Traffic Safety	Court Training	General Grants	Court Referral Officer Program	Total	Other Capital Projects Fund	
Assets								
Pooled cash and investments	\$ 75,486	\$ 865,238	\$ 150,168	\$ 16,906	\$ 23,434	\$ 5,225,478	\$ -	\$ 5,225,478
Receivables								
Taxes	-	-	-	-	-	972,752	-	972,752
Accounts	-	-	-	99,343	8,548	230,483	733,520	964,003
Due from other governments	-	-	-	-	-	114,304	-	114,304
Inventories	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Total assets	<u>\$ 75,486</u>	<u>\$ 865,238</u>	<u>\$ 150,168</u>	<u>\$ 116,249</u>	<u>\$ 31,982</u>	<u>\$ 6,543,016</u>	<u>\$ 733,520</u>	<u>\$ 7,276,537</u>
Liabilities and fund balances								
Accounts payable and accrued liabilities	\$ 75,486	\$ 1,411	\$ 11	\$ 17,129	\$ 14,595	\$ 155,112	\$ 234,613	\$ 389,725
Deferred revenue	-	-	-	-	-	107,813	-	107,813
Internal balances	-	-	-	-	-	47,901	498,907	546,808
Refundable deposits	-	-	-	-	-	-	-	-
Total liabilities	<u>75,486</u>	<u>1,411</u>	<u>11</u>	<u>17,129</u>	<u>14,595</u>	<u>310,825</u>	<u>733,520</u>	<u>1,044,346</u>
Fund balances								
Reserved for capital projects	-	-	-	-	-	720,031	-	720,031
Unreserved, undesignated fund balance	-	863,827	150,158	99,120	17,387	5,512,160	-	5,512,160
Total fund balances	<u>-</u>	<u>863,827</u>	<u>150,158</u>	<u>99,120</u>	<u>17,387</u>	<u>6,232,191</u>	<u>-</u>	<u>6,232,191</u>
Total liabilities and fund balances	<u>\$ 75,486</u>	<u>\$ 865,238</u>	<u>\$ 150,168</u>	<u>\$ 116,249</u>	<u>\$ 31,982</u>	<u>\$ 6,543,016</u>	<u>\$ 733,520</u>	<u>\$ 7,276,537</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended September 30, 2009

	Special Revenue								
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	CDBG	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	752,882	481,170	972,752	199,091	760,375	-	-
Fines and forfeits	-	-	-	-	-	-	-	39,325	11,689
Investment income	-	-	-	-	-	-	-	474	2,274
Rents and royalties	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	-	-	-
Charges for services	643,851	345,920	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>643,851</u>	<u>345,920</u>	<u>752,882</u>	<u>481,170</u>	<u>972,752</u>	<u>199,091</u>	<u>760,375</u>	<u>39,799</u>	<u>13,963</u>
Expenditures									
Current operations									
General government	-	-	-	-	-	2,989	-	-	-
Public safety	1,981,211	-	-	-	-	-	-	9,400	189,570
Library	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	1,015,602	997,789	-	-	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Total	<u>1,981,211</u>	<u>-</u>	<u>1,015,602</u>	<u>997,789</u>	<u>-</u>	<u>2,989</u>	<u>-</u>	<u>9,400</u>	<u>189,570</u>
Capital outlays	-	-	-	-	-	196,103	108,495	5,395	42,529
Total expenditures	<u>1,981,211</u>	<u>-</u>	<u>1,015,602</u>	<u>997,789</u>	<u>-</u>	<u>199,091</u>	<u>108,495</u>	<u>14,795</u>	<u>232,099</u>
Excess of revenues over (under) expenditures	<u>(1,337,360)</u>	<u>345,920</u>	<u>(262,720)</u>	<u>(516,618)</u>	<u>972,752</u>	<u>-</u>	<u>651,881</u>	<u>25,004</u>	<u>(218,136)</u>
Other financing sources (uses)									
Transfers in	1,337,360	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,337,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	345,920	(262,720)	(516,618)	972,752	-	651,881	25,004	(218,136)
Fund balances, beginning of year	<u>-</u>	<u>349,763</u>	<u>1,056,084</u>	<u>896,586</u>	<u>-</u>	<u>-</u>	<u>846,838</u>	<u>41,593</u>	<u>912,753</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 695,683</u>	<u>\$ 793,364</u>	<u>\$ 379,967</u>	<u>\$ 972,752</u>	<u>\$ -</u>	<u>\$ 1,498,719</u>	<u>\$ 66,597</u>	<u>\$ 694,617</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, 2009

	Special Revenue - Continued					Capital Projects	Total Nonmajor Governmental Funds
	Court and Corrections	Traffic Safety	Court Training	General Grants	Court Referral Officer Program	Total	
Revenues							
Taxes	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	295,326	51,276	3,512,872	1,425,935
Fines and forfeits	1,145,727	433,100	44,585	-	-	1,674,426	-
Investment income	-	-	-	6	-	2,753	-
Rents and royalties	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	5,363	-	5,363	-
Charges for services	13,268	-	-	650	78,765	1,082,454	-
Other	-	-	-	-	-	-	-
Total revenues	<u>1,158,995</u>	<u>433,100</u>	<u>44,585</u>	<u>301,344</u>	<u>130,041</u>	<u>6,277,868</u>	<u>1,425,935</u>
Expenditures							
Current operations							
General government	-	-	-	-	-	2,989	-
Public safety	1,762,960	-	-	434,747	-	4,377,888	-
Library	-	-	-	14,447	-	14,447	-
Municipal court	1,259,398	47,165	11,184	-	112,654	1,430,400	-
Sanitation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	2,013,390	-
Recreation services	-	-	-	21,824	-	21,824	-
Health	-	-	-	-	-	-	-
Total	<u>3,022,358</u>	<u>47,165</u>	<u>11,184</u>	<u>471,018</u>	<u>112,654</u>	<u>7,860,938</u>	<u>-</u>
Capital outlays	-	-	-	-	-	352,521	1,425,938
Total expenditures	<u>3,022,358</u>	<u>47,165</u>	<u>11,184</u>	<u>471,018</u>	<u>112,654</u>	<u>8,213,459</u>	<u>1,425,938</u>
Excess of revenues over (under) expenditures	<u>(1,863,362)</u>	<u>385,935</u>	<u>33,401</u>	<u>(169,674)</u>	<u>17,387</u>	<u>(1,935,591)</u>	<u>(3)</u>
Other financing sources (uses)							
Transfers in	1,863,362	-	-	263,806	-	3,464,529	3
Transfers out	-	-	-	(12,225)	-	(12,225)	-
Total other financing sources (uses)	<u>1,863,362</u>	<u>-</u>	<u>-</u>	<u>251,581</u>	<u>-</u>	<u>3,452,304</u>	<u>3</u>
Net change in fund balances	-	385,935	33,401	81,907	17,387	1,516,713	-
Fund balances, beginning of year	-	477,893	116,756	17,213	-	4,715,478	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 863,827</u>	<u>\$ 150,158</u>	<u>\$ 99,120</u>	<u>\$ 17,387</u>	<u>\$ 6,232,191</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Internal Service Funds
Combining Statement of Net Assets
September 30, 2009

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 881,238	\$ -	\$ 1,205,230	\$ 768,011	\$ 2,854,479
Prepaid items	-	-	23,877	30,535	54,412
Internal balances	16,753	-	-	-	16,753
Accounts receivable	-	-	-	88,157	88,157
Total current assets	<u>897,991</u>	<u>-</u>	<u>1,229,107</u>	<u>886,703</u>	<u>3,013,801</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)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other assets	-	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 897,991</u>	<u>\$ -</u>	<u>\$ 1,229,107</u>	<u>\$ 886,703</u>	<u>\$ 3,013,801</u>
Liabilities					
Current liabilities:					
General obligation warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	15,205	-	7,604	56,247	79,055
Retainage payable	-	-	-	-	-
Accrued expenses	640,523	22,435	-	-	662,958
Claims payable	-	422,895	183,097	202,515	808,507
Compensated absences	-	-	-	-	-
Internal balances	-	16,753	-	-	16,753
Total current liabilities	<u>655,728</u>	<u>462,083</u>	<u>190,701</u>	<u>258,762</u>	<u>1,567,274</u>
Noncurrent liabilities:					
Compensated absences	-	-	-	-	-
Claims payable	-	-	561,821	318,353	880,174
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>561,821</u>	<u>318,353</u>	<u>880,174</u>
Total liabilities	<u>655,728</u>	<u>462,083</u>	<u>752,522</u>	<u>577,115</u>	<u>2,447,448</u>
Net assets					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	242,263	(462,083)	476,585	309,588	566,354
Total net assets	<u>\$ 242,263</u>	<u>\$ (462,083)</u>	<u>\$ 476,585</u>	<u>\$ 309,588</u>	<u>\$ 566,354</u>

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

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, 2009

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property and Casualty	Total
Operating revenues					
Charges for services - internal	\$ 5,754,382	\$ 143,320	\$ 822,942	\$ 1,340,957	\$ 8,061,601
Participant premiums	988,228	84,648	-	-	1,072,877
Late fees	-	104	-	-	104
Stop loss reimbursements	-	-	73,332	96,518	169,850
Subrogation recoveries	-	-	-	59,350	59,350
Public assistance reimbursements	-	-	-	8,956	8,956
Rebates or refunds	168,771	43,546	2,316	-	214,633
Total operating revenue	<u>6,911,381</u>	<u>271,618</u>	<u>898,590</u>	<u>1,505,781</u>	<u>9,587,370</u>
Operating expenses					
Costs of services	6,863,126	278,681	559,968	1,155,997	8,857,772
Administration	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	<u>6,863,126</u>	<u>278,681</u>	<u>559,968</u>	<u>1,155,997</u>	<u>8,857,772</u>
Operating income (loss)	48,256	(7,062)	338,622	349,783	729,598
Non-operating revenues (expenses)					
Other revenue	-	-	1,356	-	1,356
Actuarial adjustment	-	(422,895)	(280,046)	242,418	(460,523)
Investment earnings	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>(422,895)</u>	<u>(278,690)</u>	<u>242,418</u>	<u>(459,167)</u>
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	48,256	(429,957)	59,932	592,201	270,431
Net assets, beginning of year	<u>194,008</u>	<u>(32,126)</u>	<u>416,654</u>	<u>(282,613)</u>	<u>295,922</u>
Net assets, end of year	<u>\$ 242,263</u>	<u>\$ (462,083)</u>	<u>\$ 476,585</u>	<u>\$ 309,588</u>	<u>\$ 566,354</u>

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

THE CITY OF HOOVER, ALABAMA
Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2009

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Cash flows from operating activities					
Cash received from government	\$ 5,754,382	\$ 143,320	\$ 822,942	\$ 1,340,957	\$ 8,061,601
Cash received from participants	988,228	84,752	-	-	1,072,981
Cash received from stop loss reimbursements	-	-	73,332	8,361	81,693
Cash received from subrogation	-	-	-	59,350	59,350
Cash received from public assistance reimbursements	-	-	-	8,956	8,956
Cash received from rebates/overpayments	168,771	43,546	2,316	-	214,633
Payments to suppliers	(6,856,569)	(272,582)	(569,454)	(1,144,104)	(8,842,710)
Net cash provided (used) by operating activities	54,812	(964)	329,136	273,519	656,503
Cash flows from noncapital financing activities					
Other revenue	-	-	1,356	-	1,356
Transfer to other funds	(16,753)	-	-	-	(16,753)
Transfer from other funds	-	16,753	-	-	16,753
Net cash provided (used) by noncapital financing activities	(16,753)	16,753	1,356	-	1,356
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	-	-	-	-	-
Cash flows from investing activities					
Interest and dividends received	-	-	-	-	-
Net cash provided (used) by investing activities	-	-	-	-	-
Net increase (decrease) in pooled cash and investments	38,058	15,789	330,492	273,519	657,859
Pooled cash and investments, beginning of year	843,179	(15,789)	874,738	494,492	2,196,620
Pooled cash and investments, end of year	<u>\$ 881,238</u>	<u>\$ -</u>	<u>\$ 1,205,230</u>	<u>\$ 768,011</u>	<u>\$ 2,854,479</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 48,256	\$ (7,062)	\$ 338,622	\$ 349,783	\$ 729,598
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	-	-	-	-	-
(Increase) decrease in accounts receivable	-	-	-	(88,157)	(88,157)
Increase (decrease) in accounts payable and accrued expenses	6,556	6,098	(9,486)	16,887	20,055
(Increase) decrease in prepaid items	-	-	1	(4,994)	(4,993)
Total adjustments	6,556	6,098	(9,486)	(76,264)	(73,095)
Net cash provided by operating activities	<u>\$ 54,812</u>	<u>\$ (964)</u>	<u>\$ 329,136</u>	<u>\$ 273,519</u>	<u>\$ 656,503</u>

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

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, 2009

	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	755,000	643,861	643,851	(10)
Other	-	-	-	-
Total revenues	<u>755,000</u>	<u>643,861</u>	<u>643,851</u>	<u>(10)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,210,122	1,981,222	1,981,211	11
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>2,210,122</u>	<u>1,981,222</u>	<u>1,981,211</u>	<u>11</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,210,122</u>	<u>1,981,222</u>	<u>1,981,211</u>	<u>11</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,455,122)</u>	<u>(1,337,361)</u>	<u>(1,337,360)</u>	<u>1</u>
Other financing sources (uses)				
Transfers in	1,455,122	1,337,361	1,337,360	(1)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>1,455,122</u>	<u>1,337,361</u>	<u>1,337,360</u>	<u>(1)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Wireless E-911 Fund
For the year ended September 30, 2009

	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	250,000	250,000	345,920	95,920
Other	-	-	-	-
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>345,920</u>	<u>95,920</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>250,000</u>	<u>250,000</u>	<u>345,920</u>	<u>95,920</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	250,000	250,000	345,920	95,920
Fund balances, beginning of year	<u>349,763</u>	<u>349,763</u>	<u>349,763</u>	<u>-</u>
Fund balances, end of year	<u>\$ 599,763</u>	<u>\$ 599,763</u>	<u>\$ 695,683</u>	<u>\$ 95,920</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	756,100	756,100	752,882	(3,218)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>756,100</u>	<u>756,100</u>	<u>752,882</u>	<u>(3,218)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	1,325,000	1,325,000	1,015,602	309,398
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,325,000</u>	<u>1,325,000</u>	<u>1,015,602</u>	<u>309,398</u>
Capital outlays	265,048	265,048	-	265,048
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,590,048</u>	<u>1,590,048</u>	<u>1,015,602</u>	<u>574,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(833,948)</u>	<u>(833,948)</u>	<u>(262,720)</u>	<u>571,228</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	(833,948)	(833,948)	(262,720)	571,228
Fund balances, beginning of year	<u>1,056,084</u>	<u>1,056,084</u>	<u>1,056,084</u>	<u>-</u>
Fund balances, end of year	<u>\$ 222,136</u>	<u>\$ 222,136</u>	<u>\$ 793,364</u>	<u>\$ 571,228</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	500,000	500,000	481,170	(18,830)
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>481,170</u>	<u>(18,830)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	1,000,000	1,000,000	997,789	2,211
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,000,000</u>	<u>1,000,000</u>	<u>997,789</u>	<u>2,211</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>997,789</u>	<u>2,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>(516,618)</u>	<u>(16,618)</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)	(500,000)	(516,618)	(16,618)
Fund balances, beginning of year	<u>896,586</u>	<u>896,586</u>	<u>896,586</u>	<u>-</u>
Fund balances, end of year	<u>\$ 396,586</u>	<u>\$ 396,586</u>	<u>\$ 379,967</u>	<u>\$ (16,618)</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	972,752	972,752
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>972,752</u>	<u>972,752</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>972,752</u>	<u>972,752</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	-	-	972,752	972,752
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 972,752</u>	<u>\$ 972,752</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	301,911	378,360	199,091	(179,269)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>301,911</u>	<u>378,360</u>	<u>199,091</u>	<u>(179,269)</u>
Expenditures				
Current operations				
General government	64,706	52,956	2,989	49,967
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>64,706</u>	<u>52,956</u>	<u>2,989</u>	<u>49,967</u>
Capital outlays	237,205	325,404	196,103	129,301
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>301,911</u>	<u>378,360</u>	<u>199,091</u>	<u>179,269</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Alabama Trust Fund Interest
For the year ended September 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	450,000	450,000	760,375	310,375
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>450,000</u>	<u>450,000</u>	<u>760,375</u>	<u>310,375</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	10,000	10,000	-	10,000
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Capital outlays	159,651	159,651	108,495	51,156
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>169,651</u>	<u>169,651</u>	<u>108,495</u>	<u>61,156</u>
Excess (deficiency) of revenues over (under) expenditures	<u>280,349</u>	<u>280,349</u>	<u>651,881</u>	<u>371,532</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	280,349	280,349	651,881	371,532
Fund balances, beginning of year	<u>846,838</u>	<u>846,838</u>	<u>846,838</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,127,187</u>	<u>\$ 1,127,187</u>	<u>\$ 1,498,719</u>	<u>\$ 371,532</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	39,325	39,325
Investment income	-	-	474	474
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>39,799</u>	<u>39,799</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	22,126	22,126	9,400	12,726
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>22,126</u>	<u>22,126</u>	<u>9,400</u>	<u>12,726</u>
Capital outlays	10,000	10,000	5,395	4,605
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>32,126</u>	<u>32,126</u>	<u>14,795</u>	<u>17,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,126)</u>	<u>(32,126)</u>	<u>25,004</u>	<u>57,130</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	(32,126)	(32,126)	25,004	57,130
Fund balances, beginning of year	<u>41,593</u>	<u>41,593</u>	<u>41,593</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,467</u>	<u>\$ 9,467</u>	<u>\$ 66,597</u>	<u>\$ 57,130</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	11,689	11,689
Investment income	-	-	2,274	2,274
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>13,963</u>	<u>13,963</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	210,119	216,059	189,570	26,489
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>210,119</u>	<u>216,059</u>	<u>189,570</u>	<u>26,489</u>
Capital outlays	64,832	437,332	42,529	394,803
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>274,951</u>	<u>653,391</u>	<u>232,099</u>	<u>421,292</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(274,951)</u>	<u>(653,391)</u>	<u>(218,136)</u>	<u>435,255</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	(274,951)	(653,391)	(218,136)	435,255
Fund balances, beginning of year	<u>912,753</u>	<u>912,753</u>	<u>912,753</u>	<u>-</u>
Fund balances, end of year	<u>\$ 637,802</u>	<u>\$ 259,362</u>	<u>\$ 694,617</u>	<u>\$ 435,255</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	770,300	1,145,727	1,145,727	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	5,500	13,268	13,268	-
Other	-	-	-	-
Total revenues	<u>775,800</u>	<u>1,158,995</u>	<u>1,158,995</u>	<u>-</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,100,199	1,763,160	1,762,960	200
Library	-	-	-	-
Municipal court	1,281,468	1,259,712	1,259,398	314
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>3,381,667</u>	<u>3,022,872</u>	<u>3,022,358</u>	<u>514</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,381,667</u>	<u>3,022,872</u>	<u>3,022,358</u>	<u>514</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,605,867)</u>	<u>(1,863,877)</u>	<u>(1,863,362)</u>	<u>515</u>
Other financing sources (uses)				
Transfers in	2,605,867	1,863,877	1,863,362	(515)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>2,605,867</u>	<u>1,863,877</u>	<u>1,863,362</u>	<u>(515)</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
Traffic Safety
For the year ended September 30, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	150,000	150,000	433,100	283,100
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>433,100</u>	<u>283,100</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	450,000	450,000	-	450,000
Library	-	-	-	-
Municipal court	141,738	141,738	47,165	94,573
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>591,738</u>	<u>591,738</u>	<u>47,165</u>	<u>544,573</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>591,738</u>	<u>591,738</u>	<u>47,165</u>	<u>544,573</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(441,738)</u>	<u>(441,738)</u>	<u>385,935</u>	<u>827,673</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	(441,738)	(441,738)	385,935	827,673
Fund balances, beginning of year	<u>477,893</u>	<u>477,893</u>	<u>477,893</u>	<u>-</u>
Fund balances, end of year	<u>\$ 36,155</u>	<u>\$ 36,155</u>	<u>\$ 863,827</u>	<u>\$ 827,673</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	35,000	35,000	44,585	9,585
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>44,585</u>	<u>9,585</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	30,611	30,611	11,184	19,427
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>30,611</u>	<u>30,611</u>	<u>11,184</u>	<u>19,427</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>30,611</u>	<u>30,611</u>	<u>11,184</u>	<u>19,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,389</u>	<u>4,389</u>	<u>33,401</u>	<u>29,012</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,389	4,389	33,401	29,012
Fund balances, beginning of year	<u>116,756</u>	<u>116,756</u>	<u>116,756</u>	<u>-</u>
Fund balances, end of year	<u>\$ 121,145</u>	<u>\$ 121,145</u>	<u>\$ 150,158</u>	<u>\$ 29,012</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	330,047	1,175,041	295,326	(879,715)
Fines and forfeits	-	-	-	-
Investment income	-	-	6	6
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	5,000	5,363	363
Charges for services	-	-	650	650
Other	-	-	-	-
Total revenues	<u>330,047</u>	<u>1,180,041</u>	<u>301,344</u>	<u>(878,697)</u>
Expenditures				
Current operations				
General government	-	361,800	-	361,800
Public safety	464,981	516,007	434,747	81,260
Library	14,063	188,963	14,447	174,516
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	303,074	-	303,074
Recreation services	24,304	62,304	21,824	40,480
Health	-	-	-	-
Total	<u>503,348</u>	<u>1,432,148</u>	<u>471,018</u>	<u>961,130</u>
Capital outlays	49,500	25,000	-	25,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>552,848</u>	<u>1,457,148</u>	<u>471,018</u>	<u>986,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(222,801)</u>	<u>(277,107)</u>	<u>(169,674)</u>	<u>107,433</u>
Other financing sources (uses)				
Transfers in	205,588	272,119	263,806	(8,313)
Transfers out	-	(12,225)	(12,225)	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>205,588</u>	<u>259,894</u>	<u>251,581</u>	<u>(8,313)</u>
Net change in fund balances	(17,213)	(17,213)	81,907	99,120
Fund balances, beginning of year	<u>17,213</u>	<u>17,213</u>	<u>17,213</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,120</u>	<u>\$ 99,120</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	50,000	50,000	51,276	1,276
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	40,000	62,937	78,765	15,828
Other	-	-	-	-
Total revenues	<u>90,000</u>	<u>112,937</u>	<u>130,041</u>	<u>17,104</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	141,740	112,937	112,654	283
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>141,740</u>	<u>112,937</u>	<u>112,654</u>	<u>283</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>141,740</u>	<u>112,937</u>	<u>112,654</u>	<u>283</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(51,740)</u>	<u>-</u>	<u>17,387</u>	<u>17,387</u>
Other financing sources (uses)				
Transfers in	51,740	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>51,740</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	17,387	17,387
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,387</u>	<u>\$ 17,387</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, 2009

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	26,021,492	26,021,492	1,425,935	(24,595,557)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>26,021,492</u>	<u>26,021,492</u>	<u>1,425,935</u>	<u>(24,595,557)</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	26,021,492	26,021,492	1,425,938	24,595,554
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>26,021,492</u>	<u>26,021,492</u>	<u>1,425,938</u>	<u>24,595,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
Other financing sources (uses)				
Transfers in	-	3	3	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
Net change in fund balances	-	3	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Capital Projects Fund
For the year ended September 30, 2009

	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	3,043,310	3,043,310	2,555,571	(487,739)
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>3,043,310</u>	<u>3,043,310</u>	<u>2,555,571</u>	<u>(487,739)</u>
Expenditures				
Current operations				
General government	782,698	882,698	363,255	519,443
Public safety	358,220	358,220	311,744	46,476
Library	85,000	125,000	107,322	17,678
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	195,130	195,130	33,888	161,242
Recreation services	457,251	557,251	468,875	88,376
Health	-	-	-	-
Total	<u>1,878,299</u>	<u>2,118,299</u>	<u>1,285,084</u>	<u>833,215</u>
Capital outlays	18,935,325	19,237,825	6,856,729	12,381,096
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>20,813,624</u>	<u>21,356,124</u>	<u>8,141,813</u>	<u>13,214,311</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,770,314)</u>	<u>(18,312,814)</u>	<u>(5,586,242)</u>	<u>12,726,572</u>
Other financing sources (uses)				
Transfers in	-	3,710,000	2,706,509	(1,003,491)
Transfers out	(2,500,000)	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>(2,500,000)</u>	<u>3,710,000</u>	<u>2,706,509</u>	<u>(1,003,491)</u>
Special Items				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	(20,270,314)	(14,602,814)	(2,879,734)	11,723,080
Fund balances, beginning of year	<u>18,973,825</u>	<u>18,973,825</u>	<u>18,973,825</u>	<u>-</u>
Fund balances, end of year	<u>\$ (1,296,489)</u>	<u>\$ 4,371,011</u>	<u>\$ 16,094,092</u>	<u>\$ 11,723,080</u>

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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	119
<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	124
<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	134
<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	138
<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	140
<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	143
<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.

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

	Fiscal Year										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Governmental activities											
Invested in capital assets, net of related debt	1	\$ -	\$ -	\$ -	\$ 209,575,702	\$ 234,374,666	\$ 244,624,314	\$ 277,008,402	\$ 307,721,567	\$ 299,036,189	\$ 300,474,712
Restricted capital projects		-	-	-	42,821,354	26,859,710	31,654,643	25,323,478	22,904,794	18,749,479	14,921,949
Restricted for enabling legislation	2	-	-	-	-	-	-	4,190,334	4,408,972	3,318,260	4,104,890
Unrestricted		-	-	-	24,419,598	26,920,917	28,134,223	29,621,882	28,657,385	23,342,942	25,030,075
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
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	
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	
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
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
Restricted capital projects		-	-	-	42,821,354	26,859,710	31,654,643	25,323,478	22,904,794	18,749,479	14,921,949
Restricted for enabling legislation		-	-	-	-	-	-	4,190,334	4,408,972	3,318,260	4,104,890
Unrestricted		-	-	-	22,699,546	26,675,062	29,506,980	33,294,028	30,758,001	28,380,897	30,426,678
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

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
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
Public safety	-	-	-	29,387,299	32,635,142	35,433,552	40,463,403	41,027,148	43,244,312	43,857,205
Library	-	-	-	4,127,449	4,295,061	4,615,218	5,016,881	5,290,808	5,668,188	6,123,208
Municipal court	-	-	-	680,343	756,248	930,830	1,188,252	1,331,392	1,479,847	1,617,927
Sanitation	-	-	-	4,546,886	4,210,995	4,530,331	4,803,993	5,100,516	5,478,464	5,658,314
Education	-	-	-	7,560,622	8,335,662	1,895,404	7,100,000	7,500,000	7,500,000	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
Recreation services	-	-	-	6,161,563	6,131,735	6,321,075	7,321,789	7,432,739	8,116,588	9,002,873
Health	-	-	-	208,017	238,379	227,382	253,155	260,070	287,748	268,116
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
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
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
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
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
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
Public safety	-	-	-	5,057,430	6,267,496	5,517,548	6,510,590	7,010,384	5,646,968	2,608,890
Library	-	-	-	219,955	217,273	243,539	273,053	311,405	328,096	334,370
Municipal court	-	-	-	1,103,584	1,163,474	1,572,652	2,213,768	2,421,341	2,322,209	3,554,359
Sanitation	-	-	-	6,450	5,700	6,450	6,300	6,450	7,200	7,350
Highway and roadway improvements	-	-	-	1,863	12,170	-	40,095	-	170,904	118,153
Recreation services	-	-	-	1,231,054	1,257,087	1,194,290	1,356,777	1,537,513	1,508,068	1,512,610
Health	-	-	-	-	-	-	-	-	150	-
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
Capital grants and contributions	-	-	-	3,358,490	384,234	234,974	103,719	3,170,596	2,720,341	1,447,809
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
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
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
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

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	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)
Business-type activities	-	-	-	(409,517)	870,506	1,116,073	1,653,495	585,227	985,802	(1,335,323)
Total primary government net expense	<u>\$ -</u>	<u>\$ -</u>	<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>
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
Property taxes	-	-	-	6,705,083	7,712,457	8,053,100	8,788,687	9,418,548	10,212,487	10,475,368
Franchise taxes	-	-	-	638,415	669,243	665,780	704,528	759,067	799,548	845,086
Gross receipts taxes	-	-	-	2,663,109	2,763,264	3,026,932	3,425,989	3,793,381	4,548,169	4,364,862
Other taxes	-	-	-	2,655,367	2,858,598	2,949,342	3,550,373	3,608,481	3,602,409	3,343,913
Intergovernmental shared revenues	-	-	-	1,935,834	2,215,218	2,398,968	2,842,123	2,904,688	2,630,712	2,998,692
Investment earnings	-	-	-	1,378,214	1,790,353	1,971,416	2,484,355	3,629,529	2,876,275	2,218,558
Other revenue	-	-	-	492,661	209,333	321,894	311,014	394,835	195,698	145,068
Gain (loss) on sale of disposed equipment	-	-	-	(10,336)	-	4,986	282,527	(128,757)	89,151	(85,987)
Contribution of capital assets	-	-	-	-	141,094	525,535	20,913,209	-	-	-
Special items	-	-	-	-	-	(6,656,318)	(1,035,353)	(72,877)	-	-
Total governmental activities	-	-	-	64,011,264	70,457,451	69,710,852	101,421,086	83,608,750	81,524,649	77,487,614
Business-type activities:										
Investment earnings	-	-	-	-	-	-	-	196,707	159,212	24,335
Other revenues	-	-	-	-	-	21	-	-	10	-
Total business-type activities	-	-	-	-	-	21	-	196,707	159,222	24,335
Total primary government	<u>\$ -</u>	<u>\$ -</u>	<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>\$ 81,683,870</u>	<u>\$ 77,511,949</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
Business-type activities	-	-	-	(409,517)	870,506	1,116,093	1,653,495	781,934	1,145,023	(1,310,988)
Total primary government	<u>-</u>	<u>-</u>	<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>

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 Contribution of capital assets was changed in FY 2007 and FY 2008 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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Reserved for non-current receivable	¹ \$ 4,027,499	\$ 961,155	\$ 887,601	\$ 777,445	\$ 680,670	\$ 549,980	\$ 393,180	\$ 324,580	\$ 289,706	\$ 260,306
Reserved other	216,284	32,896	90,199	-	99,040	158,803	340,345	321,988	135,011	102,556
Unreserved	² 27,176,844	20,080,973	23,499,652	26,815,425	28,487,586	29,722,353	30,266,475	30,453,433	30,775,283	30,937,137
Total general fund	<u>31,420,627</u>	<u>21,075,024</u>	<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>
All other governmental funds										
Reserved for capital projects	³ \$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,323,478	\$ 22,904,794	\$ 18,072,292	\$ 13,439,823
Unreserved, reported in:										
Special revenue funds	1,689,858	3,029,069	2,569,939	3,007,427	4,387,930	4,434,302	4,190,334	4,408,972	3,995,447	5,587,016
Capital projects funds	15,072,918	10,867,360	10,996,703	42,821,354	26,859,710	31,654,643	8,341,289	7,756,861	1,621,564	3,299,444
Total all other governmental funds	<u>16,762,776</u>	<u>13,896,429</u>	<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>
Total all governmental funds	<u>48,183,403</u>	<u>34,971,453</u>	<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>

¹ Fiscal year 2001 resulted in a correction of the non-current receivable in the amount of \$3,017,028 for fiscal years 2000 and prior years.

² Fiscal year 2001 resulted in a correction of capital outlay expenditures which in effect increased the General Fund balance by \$4,757,528 and correspondingly decreased the Capital Projects fund balance by the same.

³ Fiscal year 2006 began a reservation in fund balance for ongoing capital projects in the special revenue and capital projects funds.

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 47,617,556	\$ 49,904,277	\$ 55,006,564	\$ 60,214,892	\$ 66,101,452	\$ 71,144,371	\$ 75,623,209	\$ 76,881,332	\$ 75,732,812	\$ 72,211,282
Licenses and permits	9,002,056	9,351,131	10,254,746	7,774,194	8,750,751	8,498,490	8,987,468	8,753,625	9,046,084	6,229,574
Intergovernmental	4,246,598	3,254,141	3,888,795	5,952,367	4,095,296	5,474,758	4,471,897	5,815,390	6,116,648	6,290,266
Fines and forfeits	1,455,122	1,219,308	1,150,399	1,277,982	1,881,578	2,084,735	3,417,653	4,465,564	2,877,027	3,716,045
Investment income	3,053,705	3,020,823	1,693,602	1,379,526	1,795,771	1,980,059	2,540,019	3,728,266	2,929,797	2,222,208
Rents and royalties	-	-	-	358,432	375,860	442,924	517,281	700,954	867,877	815,932
Contributions and reimbursements	-	-	-	1,439,052	758,743	397,747	874,490	978,704	1,518,762	3,702,758
Charges for services	-	1,209,952	1,195,571	2,285,998	2,269,281	2,185,504	2,377,059	2,487,467	2,585,195	2,590,304
Other	1,426,777	779,188	757,418	1,389,750	209,312	432,568	692,757	410,956	320,355	212,088
Total revenues	66,801,814	68,738,820	73,947,095	82,072,193	86,238,043	92,641,156	99,501,833	104,222,257	101,994,557	97,990,456
Expenditures										
General government	\$ 6,827,397	\$ 7,023,759	\$ 8,074,561	\$ 8,031,148	\$ 9,584,128	\$ 8,771,404	\$ 9,818,864	\$ 11,158,288	\$ 11,710,365	\$ 11,587,522
Public safety	22,712,832	24,094,085	25,381,046	27,941,659	30,959,270	34,307,370	37,496,799	40,173,371	42,161,966	40,873,486
Library	55,548	59,570	-	3,874,224	4,120,702	4,333,627	4,756,851	5,044,181	5,395,337	5,754,381
Municipal court	506,090	722,358	624,373	671,634	729,106	930,994	1,143,148	1,319,497	1,475,630	1,573,105
Sanitation	4,051,365	4,272,614	4,371,521	4,546,886	4,210,995	4,494,543	4,803,993	5,100,516	5,478,464	5,658,314
Education	-	-	-	7,560,622	8,335,662	1,895,404	7,100,000	7,500,000	7,500,000	2,000,000
Highway and roadway improvements	2,484,989	2,256,317	3,032,938	3,583,649	3,289,738	4,130,672	4,715,687	4,501,009	6,088,176	6,074,324
Recreation services	-	299,377	2,431,397	5,190,949	5,684,917	5,426,654	6,319,400	6,345,982	6,891,524	7,217,549
Health	327,890	211,910	418,807	197,634	205,191	220,172	239,925	252,973	281,702	256,706
Capital outlays	16,797,201	12,258,851	8,129,245	17,953,337	22,739,679	6,888,827	11,320,900	16,274,396	17,151,186	9,098,607
Debt service										
Principal	3,183,550	3,225,000	3,370,000	4,355,000	4,095,000	4,760,000	4,585,000	4,670,000	4,805,000	5,020,000
Interest	3,011,361	4,798,122	4,071,665	4,058,279	5,185,590	4,366,420	4,613,046	4,488,630	4,331,633	4,134,583
Fiscal agent fees	3,600	3,600	4,800	3,235	4,800	6,817	3,899	5,010	4,900	4,900
Bond issuance costs	318,615	-	-	764,499	-	299,814	-	-	-	-
Total expenditures	60,280,438	59,225,563	59,910,353	88,732,755	99,144,778	80,832,716	96,917,512	106,833,852	113,275,882	99,253,477
Excess of revenues over (under) expenditures	6,521,376	9,513,257	14,036,742	(6,660,562)	(12,906,735)	11,808,439	2,584,321	(2,611,596)	(11,281,324)	(1,263,021)
Other financing sources (uses)										
Transfers in	2,548,155	8,827,706	4,415,471	6,212,202	-	25,603,806	27,902,907	31,159,272	27,599,752	25,383,211
Transfers out	(2,548,155)	(8,827,706)	(4,415,471)	(6,212,202)	-	(25,603,806)	(27,902,907)	(31,159,272)	(27,599,752)	(25,383,211)
Transfers out component units	(12,641,300)	(19,708,178)	(11,080,323)	-	-	-	-	-	-	-
Proceeds of general obligation warrants	25,569,569	-	-	-	-	-	-	-	-	-
Capital portion of refunding bonds issued	-	-	-	41,957,326	-	-	-	-	-	-
Refunding bonds issued	-	-	-	40,567,674	-	29,165,000	-	-	-	-
Premium on bonds issued	-	-	-	-	-	1,934,793	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	(40,567,674)	-	(30,787,042)	-	-	-	-
Discount on refunding bonds issued	-	-	-	(109,456)	-	-	-	-	-	-
Total other financing sources (uses)	12,928,269	(19,708,178)	(11,080,323)	41,847,870	-	312,751	-	-	-	-
Residual equity transfer from internal service fund	-	-	116,222	-	-	-	-	-	-	-
Special items	-	-	-	-	-	(6,116,046)	(249,303)	(72,877)	-	-
Net changes in fund balances	\$ 19,449,645	\$ (10,194,921)	\$ 3,072,641	\$ 35,187,308	\$ (12,906,735)	\$ 6,005,145	\$ 2,335,018	\$ (2,684,473)	\$ (11,281,324)	\$ (1,263,021)
Debt service as a percentage of noncapital expenditures	14.25%	17.09%	14.38%	11.75%	12.05%	12.24%	10.73%	9.97%	9.32%	9.64%

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)

<u>Fiscal Year</u>	<u>Sales and Use Taxes</u>	<u>Property Taxes Real/Per/Util</u>	<u>Property Taxes Motor Vehicles</u>	<u>In Lieu of Property Taxes</u>	<u>Rental Taxes</u>	<u>Gross Receipts and Franchise Taxes</u>	<u>Other Municipal Taxes</u>	<u>Total</u>
2000	\$ 39,019,809	\$ 5,215,400	\$ 668,403	\$ 47,828	\$ 576,455	\$ -	\$ 2,089,661	\$ 47,617,556
2001	40,994,618	5,485,911	786,228	47,828	633,272	-	1,956,420	49,904,277
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

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									
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Merchandise Retail	¹	\$ 27,891,359	\$ 29,302,953	\$ 31,441,234	\$ 33,990,825	\$ 37,239,571	\$ 40,349,900	\$ 42,283,016	\$ 42,388,966	\$ 40,436,378	\$ 38,014,531
Auto Dealers and Supplies	¹	3,187,918	3,349,260	3,593,661	3,885,073	4,256,398	4,611,901	4,832,852	4,844,962	4,621,785	4,344,974
Grocery Stores	¹	2,122,678	2,230,107	2,392,842	2,586,879	2,834,125	3,070,837	3,217,958	3,226,021	3,077,419	2,893,104
Restaurants	¹	3,336,194	3,505,040	3,760,808	4,065,774	4,454,370	4,826,408	5,057,636	5,070,309	4,836,752	4,547,066
Home Furnishings & Appliances	¹	429,218	450,941	483,847	523,082	573,077	620,941	650,690	652,320	622,272	585,003
Pharmacy	¹	273,139	286,962	307,902	332,870	364,685	395,145	414,075	415,113	395,991	372,274
Other Sales	¹	1,779,303	1,869,355	2,005,764	2,168,413	2,375,664	2,574,084	2,697,406	2,704,165	2,579,601	2,425,102
Total		<u>\$ 39,019,809</u>	<u>\$ 40,994,618</u>	<u>\$ 43,986,058</u>	<u>\$ 47,552,917</u>	<u>\$ 52,097,889</u>	<u>\$ 56,449,217</u>	<u>\$ 59,153,632</u>	<u>\$ 59,301,855</u>	<u>\$ 56,570,198</u>	<u>\$ 53,182,053</u>

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>
	2000	3.0%	1.0%	4.0%	8.0%
	2001	3.0%	1.0%	4.0%	8.0%
	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%

Shelby County ²	<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>
	2000	3.0%	2.0%	4.0%	9.0%
	2001	3.0%	1.0%	4.0%	8.0%
	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%

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

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

2 Shelby County had 1% of its 2% tax rate end on April 1, 2001.

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>
	2000	0.750%	0.375%	2.000%	3.125%
	2001	0.750%	0.375%	2.000%	3.125%
	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%

Shelby County ²	<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>
	2000	0.750%	0.675%	2.000%	3.425%
	2001	0.750%	0.675%	2.000%	3.425%
	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%

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.

² Shelby County lowered their auto sales tax rate effective April 1, 2001.

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

	Calendar Year ¹	
	2009	2000
	Rank	Rank
Wal-mart - 280 location	1	
Wal-mart - 150 location (formerly US 31 location)	2	3
Costco	3	
Sam's Club	4	
Belk (formerly Parisian)	5	1
Publix - Highway 280 location	6	
Best Buy	7	
Macy's (Galleria/Rich's)	8	2
Publix - Highway 150 location	9	
Home Depot (Galleria)	10	5
Home Depot (Highway 280 location)		4
Lowe's (Valleydale)		6
Bruno's Food & Pharmacy - Riverchase Village		7
COMPUSA Stores		8
Macy's (Galleria East)		9
Sears Roebuck & Co		10
 Total Sales and Use Taxes - Principal Payers	 27.44%	 24.63%

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	
2000	\$ 417,489,222	\$ 2,988,826,100	\$ 59,248,321	\$ 296,241,605	\$ 68,640,060	\$ 228,800,177	\$ 545,377,603	\$ 3,513,867,882	15.52%
2001	429,824,616	3,079,857,720	56,515,655	282,578,275	75,004,250	250,014,142	561,344,521	3,612,450,137	15.54%
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	80,846,552	393,032,108	69,671,380	206,315,000	1,022,005,375	6,844,437,846	14.93%

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	
2000	\$ 255,374,360	\$ 1,897,548,300	\$ 29,522,540	\$ 147,612,700	\$ 8,016,160	\$ 26,720,533	\$ 292,913,060	\$ 2,071,881,533	14.14%
2001	267,904,640	1,999,649,200	29,475,340	147,376,700	4,579,560	15,265,200	301,959,540	2,162,291,100	13.96%
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%

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

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

Jefferson County

Fiscal Year Ended September 30,	City of Hoover			Jefferson County				State of Alabama	Total Tax
	General Fund	City Schools	City Total	County County	School Schools	School District	County Total		
2000	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2001	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
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

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		
2000	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2001	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
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

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>
2000	\$ 3,448,634	\$ 3,418,252	99.12	\$ 8,958	\$ 3,427,210	99.38
2001	3,552,092	3,537,316	99.58	11,118	3,548,434	99.90
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	5,797,502	5,869,775	101.25	5,756	5,875,531	101.35
2009	5,995,736	6,031,066	100.59	8,083	6,039,149	100.72

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>
2000	\$ 1,882,191	\$ 1,787,644	94.98	\$ 546	\$ 1,788,190	95.01
2001	1,941,599	1,936,145	99.72	1,332	1,937,477	99.79
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

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

	Fiscal Year					
	2009			2000		
	City Only Ad Valorem Taxes	Rank	Percentage of Total Property Taxes Collected (A)	City Only Ad Valorem Taxes	Rank	Percentage of Total Property Taxes Collected (A)
Bellsouth Telecommunications	\$ 321,609	1	3.33%	\$ 471,848	1	9.05%
Amsouth Bank/Regions Bank	207,646	2	2.15%	131,248	3	2.52%
Hoover Mall Limited LP	183,836	3	1.91%	156,301	2	3.00%
Blue Cross & Blue Shield	170,268	4	1.77%	98,043	5 & 9	1.88%
AIG Baker	125,043	5	1.30%			
Teachers Insurance and Annuity Assoc of America	107,765	6	1.12%			
AT&T Services	98,811	7	1.02%			
I&G Inverness Retail LLC	63,691	8	0.66%			
Alabama Power Co	59,983	9	0.62%	44,883	8	0.86%
Meadowbrook Properties	68,968	10	0.71%			
Colonial Realty	-		-	64,370	4	1.23%
Wilmington Trust	-		-	62,012	6	1.19%
Tree Crossing Associates	-		-	46,574	7	0.89%
Electronic Data Systems	-		-	35,290	10	0.68%
Total - Principal Property Taxpayers	<u>\$ 1,407,620</u>		<u>14.59%</u>	<u>\$ 1,110,569</u>		<u>21.29%</u>
Total - All Taxpayers	<u>\$ 9,645,981</u>		<u>100.00%</u>	<u>\$ 5,215,400</u>		<u>100.00%</u>

Source: Jefferson and Shelby County Tax Collectors

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

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>
2000	\$ 2.48	\$ 2.11
2001	3.01	2.56
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

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

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

<u>Fiscal Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	<u>Personal Income</u>	<u>Percentage of Personal Income</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Warrants</u>	<u>General Obligation Warrants</u>	<u>General Obligation Warrants</u>	<u>General Obligation Warrants</u>					
2000	\$ 83,160,000	\$ 18,070,000	\$ 101,230,000	NA	NA	62,742	¹	\$ 1,613	
2001	79,935,000	17,770,000	97,705,000	NA	NA	64,605	²	1,512	
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	3,114,294,441	3.62%	79,041	²	1,428	
2008	94,440,000	30,815,000	125,255,000	3,188,841,133	3.93%	80,933	²	1,548	
2009	89,420,000	29,995,000	119,415,000	3,215,752,016	3.71%	81,616	²	1,463	

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>	<u>Percentage of Estimated Actual Taxable Value of Property</u> ³	<u>Population</u>	<u>Per Capita</u>
2000	\$ 83,160,000	\$ 5,585,749,415	1.49%	62,742 ²	\$ 1,325
2001	79,935,000	5,774,741,237	1.38%	64,605 ¹	1,237
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

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, 2009

	<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	<u>\$ 89,420,000</u>	100.00%	<u>\$ 89,420,000</u>
Total direct debt	<u>89,420,000</u>		<u>89,420,000</u>
Overlapping Debt:			
Hoover City Board of Education	184,850,000	100.00%	184,850,000
Jefferson County	1,105,485,000	10.01%	110,644,047
Jefferson County Board of Education	75,933,512	10.01%	7,599,914
Shelby County	-	18.59%	-
Shelby County Board of Education	<u>167,127,769</u>	18.59%	<u>31,072,420</u>
Total overlapping debt	<u>1,533,396,281</u>		<u>334,166,381</u>
Total direct and overlapping debt	<u><u>\$ 1,622,816,281</u></u>		<u><u>\$ 423,586,381</u></u>

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

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

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 189,131,233	\$ 197,411,384	\$ 200,352,873	\$ 210,508,019	\$ 240,975,822	\$ 254,754,122	\$ 279,033,267	\$ 308,317,899	\$ 340,439,092	\$ 345,942,979
Total net debt applicable to limit	83,160,000	79,935,000	76,565,000	115,375,000	111,280,000	108,500,000	103,915,000	99,245,000	94,440,000	89,420,000
Legal debt margin	<u>\$ 105,971,233</u>	<u>\$ 117,476,384</u>	<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>\$ 256,522,979</u>
Total net debt applicable to the limit as a percentage of debt limit	43.97%	40.49%	38.22%	54.81%	46.18%	42.59%	37.24%	32.19%	27.74%	25.85%

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value of property:	1	
Jefferson County		\$ 1,101,041,875
Shelby County		<u>628,673,020</u>
Total assessed value of property		1,729,714,895
Debt limit - 20 percent of total assessed value		345,942,979
Debt applicable to limit:		
General obligation warrants		<u>89,420,000</u>
Legal debt margin		<u>\$ 256,522,979</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) ⁵</u>	<u>School Enrollment ³</u>	<u>Unemployment Rate ⁴</u>
2000	62,742 ¹	NA	NA	9,463	1.8%
2001	64,605 ²	NA	NA	9,794	2.0%
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	3,114,294,441	39,401	12,400	2.1%
2008	80,933 ²	3,188,841,133	39,401	12,538	2.9%
2009	81,616 ²	3,215,752,016	39,401	12,875	6.0%

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 after 2007)

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

Employer	2009			2000		
	Employees ¹	Rank	Percentage of Total City Employment	Employees ¹	Rank	Percentage of Total City Employment
Blue Cross Blue Shield of Alabama	3,500	1	na	na		
Hoover Board of Education	1,970	2				
Regions Bank	1,765	3				
B E & K Construction/Engineering	1,178	4				
Bellsouth Telecommunications	1,099	5				
Southern Company Services	880	6				
Wal-mart - 2 locations	840	7				
City of Hoover	744	8				
Southern Nuclear	570	9				
Publix - 4 locations	515	10				
Total top 10	13,061					
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																			
		2000		2001		2002		2003		2004		2005		2006		2007		2008		2009	
		PT		PT		PT		PT		PT		PT		PT		PT		PT		PT	
		TP		TP		TP		TP		TP		TP		TP		TP		TP		TP	
		EO		EO		EO		EO		EO		EO		EO		EO		EO		EO	
		FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO
General government																					
Administration	¹	na	na	na	na	na	na	na	na	13	6	13	8	16	8	16	8	16	8	15	8
Building services	¹	na	na	na	na	na	na	na	na	10	0	11	0	12	0	12	0	14	0	16	0
Development		na	na	na	na	na	na	na	na	2	0	2	0	2	0	2	0	0	0	0	0
Finance		na	na	na	na	na	na	na	na	8	0	8	0	8	0	8	0	8	0	8	0
Fleet	¹	na	na	na	na	na	na	na	na	7	0	7	0	7	0	7	0	7	0	6	0
Human resources		na	na	na	na	na	na	na	na	5	0	5	0	5	0	5	0	5	0	5	0
Revenue		na	na	na	na	na	na	na	na	7	0	9	0	10	0	10	0	10	0	10	0
Support services/mis		na	na	na	na	na	na	na	na	8	0	8	0	8	0	8	0	8	0	8	0
Total general government		na	na	na	na	na	na	na	na	60	6	63	8	68	8	68	8	68	8	68	8
Public safety																					
Police																					
Officers		na	na	na	na	na	na	na	na	139	0	143	0	154	0	155	0	157	0	157	0
Civilians	¹	na	na	na	na	na	na	na	na	29	10	35	12	33	12	33	12	33	3	33	2
Fire																					
Firefighters and officers	¹	na	na	na	na	na	na	na	na	149	12	149	12	152	12	152	12	158	12	159	12
Civilians		na	na	na	na	na	na	na	na	1	0	1	0	1	0	1	0	1	0	1	0
Homeland security (officer)	¹	na	na	na	na	na	na	na	na	0	0	1	0	1	0	1	0	1	0	0	0
Communications/dispatch																					
Officers		na	na	na	na	na	na	na	na	1	0	1	0	1	0	1	0	1	0	1	0
Civilians		na	na	na	na	na	na	na	na	26	0	27	0	27	1	27	0	27	0	27	0
Inspection services		na	na	na	na	na	na	na	na	19	0	19	0	21	0	21	0	21	0	21	0
Total public safety		na	na	na	na	na	na	na	na	364	22	376	24	390	25	391	24	399	15	399	14
Library		na	na	na	na	na	na	na	na	41	49	42	53	44	56	43	60	44	59	44	59
Municipal court		na	na	na	na	na	na	na	na	10	1	12	1	14	0	14	0	14	0	14	0
Highway and roadway																					
Engineering and horticulture	¹	na	na	na	na	na	na	na	na	5	0	5	0	5	0	5	0	5	0	6	0
Public works	¹	na	na	na	na	na	na	na	na	33	0	34	0	35	0	35	0	33	0	31	0
Total highway and roadway		na	na	na	na	na	na	na	na	38	0	39	0	40	0	40	0	38	0	37	0
Recreation services																					
Recreation/senior center	¹	na	na	na	na	na	na	na	na	18	35	19	33	21	34	23	33	23	32	24	32
Park maintenance		na	na	na	na	na	na	na	na	36	6	36	6	36	6	36	6	36	6	36	6
Total recreation services		na	na	na	na	na	na	na	na	54	41	55	39	57	40	59	39	59	38	60	38
Health																					
Animal control		na	na	na	na	na	na	na	na	2	0	2	0	2	0	2	0	2	0	2	0
Total health		na	na	na	na	na	na	na	na	2	0	2	0	2	0	2	0	2	0	2	0
Sewer		na	na	na	na	na	na	na	na	1	0	1	0	1	0	1	0	1	0	1	0
Total approved positions		<u>na</u>	<u>na</u>	<u>na</u>	<u>na</u>	<u>na</u>	<u>na</u>	<u>na</u>	<u>na</u>	<u>570</u>	<u>119</u>	<u>590</u>	<u>125</u>	<u>616</u>	<u>129</u>	<u>618</u>	<u>131</u>	<u>625</u>	<u>120</u>	<u>625</u>	<u>119</u>

Note: Data is unavailable for fiscal year 2000 thru fiscal year 2003; FT = full-time, PT = part-time, TP = temporary/seasonal, and EO = elected official

¹ Changes from FY 2008 to FY 2009 are as follows:

- Administration - moved 1 ft adm asst position from operations to engineering;
- Building services - moved 2 ft building tradesworkers from public works to building services (Mercer study);
- Fleet - moved 1 ft automotive mechanic from fleet to public works;
- Police (jail) - deleted 3 tp detention officers and added 2 pt detention officers @ 32 hrs per week;
- Fire - deleted 1 ft fire marshal and added 2 ft firefighters (safer grant compliance);
- Homeland security - deleted 1 ft director of homeland security;
- Engineering - moved 1 ft adm asst position from operations to engineering;
- Public works - moved 2 ft building tradesworkers from public works to building services (Mercer study); moved 1 ft automotive mechanic from fleet to public works; moved 1 ft adm asst from public works to senior center;
- Recreation - moved 1 ft adm asst from public works to senior center;

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

		Fiscal Year									
		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function											
General Government											
Employees hired	⁷	na	na	134	82	79	122	116	80	96	79
Business licenses issued	⁸	7,072	7,414	7,810	8,184	8,732	8,958	9,142	9,417	9,377	9,052
Public safety:											
Police											
Arrests (adults only)	³	2,369	2,158	2,334	2,516	2,625	3,058	3,118	3,205	3,507	4,241
Fire											
Number of calls:											
Emergency medical services	⁶	na	na	na	na	na	5,019	5,605	5,786	5,716	5,955
Fire		na	na	na	na	na	1,513	1,436	1,397	1,527	1,296
Service/other		na	na	na	na	na	1,251	1,226	1,397	1,450	1,715
Inspections											
Building permits issued		1,571	1,470	1,620	1,836	2,060	1,872	1,950	1,754	1,611	1,368
Library											
Materials checked out	⁹	685,621	432,102	868,344	962,086	1,072,196	1,141,311	1,262,067	1,404,302	1,487,497	1,630,981
Municipal court											
Non-traffic court cases	⁵	2,253	2,087	2,381	2,318	2,471	2,826	3,086	3,404	3,533	3,911
Traffic cases	⁵	9,992	8,984	6,887	7,004	7,935	12,692	17,566	16,992	19,429	25,063
Adjudicated cases	⁵	12,225	11,274	9,170	9,197	9,359	12,805	18,577	19,526	21,075	28,143
Failure to appear warrants	⁵	3,099	2,856	2,446	1,986	2,273	3,399	5,096	5,338	5,191	5,856
Other warrants	⁵	3,368	3,308	2,895	2,351	3,252	4,264	5,959	6,198	3,304	2,036
Sanitation											
Single homes:											
Regular garbage service	⁴	na	na	na	na	na	20,448	21,279	21,883	22,400	22,680
Backdoor garbage service		na	na	na	na	na	50	50	50	50	50
Recreation services											
Average daily recreation center visits	²	na	na	na	na	484	441	494	527	579	634
Sewer											
Average daily flow (gallons per day):											
Inverness	¹⁰	351,000	577,000	884,000	837,000	852,000	795,000	963,000	872,000	920,000	926,000
Riverchase	¹⁰	1,362,000	1,718,000	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 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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government										
Vehicles	na	na	na	na	na	na	33	38	38	38
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	2	2	3	2	3	3	3	4	4	4
Vehicles	na	na	na	na	na	na	196	211	211	211
Fire:										
Fire stations	8	8	8	8	8	8	8	8	8	9
Vehicles	na	na	na	na	na	na	50	49	49	51
Other public safety:										
Vehicles	na	na	na	na	na	na	18	21	21	19
Library										
Vehicles	na	na	na	na	na	na	2	2	2	2
Municipal Court										
Vehicles	na	na	na	na	na	na	4	4	4	4
Highway and roadways										
Streets (miles) ¹	na	na	na	307	307	307	334	323	293	293
Streetlights	na	na	na	na	na	na	495	490	490	490
Traffic signals:										
Jefferson County	na	na	na	na	na	66	66	69	69	74
Shelby County	na	na	na	na	na	30	30	30	30	30
Vehicles	na	na	na	na	na	na	49	55	55	56
Recreation services										
Lakes ²	na	na	na	na	na	na	6	6	6	6
Acres ²	na	na	na	na	na	na	na	na	24	24
Parks ²	na	na	na	na	na	21	22	22	23	24
Acres ²	na	na	na	na	na	na	na	na	837	837
Unimproved ²	na	na	na	na	na	na	na	na	115	200
Vehicles	na	na	na	na	na	na	36	39	39	39
Health										
Vehicles	na	na	na	na	na	na	3	3	3	3
Sewer										
Sanitary sewer miles	na					86	86	86	86	89
Vehicles	na	na	na	na	na	na	1	1	1	1

na - not available

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

² Source: Risk management

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 2009

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)
2002	65,885	(B)
2003	67,830	(B)
2004	70,060	(B)
2005	71,151	(B)
2006	73,505	(B)
2007	79,041	(B)
2008	80,933	(B)
2009	81,616	(B)

Estimated number of housing units:

Owner occupied (townhomes or single family detached)	23,417	(B)
Renter occupied (multi-family or group quarters)	<u>11,404</u>	(B)
Total	<u><u>34,821</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): 45.47 (D)

Source:

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