

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2012

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, 2012

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INTRODUCTORY SECTION

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The City of Hoover has an estimated population of 84,530 and is located in north-central Alabama within the Birmingham/Hoover metropolitan statistical area. Hoover occupies approximately 47.79 square miles within Jefferson and Shelby counties.

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OFFICE OF THE MAYOR
City of Hoover

Gary Ivey
Mayor

March 28, 2013

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, 2012, 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 2012, 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 2012.

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 84,530 today, making it the sixth largest city in the state based on population. Along with this continued population growth, the City comprises approximately 47.79 square miles.

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

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

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

Component Units

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

Budget Process and Controls

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

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

ECONOMIC CONDITION

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

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 more broad and inclusive financial report to give the readers an accurate portrayal and outlook of the City currently and in the future.

Long-Term Financial Planning

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

In order to achieve the aforementioned funding for the capital projects fund, since fiscal year 2007, the City has transferred all excess net change in fund balance above \$100,000 from the General Fund to the Capital Projects Fund. These funds are then available to either supplement existing projects as estimated costs increase, or to fund new projects as the need arises. For fiscal year 2012, this transfer was \$9,035,782, which was an increase from fiscal year 2011 of \$4,106,865.

Relevant Financial Policies

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

Local Economy

The Government's overall financial condition continues to be healthy. The City's total revenue for All Governmental Funds for the fiscal year ended September 30, 2012 increased by \$5,134,519, or 5.13% over the fiscal year ended September 30, 2011. When looking at the General Fund only, the City increased its revenue by almost \$5 million. This is a positive sign for the continued financial strength of the City, mostly attributed to an increase in tax revenue.

The following schedule presents a summary of revenues for all Governmental Funds for the fiscal year ended September 30, 2012, with the amount and percentage of increase (decrease) in relation to the fiscal year ended September 30, 2011.

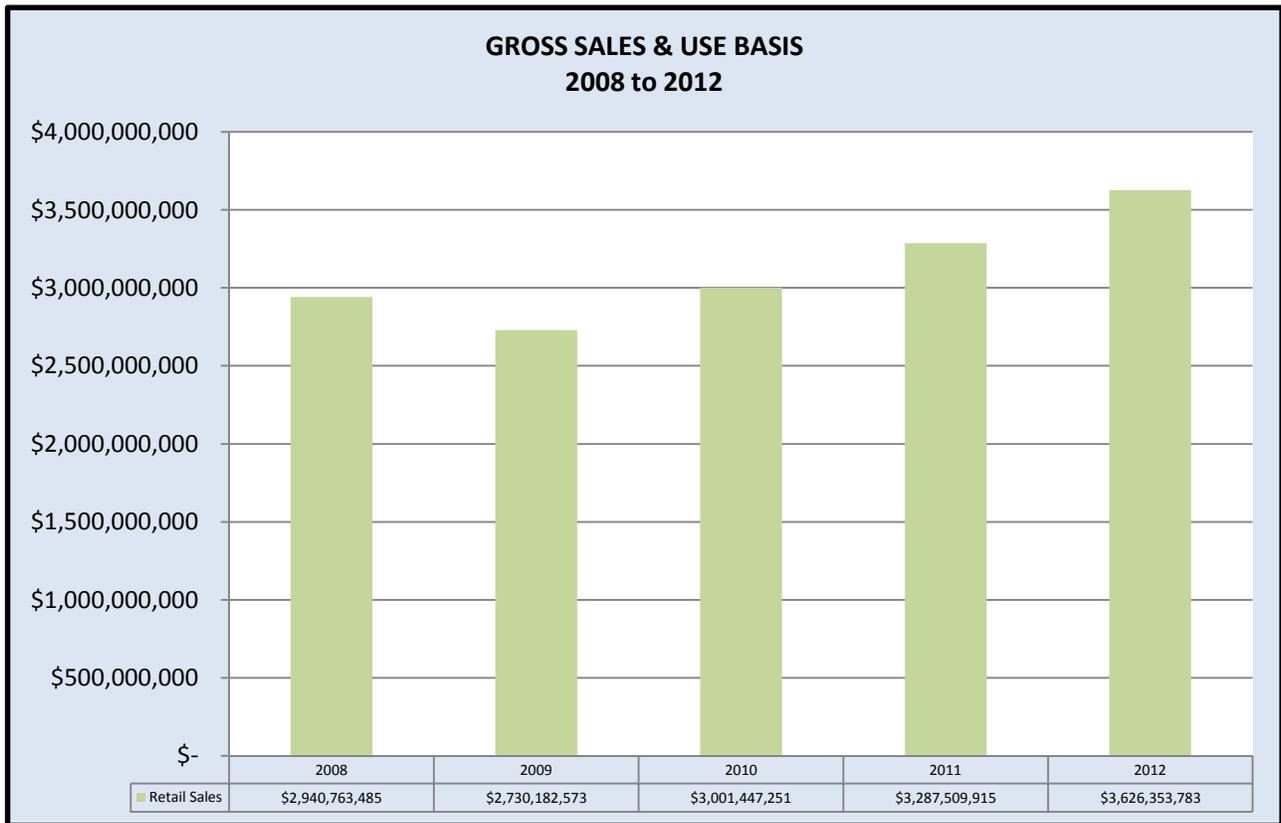
Revenues are broken down by major categories. As shown, all categories increased except three: fines and forfeits decreased by 6.64%, investment income decreased by 39.66, and charges for services decreased by 2.56%. The decrease in fines was related to various court and library fines; the decrease in investment income is indicative of the current investment climate; and the decrease in charges for services was mainly due to a reduction in recreation center membership dues. However, the increase in taxes, 5.56%, more than offset these decreases.

Revenues	FY 2012 Amount	Percent of Total	FY 2011 Amount	Increase (Decrease) From FY 2011	Percent of Increase (Decrease)
Taxes	\$ 80,482,200	76.54 %	\$ 76,242,148	\$ 4,240,052	5.56 %
Licenses and permits	8,247,786	7.84	7,069,269	1,178,517	16.67
Intergovernmental	5,937,256	5.65	5,694,091	243,165	4.27
Fines and forfeits	2,569,717	2.44	2,752,503	(182,786)	(6.64)
Investment income	968,319	0.92	1,604,899	(636,580)	(39.66)
Rents and royalties	1,004,765	0.96	915,600	89,165	9.74
Contributions and reimbursements	1,283,304	1.22	1,078,960	204,344	18.94
Charges for services	3,848,768	3.66	3,949,779	(101,011)	(2.56)
Other	812,835	0.77	713,180	99,655	13.97
Total revenues	<u>\$ 105,154,948</u>	<u>100.00 %</u>	<u>\$ 100,020,430</u>	<u>\$ 5,134,519</u>	<u>5.13 %</u>

Overall, the City added \$100,000 to the General Fund and transferred over \$9 million to the Capital Projects Fund for future projects.

The two largest sources of tax revenue are sales & use tax revenue and property tax revenue. As illustrated below and on the following two pages, both sales & use and property tax increased for 2012. While sales tax increased dramatically, property tax increased only slightly.

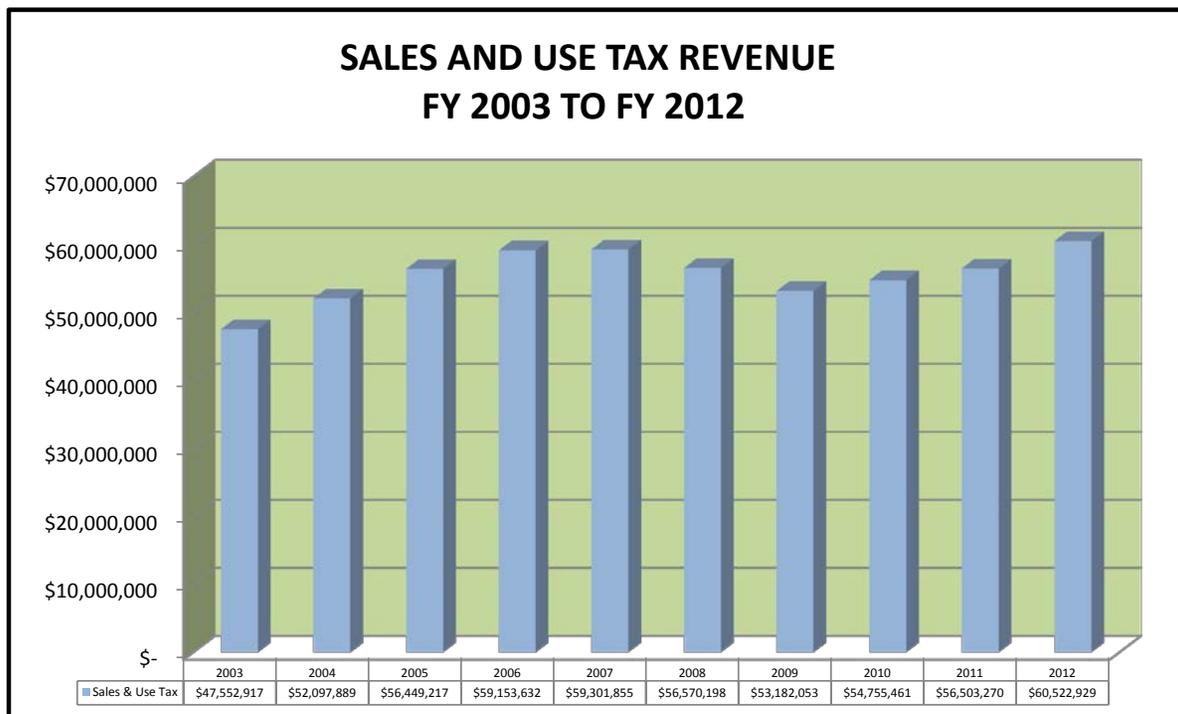
Related to sales and use taxes, the City's total gross sales and use tax basis increased by \$338,843,868 over the previous year to a total of \$3,626,353,783. This represented an increase of 10.31%. This basis has now exceeded its prior high in 2007, the first time since the economy took a downturn. The chart below depicts the gross sales growth for the last five years.



Fiscal year 2012 resulted in a third year of increases for sales and use tax revenue after the two years of decline in 2008 and 2009. Sales and use tax revenue increased by 7.11% over fiscal year 2011. The chart and table below depict the past ten years of sales and use tax revenue collected by the City. Like the sales and use tax basis on the previous page, sales and use taxes themselves realized their all time high in fiscal year 2012 by surpassing the prior year high number in fiscal year 2007.

<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>
2003	\$ 47,552,917	8.11 %	\$ 82,072,193	57.94 %
2004	52,097,889	9.56	86,238,043	60.41
2005	56,449,217	8.35	92,641,156	60.93
2006	59,153,632	4.79	99,501,833	59.45
2007	59,301,855	0.25	104,222,257	56.90
2008	56,570,198	(4.61)	101,994,557	55.46
2009	53,182,053	(5.99)	97,990,456	54.27
2010	54,755,461	2.96	97,884,197	55.94
2011	56,503,270	3.19	100,020,428	56.49
2012	60,522,929	7.11	105,154,948	57.56

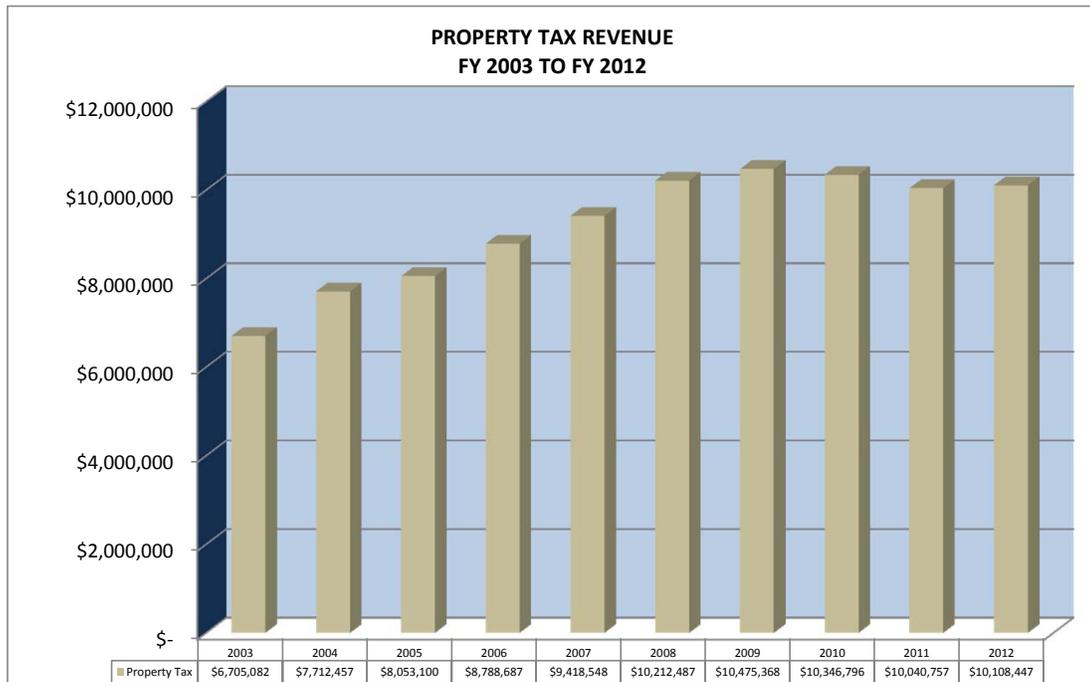
City management expects to maintain the fiscal year 2012 level of sales tax revenue receipts in the near future.



The second largest revenue source for the City is property tax, which comprises 9.61% of total revenues for governmental fund types. A 10 year summary of property tax is as follows:

<u>Fiscal Year</u>	<u>Property Tax Revenue</u>	<u>Percent of Increase (Decrease) from Previous Year</u>	<u>Total All Governmental Fund Types</u>	<u>Percent of Total Revenue</u>
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	10,475,368	2.57	97,990,456	10.69
2010	10,346,796	(1.23)	97,884,197	10.57
2011	10,040,757	(2.96)	100,020,428	10.04
2012	10,108,447	0.67	105,154,948	9.61

The City's property tax is 6 1/2 mills for general governmental use. Property tax revenue increased .67% over FY 2011 by \$67,690. Management expects this number to increase slightly in the near future, as housing prices continue to recover and new houses expand the tax base.



OTHER INFORMATION

Awards

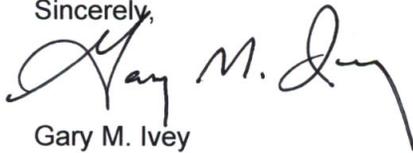
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2011. This was the thirtieth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Sincerely,



Gary M. Ivey
Mayor



Robert M. Yeager
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hoover
Alabama

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

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.



Christopher P. Morrill

President

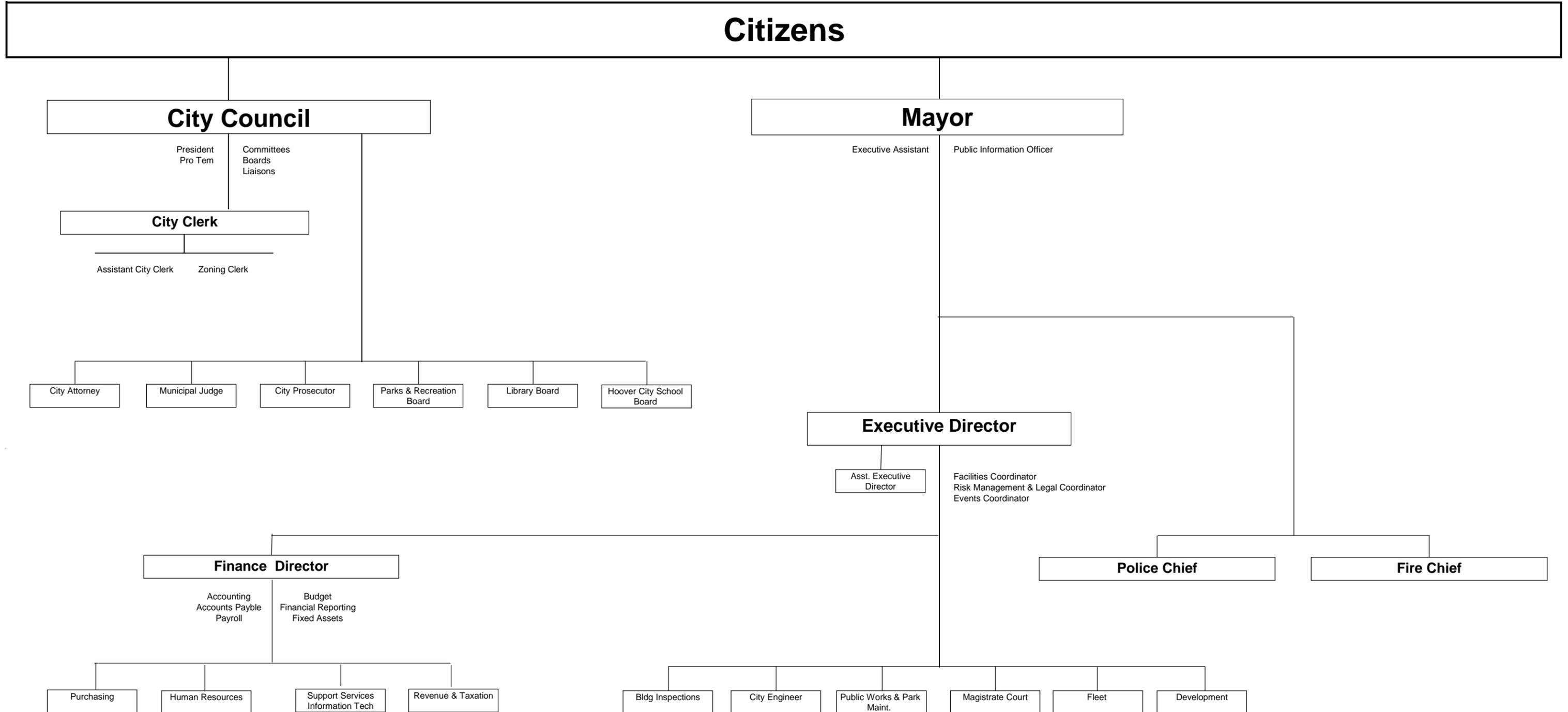
Jeffrey R. Emer

Executive Director

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THE CITY OF HOOVER, ALABAMA

Organization Chart



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OFFICIALS FOR THE CITY OF HOOVER, ALABAMA

ELECTED OFFICIALS

Mayor	Gary Ivey
Council President	Jack Wright
Council President Pro Tempore	Brian Skelton
Council Member	John Greene
Council Member	Dr. Trey Lott
Council Member	John Lyda
Council Member	Admiral Jack Natter
Council Member	Gene Smith

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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, 2012, 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, 2012, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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

A handwritten signature in blue ink, appearing to read "Borland Benefield P.C.", is positioned above the typed name.

Borland Benefield, P.C.
Birmingham, Alabama
March 28, 2013

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, 2012. 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, 2012, by \$401,320,790. Of this amount, \$331,729,993 is invested in capital assets – net of related debt, \$11,032,748 is restricted by enabling legislation, which by definition is legally restricted to certain uses, and \$58,558,049 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by \$126,262 or .03% in comparison to the net assets at the beginning of the year. A detailed explanation of this decrease 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 \$67,607,950, an increase of \$5,403,079 in comparison with the prior year. Approximately \$30,615,882 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- Total net assets for governmental activities increased by \$1,832,572, bringing the total to \$377,515,193 for fiscal year 2012.

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 has no 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 73.

The City of Hoover maintains twenty 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 eighteen 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 75).

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 six proprietary funds, two enterprise funds and four internal service funds. They are the Sewer Enterprise Fund, the Redevelopment Enterprise Fund, the Health Insurance Actives Internal Service Fund, the Health Insurance Retirees Internal Service Fund, the Workers Compensation Internal Service Fund, and the Property & Casualty Internal Service Fund. The City of Hoover adopts an annual appropriated budget for these funds also.

Notes to the financial statements

The notes to the financial statements provide additional essential information that will facilitate understanding the data represented in the government-wide and fund financial statements (see pages 51-73).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets

The City's total assets on its Statement of Net Assets for fiscal year 2012 totaled \$526,002,845, of which \$474,257,848 or 90.16% was from governmental activities. This was a decrease of \$3,509,454 for assets in governmental activities. A major part of this change was due to the capital assets (net of depreciation) decreasing by over \$10 million, which offset the increase in current assets that consisted mainly of an increase in cash and investments by over \$7 million. In fiscal year 2011, we changed from the modified approach in accounting for roads and bridges to the depreciation approach. Since we utilize the ½ year convention method for depreciation, fiscal year 2012 depreciated a whole year, an over \$8 million increase in depreciation compared with the prior year, which depreciated only a ½ year.

Business-type activities made up \$51,744,997 or 10.31% of total assets for fiscal year 2012, which was a decrease of \$3,178,211, or 5.79% from fiscal year 2011. This change was also mostly related to the capital assets (net of depreciation), which decreased by almost \$2.4 million.

As shown in the summary below, noncurrent assets comprise 82.75% of total assets, which is a decrease from fiscal year 2011 where the percentage was 84.23%. For fiscal 2012, current assets comprised 17.25% of all assets, an increase from fiscal year 2011 where the percentage was 15.77%. This increase in current assets is attributable to cash and investments increasing by over \$7 million. Overall, the decrease in government-wide assets of \$6,687,665 was due mainly to the increase in depreciation expense that reduced the value of capital assets.

Breakdown of Assets - Statement of Net Assets - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Current assets	\$ 74,209,118	\$ 81,676,758	\$ 9,808,508	\$ 9,041,467	\$ 84,017,626	\$ 90,718,225
Noncurrent assets:						
Capital assets, net of depreciation	400,485,627	389,853,009	44,793,745	42,418,171	445,279,372	432,271,179
Deferred charges (issuance costs)	485,009	408,117	320,955	285,359	805,964	693,477
Actuarial receivable	2,384,110	2,156,951	-	-	2,384,110	2,156,951
Long-term receivables	203,438	163,013	-	-	203,438	163,013
Total noncurrent assets	<u>403,558,184</u>	<u>392,581,090</u>	<u>45,114,700</u>	<u>42,703,530</u>	<u>448,672,884</u>	<u>435,284,620</u>
Total Assets	<u>\$ 477,767,302</u>	<u>\$ 474,257,848</u>	<u>\$ 54,923,208</u>	<u>\$ 51,744,997</u>	<u>\$ 532,690,510</u>	<u>\$ 526,002,845</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Current assets	15.53%	17.22%	17.86%	17.47%	15.77%	17.25%
Noncurrent assets:						
Capital assets, net of depreciation	83.82%	82.20%	81.56%	81.98%	83.59%	82.18%
Deferred charges (issuance costs)	0.10%	0.09%	0.58%	0.55%	0.15%	0.13%
Statutory actuarial receivable	0.50%	0.45%	0.00%	0.00%	0.45%	0.41%
Long-term receivables	0.04%	0.03%	0.00%	0.00%	0.04%	0.03%
Total noncurrent assets	<u>84.47%</u>	<u>82.78%</u>	<u>82.14%</u>	<u>82.53%</u>	<u>84.23%</u>	<u>82.75%</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	
	2011	2012	2011	2012	2011	2012
Current assets	88.33%	90.03%	11.67%	9.97%	100.00%	100.00%
Noncurrent assets:						
Capital assets, net of depreciation	89.94%	90.19%	10.06%	9.81%	100.00%	100.00%
Deferred charges (issuance costs)	60.18%	58.85%	39.82%	41.15%	100.00%	100.00%
Statutory actuarial receivable	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Long-term receivables	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Total noncurrent assets	<u>89.94%</u>	<u>90.19%</u>	<u>10.06%</u>	<u>9.81%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Assets	<u>89.69%</u>	<u>90.16%</u>	<u>10.31%</u>	<u>9.84%</u>	<u>100.00%</u>	<u>100.00%</u>

Liabilities

The City's total liabilities on its Statement of Net Assets totaled \$124,682,055 of which \$96,742,655 or 77.59% was from governmental activities. This resulted in a decrease of \$5,342,026 for liabilities in governmental activities in fiscal year 2012 compared with fiscal year 2011's liabilities of \$102,084,681. The majority of this was due to approximately \$5.8 million of principal payments on debt.

Business-type activities made up \$27,939,400, or 22.41% of total liabilities for fiscal year 2012. This was a decrease from the previous year. Specifically, it decreased by \$1,219,377 compared to the previous year. This was mostly due to the \$915,000 debt service principal that was paid on the 1999 and 2000 general obligation sewer warrants.

Overall, as shown in the summary below, long-term liabilities consisting of net bonds/warrants payable, compensated absences, and claims payable comprise 85.38% of total liabilities, with current liabilities comprising 14.62%. The percentage represented was a slight change from fiscal year 2011, which was 86.23% and 13.77% respectively.

Breakdown of Liabilities - Statement of Net Assets - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Current liabilities:						
Accounts payable and other accrued liabilities	\$ 5,475,316	\$ 5,780,040	\$ 557,810	\$ 254,020	\$ 6,033,125	\$ 6,034,059
Internal payable	5,845	(10,542)	(5,845)	10,542	-	-
Bonds and warrants payable, net	5,913,884	6,084,709	931,754	966,754	6,845,637	7,051,463
Compensated absences	4,143,673	4,090,325	11,512	11,616	4,155,185	4,101,941
Claims payable opeb	-	-	-	-	-	-
Claims payable workers compensation	289,927	258,240	-	-	289,927	258,240
Claims payable property and casualty	744,869	785,797	-	-	744,869	785,797
Total current liabilities	16,573,512	16,988,568	1,495,231	1,242,931	18,068,746	18,231,500
Long-term liabilities:						
Bonds and warrants payable, net	74,164,566	68,079,857	27,649,210	26,682,456	101,813,776	94,762,313
Compensated absences	6,226,533	6,448,029	14,336	14,013	6,240,869	6,462,042
Claims payable opeb	1,692,015	2,112,170	-	-	1,692,015	2,112,170
Claims payable workers compensation	2,337,769	2,087,333	-	-	2,337,769	2,087,333
Claims payable property and casualty	1,090,284	1,026,697	-	-	1,090,284	1,026,697
Total long-term liabilities	85,511,167	79,754,086	27,663,546	26,696,469	113,174,713	106,450,555
Total Liabilities	\$ 102,084,681	\$ 96,742,655	\$ 29,158,777	\$ 27,939,400	\$ 131,243,459	\$ 124,682,055

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

Category	2011	2012	2011	2012	2011	2012
Current liabilities	16.24%	17.56%	5.13%	4.45%	13.77%	14.62%
Long-term liabilities	83.76%	82.44%	94.87%	95.55%	86.23%	85.38%
Total Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

Category	2011	2012	2011	2012	2011	2012
Current liabilities	91.72%	93.18%	8.28%	6.82%	100.00%	100.00%
Long-term liabilities	75.56%	74.92%	24.44%	25.08%	100.00%	100.00%
Total Liabilities	77.78%	77.59%	22.22%	22.41%	100.00%	100.00%

Net Assets

The City's entity-wide net assets totaled \$401,320,790. Governmental activities comprised \$377,515,193 or 94.07% of the total net assets for fiscal year 2012. While there was a slight increase of \$1,832,572 for net assets in governmental activities, the percentage represented was relatively the same in comparison with fiscal year 2011, which was 95.16%.

Business-type activities made up \$23,805,596, or 5.93% of total net assets for fiscal year 2012. This represented a decrease of \$1,958,835, but the percentage represented was relatively the same in comparison with fiscal year 2011, which was 6.42%. Most of this decrease was due to the decrease in capital assets (net of depreciation) discussed previously.

The largest portion of the City's assets is restricted or invested in capital assets. In particular, \$331,729,993, or 82.66% is invested in capital assets such as buildings, roads and bridges, less any related debt used to acquire those assets that is still outstanding, and \$11,032,748, or 2.75% is restricted for other various purposes. Thus, the total percentage of restricted assets totaled 85.41% for fiscal year 2012, as compared with fiscal year 2011 at 86.68%.

At the same time, the City has \$58,558,049 or 14.59% 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 \$5,095,043 from fiscal year 2011 to fiscal year 2012, with governmental activities representing a \$5,517,956 increase, while the business-type activities decreased \$422,914. The major reason for the increase in unrestricted is due to the debt principal payments that reduced invested in capital assets, net of related debt.

Summary of Net Assets - Primary Government - Actual

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Invested in capital assets, net of related debt	\$ 320,407,177	\$ 315,688,443	\$ 17,577,471	\$ 16,041,550	\$ 337,984,648	\$ 331,729,993
Restricted for other purposes	9,999,396	11,032,748	-	-	9,999,396	11,032,748
Unrestricted	<u>45,276,047</u>	<u>50,794,003</u>	<u>8,186,960</u>	<u>7,764,046</u>	<u>53,463,006</u>	<u>58,558,049</u>
Total net assets	<u>\$ 375,682,621</u>	<u>\$ 377,515,193</u>	<u>\$ 25,764,431</u>	<u>\$ 23,805,596</u>	<u>\$ 401,447,052</u>	<u>\$ 401,320,790</u>

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

	2011	2012	2011	2012	2011	2012
	Invested in capital assets, net of related debt	85.29%	83.62%	68.22%	67.39%	84.19%
Restricted for other purposes	2.66%	2.92%	0.00%	0.00%	2.49%	2.75%
Unrestricted	<u>12.05%</u>	<u>13.45%</u>	<u>31.78%</u>	<u>32.61%</u>	<u>13.32%</u>	<u>14.59%</u>
Total net assets	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

	2011	2012	2011	2012	2011	2012
	Invested in capital assets, net of related debt	94.80%	95.16%	5.20%	4.84%	100.00%
Restricted for other purposes	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Unrestricted	<u>84.69%</u>	<u>86.74%</u>	<u>15.31%</u>	<u>13.26%</u>	<u>100.00%</u>	<u>100.00%</u>
Total net assets	<u>93.58%</u>	<u>94.07%</u>	<u>6.42%</u>	<u>5.93%</u>	<u>100.00%</u>	<u>100.00%</u>

As mentioned above, the largest portion of the City's net assets (82.66%) 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.

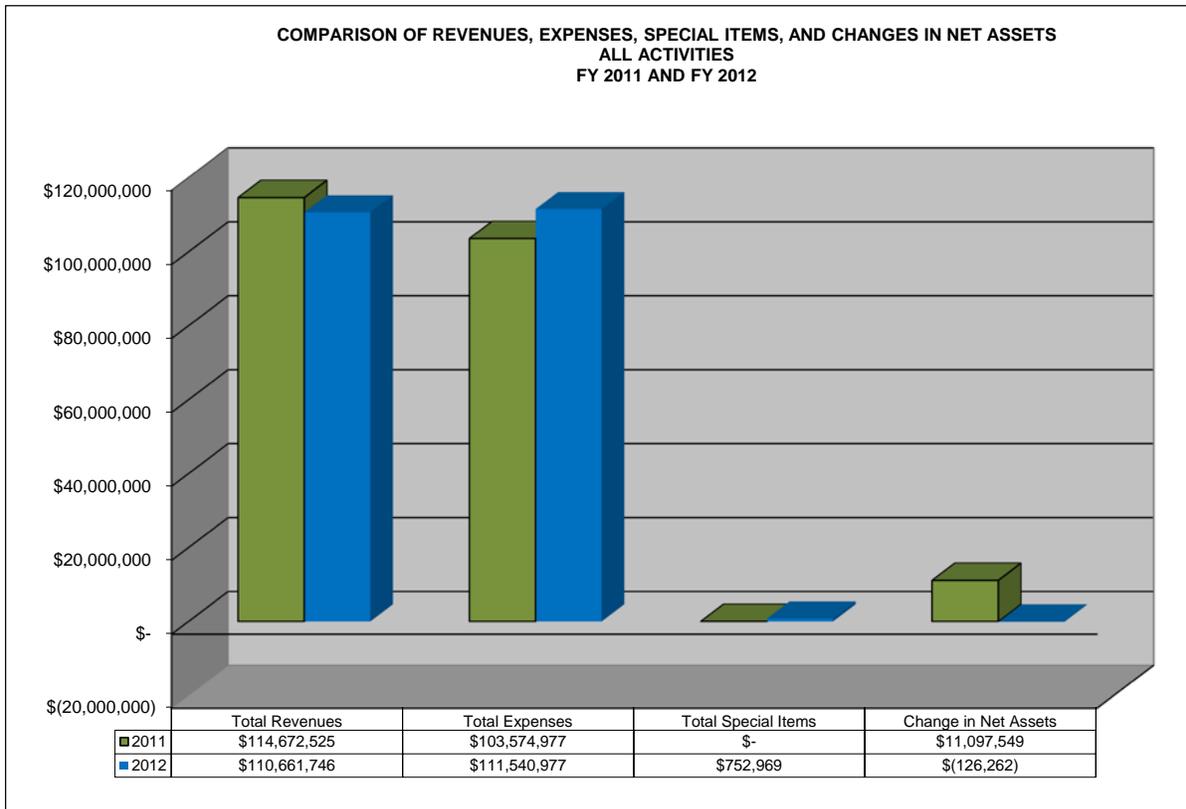
Statement of Activities

The Statement of Activities includes governmental activities and business-type activities. The total change in net assets for the fiscal year ended 2012 was a decrease of \$126,262 compared with the fiscal year ended 2011 change in net assets of an increase by \$11,097,549, a difference of (\$11,976,780). The main reason for the large difference between the two years is that fiscal year 2011 had almost \$8.5 million more in capital grants and contributions than 2012. In addition, highway and roadway expenses increased by almost \$7.5 million, due to a full year of depreciation expense, which was attributed to the change in reporting on roads and bridges from the modified approach to a depreciation approach. In addition, a \$4 million increase in sales and use tax offset the above items to realize the change in net assets.

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

Category	CHANGE IN NET ASSETS AS OF SEPTEMBER 30					
	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
REVENUES						
Program Revenues:						
Charges for services	\$ 14,689,293	\$ 15,677,352	\$ 4,195,985	\$ 3,760,435	\$ 18,885,278	\$ 19,437,787
Operating grants and contributions	3,627,644	3,765,312	-	-	3,627,644	3,765,312
Capital grants and contributions	11,347,086	2,814,007	-	-	11,347,086	2,814,007
General Revenues:						
Sales and use taxes	56,503,270	60,522,929	-	-	56,503,270	60,522,929
Property taxes	10,040,757	10,108,447	-	-	10,040,757	10,108,447
Other taxes	9,698,121	9,850,823	-	-	9,698,121	9,850,823
Intergovernmental revenue not restricted	2,375,635	2,744,975	-	-	2,375,635	2,744,975
Unrestricted investment income	1,602,949	964,364	11,650	24,387	1,614,599	988,751
Gain (loss) on asset disposals	-	121,729	-	-	-	121,729
Other revenue	573,346	306,235	6,789	751	580,135	306,986
Total Revenues	<u>\$ 110,458,101</u>	<u>\$ 106,876,173</u>	<u>\$ 4,214,424</u>	<u>\$ 3,785,573</u>	<u>\$ 114,672,525</u>	<u>\$ 110,661,746</u>
EXPENSES						
Program Activities:						
General government	\$ 11,895,501	\$ 12,404,558	\$ -	\$ -	\$ 11,895,501	\$ 12,404,558
Public safety	43,231,843	42,984,050	-	-	43,231,843	42,984,050
Library	6,262,401	6,384,696	-	-	6,262,401	6,384,696
Municipal court	1,738,663	1,709,638	-	-	1,738,663	1,709,638
Sanitation	6,075,253	6,222,487	-	-	6,075,253	6,222,487
Education	2,000,000	2,000,000	-	-	2,000,000	2,000,000
Highway and roadway improvements	14,673,216	22,198,428	-	-	14,673,216	22,198,428
Recreation services	8,721,903	8,507,207	-	-	8,721,903	8,507,207
Health	282,764	292,368	-	-	282,764	292,368
Interest and fiscal charges	2,823,206	3,093,138	-	-	2,823,206	3,093,138
Sewer services	-	-	5,870,227	5,744,407	5,870,227	5,744,407
Total Expenses	<u>\$ 97,704,750</u>	<u>\$ 105,796,570</u>	<u>\$ 5,870,227</u>	<u>\$ 5,744,407</u>	<u>\$ 103,574,977</u>	<u>\$ 111,540,977</u>
Excess (deficiency) before transfers	12,753,351	1,079,603	(1,655,803)	(1,958,834)	11,097,549	(879,231)
Transfers	(2,999,952)	-	2,999,952	-	-	-
SPECIAL ITEMS						
Gain on sale of park land	\$ -	\$ 752,969	\$ -	\$ -	\$ -	\$ 752,969
Conference center construction grant	-	-	-	-	-	-
Revenue rebate to developer	-	-	-	-	-	-
Total special items	<u>\$ -</u>	<u>\$ 752,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,969</u>
CHANGE IN NET ASSETS	<u>\$ 9,753,399</u>	<u>\$ 1,832,572</u>	<u>\$ 1,344,150</u>	<u>\$ (1,958,835)</u>	<u>\$ 11,097,549</u>	<u>\$ (126,262)</u>

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



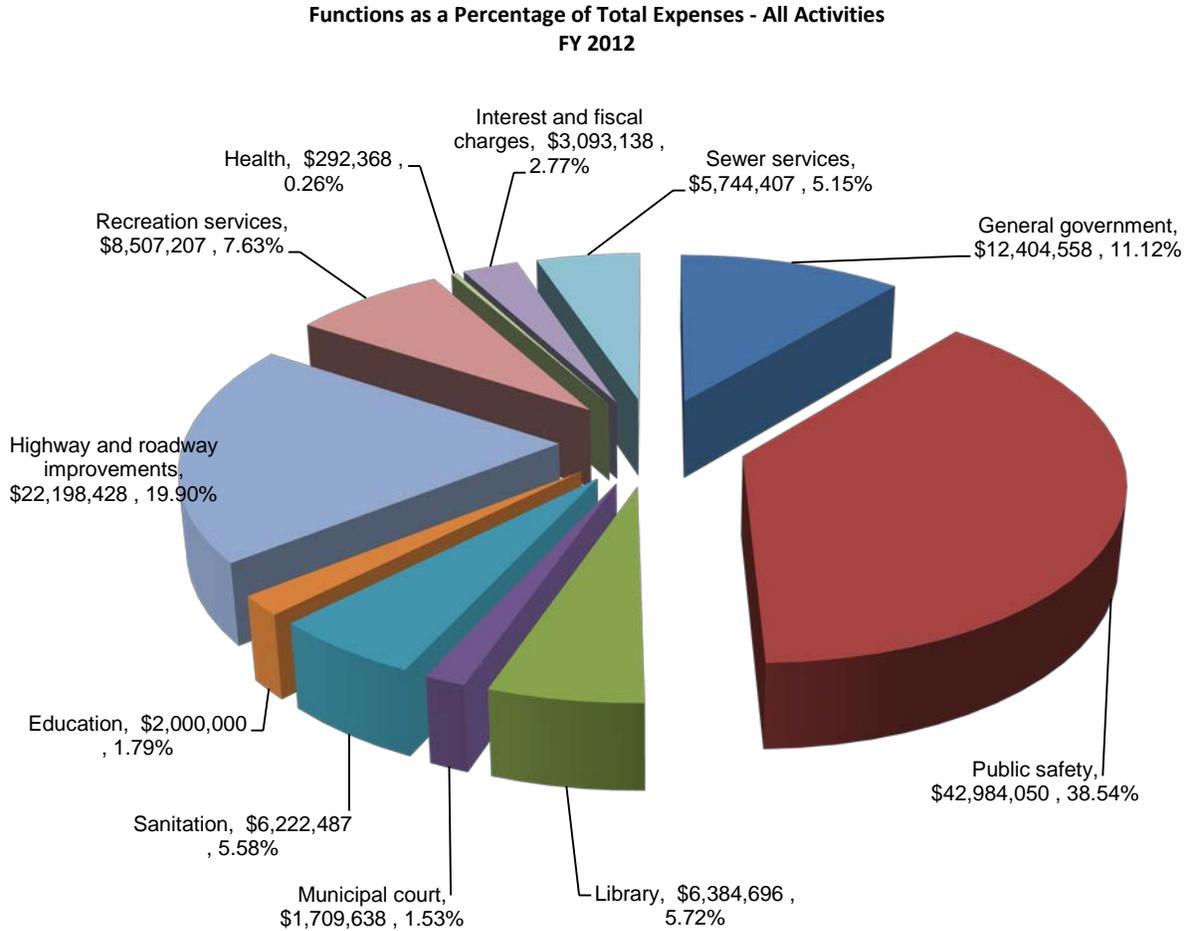
As mentioned previously, capital grants and contributions decreased. Alternately, the category with the largest \$ increase in revenues was sales & use taxes. The City continued to see its major source of revenue grow. The schedule below shows the % change in detail by each category.

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

Category	Governmental Activities		Business-type Activities		Total	
	2011	2012	2011	2012	2011	2012
REVENUES						
Program Revenues:						
Charges for services	13.30%	14.67%	99.56%	99.34%	16.47%	17.57%
Operating grants and contributions	3.28%	3.52%	0.00%	0.00%	3.16%	3.40%
Capital grants and contributions	10.27%	2.63%	0.00%	0.00%	9.90%	2.54%
General Revenues:						
Sales and use taxes	51.15%	56.63%	0.00%	0.00%	49.27%	54.69%
Property taxes	9.09%	9.46%	0.00%	0.00%	8.76%	9.13%
Other taxes	8.78%	9.22%	0.00%	0.00%	8.46%	8.90%
Intergovernmental revenue not restricted	2.15%	2.57%	0.00%	0.00%	2.07%	2.48%
Unrestricted Investment income	1.45%	0.90%	0.28%	0.64%	1.41%	0.89%
Gain on sale of disposed equipment	0.00%	0.11%	0.00%	0.00%	0.00%	0.11%
Other revenue	0.52%	0.29%	0.16%	0.02%	0.51%	0.28%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
EXPENSES						
Program Activities:						
General government	12.17%	11.72%	0.00%	0.00%	11.48%	11.12%
Public safety	44.25%	40.63%	0.00%	0.00%	41.74%	38.54%
Library	6.41%	6.03%	0.00%	0.00%	6.05%	5.72%
Municipal court	1.78%	1.62%	0.00%	0.00%	1.68%	1.53%
Sanitation	6.22%	5.88%	0.00%	0.00%	5.87%	5.58%
Education	2.05%	1.89%	0.00%	0.00%	1.93%	1.79%
Highway and roadway improvements	15.02%	20.98%	0.00%	0.00%	14.17%	19.90%
Recreation services	8.93%	8.04%	0.00%	0.00%	8.42%	7.63%
Health	0.29%	0.28%	0.00%	0.00%	0.27%	0.26%
Interest and fiscal charges	2.89%	2.92%	0.00%	0.00%	2.73%	2.77%
Sewer services	0.00%	0.00%	100.00%	100.00%	5.67%	5.15%
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 38.54% of the total expenses on the Statement of Activities. After the highway and road improvement category that represented 19.90% of expenses, general government, recreation services (including park maintenance), and the library comprised 11.12%, 7.63%, and 5.72% of expenses, respectively. Interest and fiscal charges, which represent mandatory spending (as opposed to discretionary spending) represented only 2.77% of total expenses.

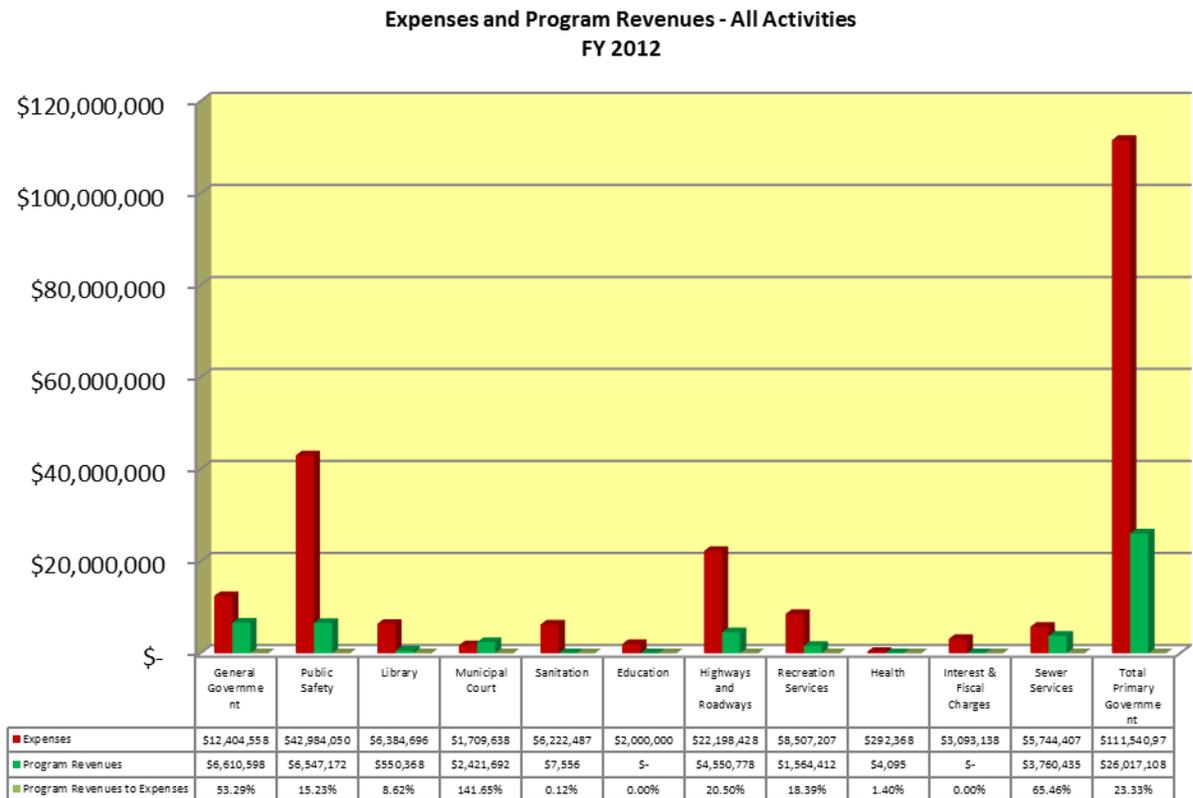


The figure above illustrates the entire expense breakdown by function and corresponding percentage for fiscal year 2012. The percentages match closely with those of fiscal year 2011 except for highway and roadway improvements, which increased from 14.17% in 2011 to 19.09% in 2012 due to the full year of depreciation expense from converting from the modified approach in accounting for its road and bridge infrastructure.

Program Revenues

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

The figure below depicts the amount of program expenses and the offsetting program revenue by function. As illustrated, the general government and public safety categories make up the largest program income categories, comprising \$6,610,598 and \$6,547,172, respectively. The former is mostly attributed to business licenses, while the latter consists of various sources related to police, fire, dispatch and inspections, including various grants and building permits



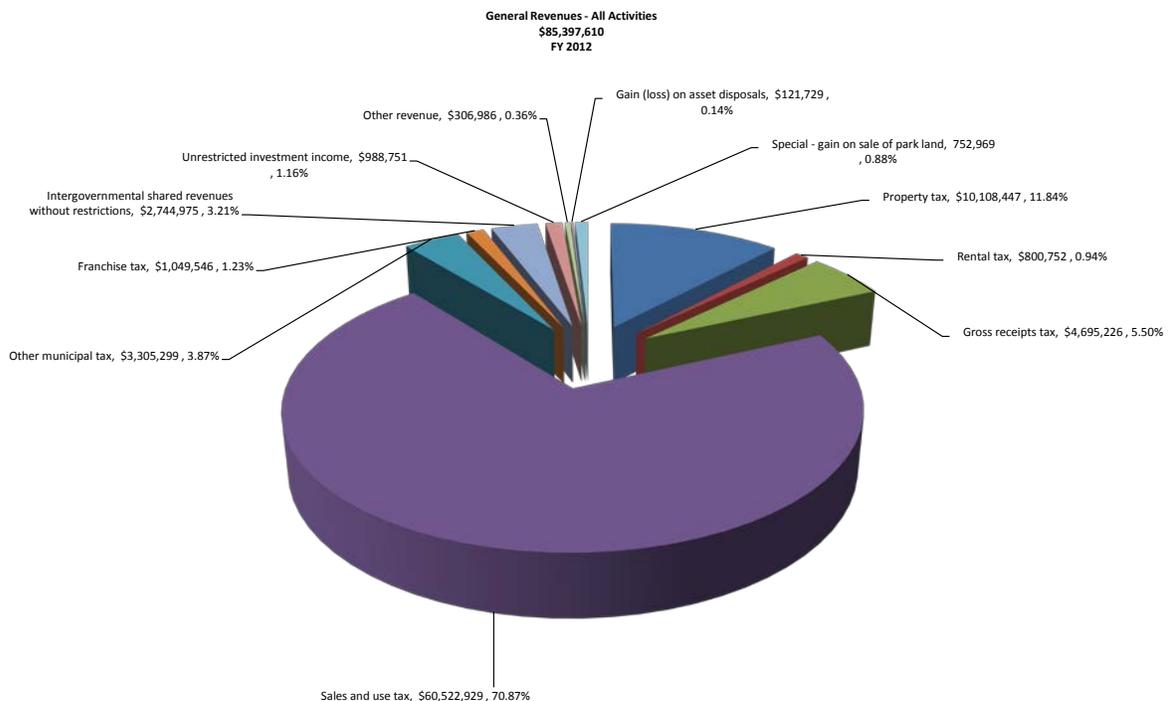
In addition, Municipal Court was the only program that took in more revenue than they had expenses. For fiscal year 2012, Municipal Court had expenses totaling \$1,709,683 and program revenues totaling \$2,421,692, which represented 141.65% of revenues to expenses, respectively. It is important to note that by state law, some of Municipal Court's funding can be and is used to defray costs of operating the jail, which is included under the public safety category.

Sewer Service expenses for fiscal year 2012 totaled \$5,744,407 and program revenues totaled \$3,760,435, which represented 65.46% of revenues to expenses. The City is reviewing alternatives on how to close the gap between the sewer's revenues and expenses.

General Revenues

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

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



In summary, after taking into account total expenses, total program revenues, and total general revenues for governmental activities in the Statement of Activities, net assets decreased by \$126,262 for the primary government. As a result, the net assets at the end of the year totaled \$401,320,790 for all activities.

OTHER PROPRIETARY FUNDS

Internal Service Funds

In addition to the Sewer Enterprise Fund, the City has a Redevelopment Enterprise Fund and four internal service funds. These internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements on pages 48-50. Individual fund data for these funds is provided in the form of *combining statements* on pages 80-82 of this report.

In terms of the Redevelopment Fund, in fiscal year 2011 the City purchased an apartment complex and its land to redevelop the area. The City managed the remainder of the apartment rentals until the leases were up and then contracted to demolish the structures. The intent is to sell this land to a commercial developer and that sale did occur in fiscal year 2013.

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 \$3,948,061 in net assets, while the health insurance - retirees - internal service fund ended the year with (\$1,563,772) 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 \$846,237 in net assets, while the property and casualty internal service fund, ended the year with \$1,314,962 in net assets, for a combined total in all internal service funds of \$4,545,488 in net assets. Overall, the City is pleased with the net asset position of these internal service funds. However, it has reduced its charges for service budget for the workers compensation and property and casualty funds in order to use up some of the net assets that have accumulated.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information not only provides more detail, but is also useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The table below illustrates the breakdown of governmental funds for fiscal year 2012.

	2012 Governmental Funds			Total Governmental Funds
	General Fund	Capital Projects Fund	Other Governmental Funds	
Total revenues	\$ 96,968,802	\$ 334,039	\$ 7,852,108	\$ 105,154,948
Total expenditures	83,925,897	4,910,749	11,915,224	100,751,870
Total other financing sources (uses)	(12,942,905)	9,913,517	3,029,388	-
Total special items	-	1,000,000	-	1,000,000
Net change in fund balances	100,000	6,336,807	(1,033,729)	5,403,079
Fund balances, beginning of year	31,500,000	18,638,394	12,066,477	62,204,871
Fund balances, end of year	\$ 31,600,000	\$ 24,975,201	\$ 11,032,748	\$ 67,607,950
Percent of fund balance to expenditures	37.65%	508.58%	92.59%	67.10%

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, 2012, the City of Hoover's governmental funds reported combined ending fund balances of \$67,607,950. Approximately \$30,615,882 or 45.28% constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of the fund balance is non-spendable (.49%) restricted (16.32%), committed (36.94%), or assigned (.96%). These fund balance categories are defined in the Notes to the Financial Statements.

In fiscal year 2011, the combined governmental ending fund balances were \$62,204,871. The total end of the year fund balances increased by \$5,403,079 from fiscal 2011 to fiscal 2012. This increase was actualized as follows: General Fund - \$100,000, Capital Projects Fund - \$6,336,807, and Other Governmental Funds - (\$1,033,729). By resolution, the excess in the General Fund above \$100,000 is transferred to the Capital Projects Fund. The decrease in Other Governmental Funds was attributable to various special revenue funds that had increases during the fiscal year, but were offset by some of the 2010 refunding warrants being spent.

General Fund

The general fund is the chief operating fund for the City of Hoover. As of September 30, 2012, the total fund balance of the general fund was \$31,600,000 as compared with September 30, 2011 where it was \$31,500,000, an increase of \$100,000. The end of the year fund balance for fiscal year 2012 represents approximately 37.65% 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, 2012, the total ending fund balance for the capital projects fund was \$24,975,201. For the fiscal year, a transfer from the general fund in the amount of \$9,913,517 offset the total expenditures during the year of \$4,910,749, with a net increase to the fund of \$6,336,807 including revenue.

The City does have several ongoing projects and commitments that are to be funded from this fund. These commitments represent projects that have been approved and have been started, but not completed. As of September 30, 2012, although all of the fund balance shows as committed, the total city portion of ongoing projects from this fund is estimated at \$12,036,440. The balance, \$12,938,761 is not dedicated to specific projects and is available to be allocated to future projects as needed. The fiscal year 2013 budget did dedicate some of these funds to new projects.

Other Governmental Funds

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

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund resulted in a net increase of budgetary fund balance in the amount of \$100,000. As shown below, budgeted revenues increased by \$6,553,853, or 7.40% of the original budget. This was due to a conservative projection for the original budget that was adopted by city council.

The total expenditure budget decreased by \$2,279,864, or 2.63%. The major reason for this (and the revenue projection change) was to allow an additional transfer to the capital projects funds for future projects by using the surplus in the expenditure accounts at the end of the fiscal year. Since fiscal year 2007, the City has transferred all excess in the general fund above \$100,000 to the capital projects fund.

The largest change from the original budget to the amended budget was due to the higher than expected taxes that were remitted to the city.

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	\$ 74,111,500	\$ 80,547,583	\$ 6,436,083	8.68	%
Licenses and permits	6,496,600	6,496,600	-	0.00	
Intergovernmental	1,194,000	1,194,000	-	0.00	
Fines and forfeits	1,884,000	1,884,000	-	0.00	
Investment income	1,250,100	1,250,100	-	0.00	
Rents and royalties	886,855	886,855	-	0.00	
Contributions and reimbursements	930,287	930,287	-	0.00	
Charges for services	1,647,700	1,553,003	(94,697)	-5.75	
Other	144,200	356,667	212,467	147.34	
Total revenues	<u>88,545,242</u>	<u>95,099,095</u>	<u>6,553,853</u>	7.40	%
Expenditures					
Current operations					
General government	12,955,152	10,975,690	(1,979,462)	-15.28	%
Public safety	37,599,499	37,346,403	(253,096)	-0.67	
Library	6,059,325	6,013,172	(46,153)	-0.76	
Municipal court	166,544	150,512	(16,032)	-9.63	
Sanitation	6,396,206	6,222,488	(173,718)	-2.72	
Education	2,000,000	2,000,000	-	0.00	
Highway and roadway improvements	4,305,664	4,274,926	(30,738)	-0.71	
Recreation services	7,433,162	7,356,735	(76,427)	-1.03	
Health	282,368	288,538	6,170	2.19	
Total	<u>77,197,920</u>	<u>74,628,464</u>	<u>(2,569,456)</u>	-3.33	%
Capital outlays	546,035	835,627	289,592	53.04	%
Debt service					
Principal	5,760,000	5,760,000	-	0.00	%
Interest	3,263,593	3,263,593	-	0.00	
Fiscal agent fees	3,300	3,300	-	0.00	
Total expenditures	<u>86,770,848</u>	<u>84,490,984</u>	<u>(2,279,864)</u>	-2.63	%
Excess (deficiency) of revenues over (under) expenditures	1,774,394	10,608,111	8,833,717	4.98	
Other financing sources (uses)					
Transfers in	24,095,819	23,435,975	(659,844)	-0.03	%
Transfers out	(25,870,213)	(33,944,086)	(8,073,873)	0.31	
Total other financing sources (uses)	<u>(1,774,394)</u>	<u>(10,508,111)</u>	<u>(8,733,717)</u>	4.92	%
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	100.00	%
Fund balances, beginning of year	31,500,000	31,500,000	-		
Fund balances, end of year	31,500,000	31,600,000	100,000	0.32%	%

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

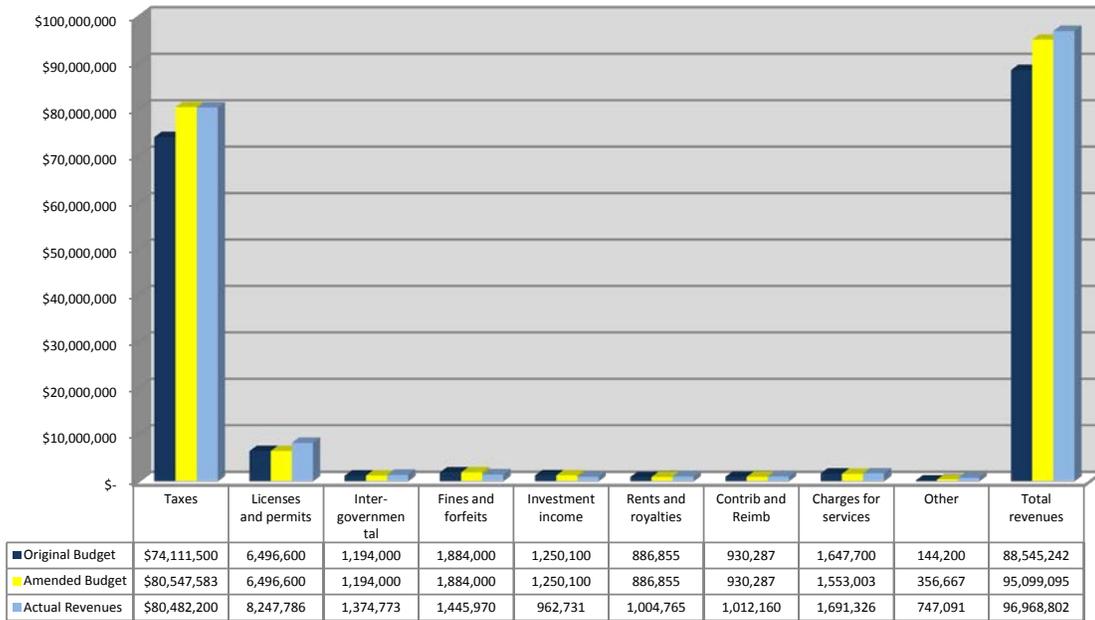
Revenues came in at \$1,869,707 more than the amended projection, but \$8,423,560 more than the original projection. Revenue accounts with surplus are amended to equal the actual revenues, but those accounts that did not meet projections are not affected, which is why unfavorable balance exists in certain categories. Fines and forfeitures represented the largest portion of this shortfall.

Total expenditures were \$565,087 less than the amended budget. Most of this was related to capital outlays excess and public safety, as well as parks and recreation accounts that are reflected as assigned fund balance in the statements and did not get spent during the fiscal year.

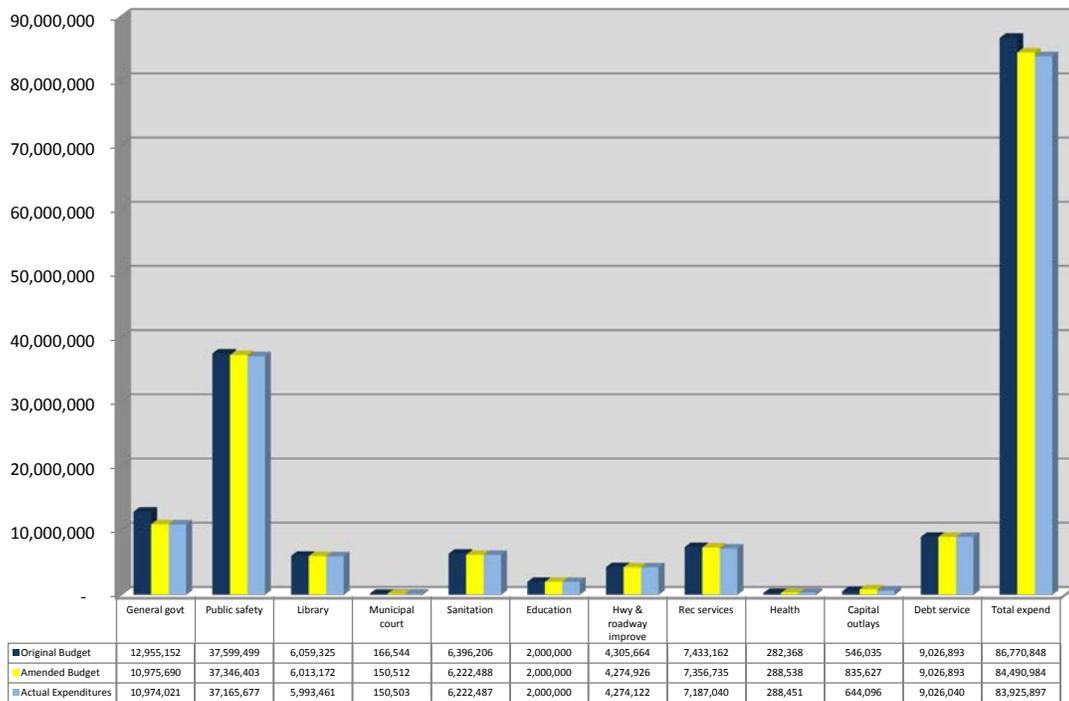
General Fund Original Budget, and Amended Budget to Actual					
	Original Budget	Amended Budget	Actual	Amended Variance Favorable (Unfavorable)	% Difference Between Amended Budget and Actual Expenditure
Revenues					
Taxes	\$ 74,111,500	\$ 80,547,583	\$ 80,482,200	\$ (65,383)	-0.08 %
Licenses and permits	6,496,600	6,496,600	8,247,786	1,751,186	26.96
Intergovernmental	1,194,000	1,194,000	1,374,773	180,773	15.14
Fines and forfeits	1,884,000	1,884,000	1,445,970	(438,030)	-23.25
Investment income	1,250,100	1,250,100	962,731	(287,369)	-22.99
Rents and royalties	886,855	886,855	1,004,765	117,910	13.30
Contributions and reimbursements	930,287	930,287	1,012,160	81,873	8.80
Charges for services	1,647,700	1,553,003	1,691,326	138,323	8.91
Other	144,200	356,667	747,091	390,424	109.46
Total revenues	<u>88,545,242</u>	<u>95,099,095</u>	<u>96,968,802</u>	<u>1,869,707</u>	<u>1.97</u>
Expenditures					
Current operations					
General government	12,955,152	10,975,690	10,974,021	1,669	0.02
Public safety	37,599,499	37,346,403	37,165,677	180,726	0.48
Library	6,059,325	6,013,172	5,993,461	19,711	0.33
Municipal court	166,544	150,512	150,503	9	0.01
Sanitation	6,396,206	6,222,488	6,222,487	1	0.00
Education	2,000,000	2,000,000	2,000,000	-	0.00
Highway & roadway improvements	4,305,664	4,274,926	4,274,122	804	0.02
Recreation services	7,433,162	7,356,735	7,187,040	169,695	2.31
Health	282,368	288,538	288,451	87	0.03
Total	<u>77,197,920</u>	<u>74,628,464</u>	<u>74,255,761</u>	<u>372,703</u>	<u>0.50</u>
Capital outlays	546,035	835,627	644,096	191,531	22.92
Debt service					
Principal	5,760,000	5,760,000	5,760,000	-	0.00
Interest	3,263,593	3,263,593	3,263,593	1	0.00
Fiscal agent fees	3,300	3,300	2,447	853	25.85
Total expenditures	<u>86,770,848</u>	<u>84,490,984</u>	<u>83,925,897</u>	<u>565,087</u>	<u>0.67</u>
Excess (deficiency) of revenues over (under) expenditures	1,774,394	10,608,111	13,042,905	2,434,794	22.95
Other financing sources (uses)					
Transfers in	24,095,819	23,435,975	20,723,291	(2,712,684)	-11.57
Transfers out	(25,870,213)	(33,944,086)	(33,666,195)	277,891	-0.82
Total other financing sources (uses)	<u>(1,774,394)</u>	<u>(10,508,111)</u>	<u>(12,942,905)</u>	<u>(2,434,794)</u>	<u>23.17</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>100.00 %</u>
Fund balances, beginning of year			<u>31,500,000</u>	-	
Fund balances, end of year			<u>\$ 31,600,000</u>	<u>\$ -</u>	

The figures on the next page summarize the comparison of total revenue and total expenditures by original budget, amended budget, and actual received for fiscal year 2012.

GENERAL FUND BUDGET - REVENUES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL REVENUE
FY 2012



GENERAL FUND BUDGET - EXPENDITURES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL EXPENDITURES
FY 2012



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, 2012, amounts to \$432,271,179 (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.

Business-type activities increased its assets in fiscal year 2012. The Sewer Enterprise fund added \$83,807 in assets, including various sewer system improvements currently classified as construction in progress. The overall net change with accumulated depreciation for the sewer system assets was a decrease of \$2,375,574.

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

Please refer to the Notes to the Financial Statements section on pages 58-59 for more detail on capital asset activity.

Debt Administration

As of the fiscal year end, the City of Hoover had \$74,505,000 of governmental debt and \$27,345,000 of business-type debt outstanding for the sewer enterprise fund. The City maintains an AA+ credit rating from Standard and Poor's Corporation and an Aa1 from Moody's Investors Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to twenty percent (20%) of its total assessed valuation. The current constitutional debt limitation for the City of Hoover is \$340,738,908, which is significantly in excess of the City of Hoover's outstanding general obligation debt by \$266,233,908. 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 60 of this report.

ECONOMIC FACTORS

The Government's financial condition continues to be strong. Fiscal year 2012 completed a recovery for the City after the economic downturn that began in fiscal year 2008. During fiscal year 2012, the City finally exceeded its prior year high in general fund revenue established in fiscal year 2007. The City relies on taxes (sales and use, property, gross receipts, franchise, etc.), licenses and permits, intergovernmental revenue, fines and forfeits, charges for service, investment income, rents and royalties, contributions and reimbursements, and other revenue for their governmental activities. The primary source of revenue is sales tax.

As indicated previously, sales and use tax grew by 7.11% over the prior fiscal year from \$56,503,270 in fiscal year 2011 to \$60,522,929 in fiscal year 2012. However, despite this increase, the City continues to budget conservatively in order to weather any additional economic downturn that may occur. Our unassigned fund balance was \$30,615,882. This number substantiates the strength of the city's financial position.

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

The City sold the land purchased through the redevelopment fund to a commercial developer in early fiscal year 2013. This will contribute to a redevelopment in that area of the City.

The unemployment rate for the City of Hoover for 2012 was 4.2%, which decreased from 2011's number of 5.1 %. This number is favorable compared to other government entities within the State of Alabama and nationally.

Overall, the City has recovered from the economic downturn, and due to its conservative financial practices, management expects to continue to weather any future economic slowdown and still remain financially sound. Overall, fiscal year 2012 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 Lane, Hoover, Alabama 35216.

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BASIC FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Statement of Net Assets
September 30, 2012

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets			
Pooled cash and investments	\$ 73,154,690	\$ 5,786,944	\$ 78,941,634
Receivables:			
Taxes	5,661,211	-	5,661,211
Accounts	1,790,140	306,810	2,096,950
Statutory actuarial receivable	634,696	-	634,696
Land held for resale	-	2,923,095	2,923,095
Due from other governments	130,237	-	130,237
Deferred charges (issuance costs)	79,691	24,618	104,309
Inventories	158,057	-	158,057
Prepaid items	68,036	-	68,036
Total current assets	<u>81,676,758</u>	<u>9,041,467</u>	<u>90,718,225</u>
Noncurrent assets			
Capital assets			
Depreciable:			
Buildings/improvements to buildings	99,396,630	26,626,760	126,023,390
Storm sewer inventory/drainage improvements	56,183,893	-	56,183,893
Equipment and vehicles	36,842,670	828,605	37,671,276
Improvements o/t buildings	17,581,722	21,409,452	38,991,173
Streets and bridges	236,406,713	-	236,406,713
Other infrastructure	7,425,540	24,011,007	31,436,547
Accumulated depreciation	(106,306,547)	(32,211,460)	(138,518,007)
Non-depreciable:			
Land	38,322,129	1,670,000	39,992,128
Construction in progress - other	4,000,259	83,807	4,084,066
Total capital assets, net of depreciation	<u>389,853,009</u>	<u>42,418,171</u>	<u>432,271,179</u>
Deferred charges (issuance costs)	408,117	285,359	693,477
Statutory actuarial receivable	2,156,951	-	2,156,951
Long-term receivables	163,013	-	163,013
Total noncurrent assets	<u>392,581,090</u>	<u>42,703,530</u>	<u>435,284,620</u>
Total assets	<u>\$ 474,257,848</u>	<u>\$ 51,744,997</u>	<u>\$ 526,002,845</u>
Liabilities			
Current liabilities payable from current assets			
Accounts payable and accrued liabilities	\$ 5,432,812	\$ 141,173	\$ 5,573,984
Interest payable	265,629	112,847	378,475
Unearned revenue	79,235	-	79,235
Refundable deposits	2,364	-	2,364
Internal payable	(10,542)	10,542	-
Current maturities of long-term liabilities:			
Bonds and warrants payable, net	6,084,709	966,754	7,051,463
Compensated absences	4,090,325	11,616	4,101,941
Claims payable workers compensation	258,240	-	258,240
Claims payable property and casualty	785,797	-	785,797
Total current liabilities	<u>16,988,568</u>	<u>1,242,931</u>	<u>18,231,500</u>
Long-term liabilities			
Bonds and warrants payable, net	68,079,857	26,682,456	94,762,313
Compensated absences	6,448,029	14,013	6,462,042
Claims payable opeb	2,112,170	-	2,112,170
Claims payable workers compensation	2,087,333	-	2,087,333
Claims payable property and casualty	1,026,697	-	1,026,697
Total noncurrent liabilities	<u>79,754,086</u>	<u>26,696,469</u>	<u>106,450,555</u>
Total liabilities	<u>96,742,655</u>	<u>27,939,400</u>	<u>124,682,055</u>
Net assets			
Invested in capital assets, net of related debt	315,688,443	16,041,550	331,729,993
Restricted for:			
Public safety	1,247,492	-	1,247,492
Municipal court	1,523,763	-	1,523,763
General government	2,986,243	-	2,986,243
Recreation services	13,233	-	13,233
Highway and roadway improvements	5,262,017	-	5,262,017
Unrestricted	<u>50,794,003</u>	<u>7,764,046</u>	<u>58,558,049</u>
Total net assets	<u>\$ 377,515,193</u>	<u>\$ 23,805,596</u>	<u>\$ 401,320,790</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, 2012

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government			
				Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions							
Primary government							
Governmental activities							
General government	\$ 12,404,558	\$ 5,709,437	\$ 901,161	\$ -	\$ (5,793,960)	\$ -	\$ (5,793,960)
Public safety	42,984,050	5,635,298	911,874	-	(36,436,878)	-	(36,436,878)
Library	6,384,696	411,500	138,868	-	(5,834,328)	-	(5,834,328)
Municipal court	1,709,638	2,345,711	75,981	-	712,054	-	712,054
Sanitation	6,222,487	7,556	-	-	(6,214,931)	-	(6,214,931)
Education	2,000,000	-	-	-	(2,000,000)	-	(2,000,000)
Highway and roadway improvements	22,198,428	144,167	1,592,604	2,814,007	(17,647,649)	-	(17,647,649)
Recreation services	8,507,207	1,419,588	144,824	-	(6,942,795)	-	(6,942,795)
Health	292,368	4,095	-	-	(288,273)	-	(288,273)
Interest and fiscal charges	3,093,138	-	-	-	(3,093,138)	-	(3,093,138)
Total governmental activities	<u>105,796,570</u>	<u>15,677,352</u>	<u>3,765,312</u>	<u>2,814,007</u>	<u>(83,539,899)</u>	<u>-</u>	<u>(83,539,899)</u>
Business-type activities							
Sewer services	5,744,407	3,760,435	-	-	-	(1,983,973)	(1,983,973)
Total business-type activities	<u>5,744,407</u>	<u>3,760,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,983,973)</u>	<u>(1,983,973)</u>
Total primary government	<u>\$ 111,540,977</u>	<u>\$ 19,437,787</u>	<u>\$ 3,765,312</u>	<u>\$ 2,814,007</u>	<u>(83,539,899)</u>	<u>(1,983,973)</u>	<u>(85,523,872)</u>
General revenues							
Property tax					10,108,447	-	10,108,447
In lieu of property tax					-	-	-
Rental tax					800,752	-	800,752
Gross receipts tax					4,695,226	-	4,695,226
Sales and use tax					60,522,929	-	60,522,929
Other municipal tax					3,305,299	-	3,305,299
Franchise tax					1,049,546	-	1,049,546
Intergovernmental shared revenues without restrictions					2,744,975	-	2,744,975
Unrestricted investment income					964,364	24,387	988,751
Other revenue					306,235	751	306,986
Gain (loss) on asset disposals					121,729	-	121,729
Special - gain on sale of park land					752,969	-	752,969
Total general revenues and special items					<u>85,372,472</u>	<u>25,138</u>	<u>85,397,610</u>
Change in net assets					1,832,572	(1,958,835)	(126,262)
Net assets at beginning of year					375,682,621	25,764,431	401,447,052
Net assets at end of year					<u>\$ 377,515,193</u>	<u>\$ 23,805,596</u>	<u>\$ 401,320,790</u>

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

THE CITY OF HOOVER, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2012

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investments	\$ 29,355,532	\$ 25,223,385	\$ 10,199,203	\$ 64,778,120
Receivables				
Taxes	4,721,309	-	939,903	5,661,211
Accounts	1,073,084	-	693,183	1,766,267
Due from other governments	501	-	129,736	130,237
Internal balances	387,566	-	-	387,566
Inventories	158,057	-	-	158,057
Prepaid items	13,110	-	-	13,110
Non-current receivable	163,013	-	-	163,013
	\$ 35,872,171	\$ 25,223,385	\$ 11,962,025	\$ 73,057,581
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 4,215,079	\$ 248,184	\$ 538,258	\$ 5,001,520
Deferred revenue	54,728	-	24,507	79,235
Internal balances	-	-	366,512	366,512
Refundable deposits	2,364	-	-	2,364
	4,272,171	248,184	929,277	5,449,631
Fund balances				
Nonspendable: non-current receivable	163,013	-	-	163,013
Nonspendable: inventory	158,057	-	-	158,057
Nonspendable: prepaid items	13,110	-	-	13,110
Restricted	-	-	11,032,748	11,032,748
Committed	-	24,975,201	-	24,975,201
Assigned	649,938	-	-	649,938
Unassigned	30,615,882	-	-	30,615,882
	31,600,000	24,975,201	11,032,748	67,607,950
Total liabilities and fund balances	35,872,171	25,223,385	11,962,025	73,057,581

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.	389,853,009
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.	4,534,976
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(84,480,741)
Net assets of governmental activities	\$ 377,515,193

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, 2012

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 80,482,200	\$ -	\$ -	\$ 80,482,200
Licenses and permits	8,247,786	-	-	8,247,786
Intergovernmental	1,374,773	609	4,561,874	5,937,256
Fines and forfeits	1,445,970	13,440	1,110,307	2,569,717
Investment income	962,731	1,478	4,110	968,319
Rents and royalties	1,004,765	-	-	1,004,765
Contributions and reimbursements	1,012,160	254,713	16,431	1,283,304
Charges for services	1,691,326	-	2,157,442	3,848,768
Other	747,091	63,799	1,944	812,835
Total revenues	<u>96,968,802</u>	<u>334,039</u>	<u>7,852,108</u>	<u>105,154,948</u>
Expenditures				
Current operations				
General government	10,974,021	158,881	96,201	11,229,103
Public safety	37,165,677	436,793	4,627,650	42,230,120
Library	5,993,461	69,526	63,281	6,126,269
Municipal court	150,503	-	1,571,305	1,721,809
Sanitation	6,222,487	-	-	6,222,487
Education	2,000,000	-	-	2,000,000
Highway and roadway improvements	4,274,122	145,795	-	4,419,917
Recreation services	7,187,040	4,466	22,381	7,213,887
Health	288,451	-	-	288,451
Total	<u>74,255,761</u>	<u>815,461</u>	<u>6,380,818</u>	<u>81,452,041</u>
Capital outlays	644,096	4,095,288	5,534,406	10,273,790
Debt service:				
Principal	5,760,000	-	-	5,760,000
Interest	3,263,593	-	-	3,263,593
Fiscal agent fees	2,447	-	-	2,447
Total expenditures	<u>83,925,897</u>	<u>4,910,749</u>	<u>11,915,224</u>	<u>100,751,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,042,905</u>	<u>(4,576,710)</u>	<u>(4,063,116)</u>	<u>4,403,079</u>
Other financing sources (uses)				
Transfers in	20,723,291	9,913,517	3,029,388	33,666,195
Transfers out	(33,666,195)	-	-	(33,666,195)
Total other financing sources (uses)	<u>(12,942,905)</u>	<u>9,913,517</u>	<u>3,029,388</u>	<u>-</u>
Special Items				
Proceeds from the sale of park land	-	1,000,000	-	1,000,000
Total special items	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Net change in fund balances	100,000	6,336,807	(1,033,729)	5,403,079
Fund balances, beginning of year	<u>31,500,000</u>	<u>18,638,394</u>	<u>12,066,477</u>	<u>62,204,871</u>
Fund balances, end of year	<u>\$ 31,600,000</u>	<u>\$ 24,975,201</u>	<u>\$ 11,032,748</u>	<u>\$ 67,607,950</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, 2012

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 5,403,079

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

Principal debt payments	5,760,000
Proceeds from refunding bonds	-
Payment to refund bond escrow	-
Bond issue cost	-
Bond premium	-
Amortization of bond issuance costs on 2004 issue	(26,909)
Amortization of bond issuance costs on 2010 issue	(58,051)
Amortization of debt premium on 2004 issue	173,653
Amortization of debt premium on 2010 issue	676,313
Amortization of deferred loss 2004 issue	(277,080)
Amortization of deferred loss 2010 issue	(419,002)

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

Outlays capitalized	9,839,796
Depreciation	(21,946,609)

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

Contribution of capital assets (includes accepted streets and donated items)	2,224,345
Removal of items that are not capital assets	(149,759)

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	(1,981,934)
Accumulated depreciation of assets disposed	1,381,542

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

19,017

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	(168,149)
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Internal service funds are used by management to charge the costs of certain activities, such as health insurance, property & casualty, and workers compensation, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

1,382,320

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 1,832,572

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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 74,111,500	\$ 80,547,583	\$ 80,482,200	\$ (65,383)
Licenses and permits	6,496,600	6,496,600	8,247,786	1,751,186
Intergovernmental	1,194,000	1,194,000	1,374,773	180,773
Fines and forfeits	1,884,000	1,884,000	1,445,970	(438,030)
Investment income	1,250,100	1,250,100	962,731	(287,369)
Rents and royalties	886,855	886,855	1,004,765	117,910
Contributions and reimbursements	930,287	930,287	1,012,160	81,873
Charges for services	1,647,700	1,553,003	1,691,326	138,323
Other	144,200	356,667	747,091	390,424
Total revenues	<u>88,545,242</u>	<u>95,099,095</u>	<u>96,968,802</u>	<u>1,869,707</u>
Expenditures				
Current operations				
General government	12,955,152	10,975,690	10,974,021	1,669
Public safety	37,599,499	37,346,403	37,165,677	180,726
Library	6,059,325	6,013,172	5,993,461	19,711
Municipal court	166,544	150,512	150,503	9
Sanitation	6,396,206	6,222,488	6,222,487	1
Education	2,000,000	2,000,000	2,000,000	-
Highway and roadway improvements	4,305,664	4,274,926	4,274,122	804
Recreation services	7,433,162	7,356,735	7,187,040	169,695
Health	282,368	288,538	288,451	87
Total	<u>77,197,920</u>	<u>74,628,464</u>	<u>74,255,761</u>	<u>372,703</u>
Capital outlays	546,035	835,627	644,096	191,531
Debt service:				
Principal	5,760,000	5,760,000	5,760,000	-
Interest	3,263,593	3,263,593	3,263,593	1
Fiscal agent fees	3,300	3,300	2,447	853
Total expenditures	<u>86,770,848</u>	<u>84,490,984</u>	<u>83,925,897</u>	<u>565,087</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,774,394</u>	<u>10,608,111</u>	<u>13,042,905</u>	<u>2,434,794</u>
Other financing sources (uses)				
Transfers in	24,095,819	23,435,975	20,723,291	(2,712,684)
Transfers out	(25,870,213)	(33,944,086)	(33,666,195)	277,891
Refunding bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Issuance costs	-	-	-	-
Total other financing sources (uses)	<u>(1,774,394)</u>	<u>(10,508,111)</u>	<u>(12,942,905)</u>	<u>(2,434,794)</u>
Net change in fund balances	-	100,000	100,000	-
Fund balances, beginning of year	<u>31,500,000</u>	<u>31,500,000</u>	<u>31,500,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 31,500,000</u>	<u>\$ 31,600,000</u>	<u>\$ 31,600,000</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, 2012

	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	Redevelopment	Total	
Assets				
Current assets:				
Pooled cash and investments	\$ 5,786,868	\$ 75	\$ 5,786,944	\$ 8,376,570
Land held for resale	-	2,923,095	2,923,095	-
Prepaid items	-	-	-	54,927
Internal balances	-	-	-	-
Accounts/stop loss receivable	306,810	-	306,810	23,873
Statutory actuarial receivable	-	-	-	634,696
Deferred charges (issuance costs)	24,618	-	24,618	-
Total current assets	<u>6,118,296</u>	<u>2,923,170</u>	<u>9,041,467</u>	<u>9,090,065</u>
Noncurrent assets:				
Capital assets				
Land	1,670,000	-	1,670,000	-
Construction in progress	83,807	-	83,807	-
Buildings/improvements to buildings	26,626,760	-	26,626,760	-
Equipment and vehicles	828,605	-	828,605	-
Improvements o/t buildings	21,409,452	-	21,409,452	-
Infrastructure improvements	24,011,007	-	24,011,007	-
Less accumulated depreciation	<u>(32,211,460)</u>	<u>-</u>	<u>(32,211,460)</u>	<u>-</u>
Total capital assets (net of accumulated depreciation)	42,418,171	-	42,418,171	-
Deferred charges (issuance costs)	285,359	-	285,359	-
Statutory actuarial receivable	-	-	-	2,156,951
Total noncurrent assets	<u>42,703,530</u>	<u>-</u>	<u>42,703,530</u>	<u>2,156,951</u>
Total assets	<u>\$ 48,821,826</u>	<u>\$ 2,923,170</u>	<u>\$ 51,744,997</u>	<u>\$ 11,247,016</u>
Liabilities				
Current liabilities:				
General obligation warrants payable	\$ 966,754	\$ -	\$ 966,754	\$ -
Accounts payable	136,045	1,665	137,710	44,667
Retainage payable	-	-	-	-
Accrued salary expense	3,462	-	3,462	386,625
Interest payable	112,847	-	112,847	-
Claims payable	-	-	-	1,277,411
Compensated absences	11,616	-	11,616	-
Internal balances	-	21,054	21,054	-
Total current liabilities	<u>1,230,724</u>	<u>22,719</u>	<u>1,253,443</u>	<u>1,708,702</u>
Noncurrent liabilities:				
Compensated absences	14,013	-	14,013	-
Claims payable	-	-	-	4,992,826
General obligation warrants payable	26,682,456	-	26,682,456	-
Total noncurrent liabilities	<u>26,696,469</u>	<u>-</u>	<u>26,696,469</u>	<u>4,992,826</u>
Total liabilities	<u>27,927,193</u>	<u>22,719</u>	<u>27,949,912</u>	<u>6,701,528</u>
Net assets				
Investment in capital assets, net of related debt	16,041,550	-	16,041,550	-
Unrestricted	<u>4,853,083</u>	<u>2,900,451</u>	<u>7,753,535</u>	<u>4,545,488</u>
Total net assets	<u>\$ 20,894,634</u>	<u>\$ 2,900,451</u>	<u>\$ 23,795,085</u>	<u>\$ 4,545,488</u>
Some amounts reported for <i>business-type activities</i> in the statement of net assets are different because certain internal service fund assets and liabilities are included with business-type activities.				
	<u>10,512</u>	<u>-</u>	<u>10,512</u>	
Net assets of business-type activities	<u>\$ 20,905,145</u>	<u>\$ 2,900,451</u>	<u>\$ 23,805,596</u>	

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

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the year ended September 30, 2012

	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	Redevelopment	Total	
Operating revenues				
Charges for services	\$ 3,760,435	\$ -	\$ 3,760,435	\$ 8,260,195
Participant premiums	-	-	-	1,569,766
Late fees	-	-	-	-
Stop loss reimbursements	-	-	-	185,538
Subrogation recoveries	-	-	-	80,070
Public assistance reimbursements	-	-	-	720
Rents	-	-	-	-
Forfeitures	-	-	-	-
Rebates or refunds	-	-	-	137,320
Other revenue	-	-	-	66
Total operating revenue	<u>3,760,435</u>	<u>-</u>	<u>3,760,435</u>	<u>10,233,676</u>
Operating expenses				
Cost of services	-	38,615	38,615	8,542,624
Collection fees	168,563	-	168,563	-
Depreciation	2,459,381	-	2,459,381	-
Management fees	935,014	-	935,014	-
Personal services	120,068	-	120,068	-
Repairs and maintenance	133,568	-	133,568	-
Supplies	175,770	-	175,770	-
Telephone	21,041	-	21,041	-
Utilities	430,913	36,942	467,854	-
Total operating expenses	<u>4,444,317</u>	<u>75,557</u>	<u>4,519,873</u>	<u>8,542,624</u>
Operating income (loss)	(683,882)	(75,557)	(759,439)	1,691,051
Non-operating revenues (expenses)				
Investment earnings	24,387	-	24,387	-
Other revenue	751	-	751	-
Actuarial adjustment	-	-	-	(304,064)
Transfers in	-	-	-	-
Interest and fiscal charges	(1,229,201)	-	(1,229,201)	-
Total non-operating revenues (expenses)	<u>(1,204,063)</u>	<u>-</u>	<u>(1,204,063)</u>	<u>(304,064)</u>
Change in net assets	(1,887,945)	(75,557)	(1,963,502)	1,386,987
Net assets, beginning of year	<u>22,782,579</u>	<u>2,976,008</u>	<u>25,758,586</u>	<u>3,158,500</u>
Net assets, end of year	<u>\$ 20,894,634</u>	<u>\$ 2,900,451</u>	<u>\$ 23,795,085</u>	<u>\$ 4,545,488</u>
Some amounts reported for <i>business-type activities</i> in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.	4,667	-	4,667	
Change in net assets of business-type activities	<u>\$ (1,883,278)</u>	<u>\$ (75,557)</u>	<u>\$ (1,958,835)</u>	

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

THE CITY OF HOOVER, ALABAMA
Statement of Cash Flows
Proprietary Funds
For the year ended September 30, 2012

	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Business-type Activities - Enterprise Funds	Internal Service Funds
	Sewer	Redevelopment	Total	
Cash flows from operating activities				
Cash received from government	\$ -	\$ -	\$ -	\$ 8,260,195
Cash received from customers	3,784,280	-	3,784,280	-
Cash payments to suppliers	(940,130)	(75,557)	(1,015,687)	(8,638,654)
Cash received from stop loss reimbursements	-	-	-	321,143
Cash received from subrogation	-	-	-	80,070
Cash received from rebates/overpayments	-	1,731	1,731	137,320
Cash received from public assistance reimbursements	-	-	-	1,569,766
Cash received from participants	-	-	-	720
Cash payments to management companies	(935,014)	-	(935,014)	-
Cash payments to employees	(120,220)	-	(120,220)	-
Other cash receipts	-	-	-	66
Net cash provided (used) by operating activities	<u>1,788,916</u>	<u>(73,825)</u>	<u>1,715,091</u>	<u>1,730,626</u>
Cash flows from noncapital financing activities				
Other	751	(186)	565	-
Transfer to other funds	-	(289,108)	(289,108)	-
Transfer from other funds	-	21,054	21,054	-
Net cash provided (used) by noncapital financing activities	<u>751</u>	<u>(268,240)</u>	<u>(267,489)</u>	<u>-</u>
Cash flows from capital and related financing activities				
Proceeds from capital debt	-	-	-	-
Internal transfers	-	-	-	-
Premium on debt	-	-	-	-
Debt issuance cost	-	-	-	-
Acquisition and construction of capital assets	(83,807)	(72,010)	(155,817)	-
Payments of warrants	(915,000)	-	(915,000)	-
Cash paid for interest on debt	(1,225,625)	-	(1,225,625)	-
Net cash provided (used) by capital and related financing activities	<u>(2,224,432)</u>	<u>(72,010)</u>	<u>(2,296,442)</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends received	24,387	-	24,387	-
Net cash provided (used) by investing activities	<u>24,387</u>	<u>-</u>	<u>24,387</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	(410,377)	(414,076)	(824,453)	1,730,626
Pooled cash and investments, beginning of year	6,197,246	414,151	6,611,397	6,645,944
Pooled cash and investments, end of year	<u>\$ 5,786,868</u>	<u>\$ 75</u>	<u>\$ 5,786,944</u>	<u>\$ 8,376,570</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ (683,882)	\$ (75,557)	\$ (759,439)	\$ 1,691,051
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	2,459,381	-	2,459,381	-
(Increase) decrease in accounts receivable	23,846	1,731	25,577	135,604
Increase (decrease) in accounts payable and accrued expenses	(10,208)	-	(10,208)	(93,865)
Increase (decrease) in compensated absences payable	(220)	-	(220)	(2,165)
Total adjustments	<u>2,472,799</u>	<u>1,731</u>	<u>2,474,530</u>	<u>39,575</u>
Net cash provided by operating activities	<u>\$ 1,788,916</u>	<u>\$ (73,825)</u>	<u>\$ 1,715,091</u>	<u>\$ 1,730,626</u>

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

NOTES TO THE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(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 that include a statement of net assets and a statement of activities, as well as fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements:

The government-wide financial statements (the statement of net 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, 2012

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

C. Basis of Presentation (Continued)

Major Governmental Funds:

General Fund -

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

Capital Projects Fund -

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

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

Other Capital Projects Fund -

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

Proprietary Funds:

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

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

Sewer Fund -

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

Redevelopment Fund -

The Redevelopment Fund is used to account for the purchase of property in order to redevelop parts of the City. The first purchase of property was an apartment complex. All costs and revenues associated with these apartments were accounted for in this fund. For fiscal year 2012, the demolition and cleanup of the land was completed. The land was sold in fiscal year 2013 for a neighborhood Walmart to be built.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

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

C. Basis of Presentation (Continued)

Internal Service Funds -

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

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

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

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

D. Measurement Focus/Basis of Accounting

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

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(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
2. Prior to October 1, the Mayor submits the proposed budget to the City Council for the next fiscal year.
3. The City Council holds public hearings and may add to, subtract from, or change appropriations. Any changes in the budget must be within the revenues and reserves estimated, as available by the Finance Director.
4. Expenditures may not legally exceed budgeted appropriations at the fund/category level. Management may not amend or transfer appropriations within the budget at or above the fund/category level without the approval of the City Council, except for project budgets. The City Council may legally amend the budget at any time during the fiscal year.

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(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, 2012, most all of the City's depositories are participating in the SAFE program, with a bank balance of \$27,244,175 and a carrying balance of \$25,651,300

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

As of September 30, 2012, 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	\$ 58,653	\$ 58,653	\$ -	\$ -	\$ -
Money market accounts	11,040,067	11,040,067	-	-	-
Certificates of Deposit	-	-	-	-	-
U.S. Government Agencies:					
Federal Farm Credit Bank	-	-	-	-	-
Federal Home Loan Bank	-	-	-	-	-
Federal Home Loan Mortgage Corp	29,674,294	-	-	9,908,187	19,766,108
Federal National Mortgage Association	<u>23,587,995</u>	<u>5,189,512</u>	<u>-</u>	<u>13,432,259</u>	<u>4,966,225</u>
Total U.S. government agencies	<u>53,262,290</u>	<u>5,189,512</u>	<u>-</u>	<u>23,340,446</u>	<u>24,732,333</u>
Grand total all investments	<u>\$ 64,361,010</u>	<u>\$ 16,288,232</u>	<u>\$ -</u>	<u>\$ 23,340,446</u>	<u>\$ 24,732,333</u>

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(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 9/27/2012 to purchase a Federal Farm Credit Bank (FFCB) note, maturity date 12/21/2018, face value \$60,000 and fair value \$59,940. FNBB agreed to repurchase the investment on 10/04/2012 for \$58,653.

G. Prepaid Items

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

H. Inventories

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

I. Interfund Balances

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

J. Accrued Compensated Leave

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

K. Net Assets

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(2) CAPITAL ASSETS

A. Capital Assets

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

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

Estimated useful lives are as follows:

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

Upon implementation of GASB Statement No. 34, the City elected to use the Modified Approach for infrastructure reporting of its bridges and street system. Using this approach, the City capitalized the cost of its bridges and street system but did not report depreciation expense for those assets. Instead, the City reported all street system maintenance expenditures as expenses in the period incurred unless those expenditures improve the street's original condition or add to its capacity. In fiscal year 2011, the City decided to convert from the modified approach to depreciation of its bridges and street system. As a result, the maintenance costs will now be capitalized and depreciated over their useful life. This change in estimate is reflected on the following page for streets and bridges. Because the straight-line half year convention is utilized, depreciation for these assets increased considerably in fiscal year 2012, the first full year calculated.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(2) CAPITAL ASSETS (CONTINUED)

	Balance Beginning of Year	Classification Reclasses or Adjustments	Adjusted Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities						
Capital assets not being depreciated						
Land	37,678,287	\$ 890,872	\$ 38,569,159	\$ -	\$ (247,031)	\$ 38,322,129
Construction in progress	<u>2,803,412</u>	<u>(149,294)</u>	<u>2,654,118</u>	<u>1,694,362</u>	<u>(348,221)</u>	<u>4,000,259</u>
Total capital assets not being depreciated	<u>40,481,699</u>	<u>741,578</u>	<u>41,223,277</u>	<u>1,694,362</u>	<u>(595,252)</u>	<u>42,322,388</u>
Other capital assets						
Buildings/improvements to buildings	98,223,011	-	98,223,011	1,173,620	-	99,396,630
Equipment and vehicles	33,542,641	-	33,542,641	5,034,933	(1,734,903)	36,842,670
Improvements o/t buildings	16,972,578	-	16,972,578	609,143	-	17,581,722
Infrastructure:						
Street system inventory	230,121,781	-	230,121,781	-	-	230,121,781
Street system improvements	1,041,215	-	1,041,215	1,200,177	-	2,241,391
Storm sewer inventory	54,913,078	64,178	54,977,255.88	1,207,270	(632)	56,183,893
Bridges inventory	4,043,541	-	4,043,541	-	-	4,043,541
Other infrastructure (sidewalks, traffic signals)	6,949,757	-	6,949,757	475,783	-	7,425,540
Total other capital assets at historical cost	<u>445,807,600</u>	<u>64,178</u>	<u>445,871,779</u>	<u>9,700,925</u>	<u>(1,735,535)</u>	<u>453,837,168</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	19,867,689	-	19,867,688.77	2,023,994	-	21,891,682
Equipment and vehicles	26,159,096	-	26,159,095.63	2,160,060	(1,381,542)	26,937,614
Improvements o/t buildings	6,585,712	-	6,585,712.35	578,632	-	7,164,344
Infrastructure:						
Street system inventory	7,670,726	-	7,670,725.98	15,341,452	-	23,012,178
Street system improvements	30,524	-	30,524.04	101,942	-	132,466
Storm sewer inventory	23,742,349	(62,025)	23,680,324.66	1,283,127	(167)	24,963,285
Bridges inventory	108,576	-	108,576.48	217,153	-	325,730
Other infrastructure (sidewalks, traffic signals)	1,639,000	-	1,638,999.75	240,249	-	1,879,249
Total accumulated depreciation	<u>85,803,672</u>	<u>(62,025)</u>	<u>85,741,648</u>	<u>21,946,609</u>	<u>(1,381,709)</u>	<u>106,306,547</u>
Other capital assets, net	<u>360,003,928</u>	<u>126,203</u>	<u>360,130,131</u>	<u>(12,245,684)</u>	<u>(353,826)</u>	<u>347,530,621</u>
Governmental activities capital assets, net	<u>400,485,627</u>	<u>\$ 867,781</u>	<u>\$ 401,353,408</u>	<u>\$ (10,551,322)</u>	<u>\$ (949,078)</u>	<u>\$ 389,853,009</u>
Business Type Activities						
Capital assets not being depreciated						
Land	1,670,000	\$ -	\$ 1,670,000	\$ -	\$ -	\$ 1,670,000
Construction in progress	-	-	-	83,807	-	83,807
Total capital assets not being depreciated	<u>1,670,000</u>	<u>-</u>	<u>1,670,000</u>	<u>83,807</u>	<u>-</u>	<u>1,753,807</u>
Other capital assets						
Buildings/improvements to buildings	26,626,760	-	26,626,760	-	-	26,626,760
Equipment and vehicles	828,605	-	828,605	-	-	828,605
Improvements o/t buildings	21,409,452	-	21,409,452	-	-	21,409,452
Infrastructure improvements	24,011,007	-	24,011,007	-	-	24,011,007
Total other capital assets at historical cost	<u>72,875,824</u>	<u>-</u>	<u>72,875,824</u>	<u>-</u>	<u>-</u>	<u>72,875,824</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	11,038,278	-	11,038,278	517,610	-	11,555,889
Equipment and vehicles	726,179	-	726,179	35,108	-	761,287
Improvements o/t buildings	5,724,752	-	5,724,752	1,396,466	-	7,121,219
Infrastructure improvements	12,262,869	-	12,262,869	510,196	-	12,773,066
Total accumulated depreciation	<u>29,752,079</u>	<u>-</u>	<u>29,752,079</u>	<u>2,459,381</u>	<u>-</u>	<u>32,211,460</u>
Other capital assets, net	<u>43,123,745</u>	<u>-</u>	<u>43,123,745</u>	<u>(2,459,381)</u>	<u>-</u>	<u>40,664,364</u>
Business-type activities capital assets, net	<u>44,793,745</u>	<u>\$ -</u>	<u>\$ 44,793,745</u>	<u>\$ (2,375,574)</u>	<u>\$ -</u>	<u>\$ 42,418,171</u>

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

Governmental activities:	
General government and administration	\$ 1,241,862
Public safety	1,652,674
Library	291,703
Municipal court	2,893
Highway and roadway improvements	17,369,777
Recreational services	1,381,771
Health	5,927
Total depreciation expense - Governmental activities	<u>\$ 21,946,609</u>
Business-type activities:	
Sewer services	\$ 2,459,381
Total depreciation expense - Business-type activities	<u>\$ 2,459,381</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, 2012

(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, 2012, bonds payable consisted of the following individual issues:

	<u>Governmental</u>	<u>Business-type</u>
\$29,165,000 general obligation warrants dated December 22, 2004; due \$540,000 to \$5,505,000 annually beginning March 1, 2005; interest at 3.00% to 5.00% due semiannually commencing March 1, 2005	22,880,000	-
\$58,510,000 general obligation warrants dated November 1, 2010; due \$5,025,000 to \$8,830,000 annually beginning March 1, 2011; interest at 2.00% to 5.00% due semiannually commencing March 1, 2011	51,625,000	-
\$8,505,000 series 1999 general obligation sewer warrant; due \$300,000 to \$580,000 annually beginning February 15, 2001; interest at 3.50% due semiannually commencing February 15, 2001	-	4,125,000
\$9,565,000 series 2000 general obligation sewer warrant; due \$325,000 to \$675,000 annually beginning February 15, 2002; interest at 3.85% due semiannually commencing August 15, 2001	-	5,220,000
\$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>\$ 74,505,000</u>	<u>\$ 27,345,000</u>
Less deferred amounts:		
For issue premiums (2004)	427,149	-
For issue premiums (2007)	-	304,210
For issue premiums (2010)	4,912,021	-
For deferred loss on refunding (2004)	(1,454,671)	-
For deferred loss on refunding (2010)	(4,224,934)	-
Total Bonds Payable, net	<u><u>\$ 74,164,566</u></u>	<u><u>\$ 27,649,210</u></u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(3) LONG-TERM DEBT (CONTINUED):

Changes in Long-term Liabilities

	Balance October 1, 2011	Additions	Reductions	Balance September 30, 2012	Due within one year
Governmental activities					
Bonds payable	\$ 80,265,000	\$ -	\$ (5,760,000)	\$ 74,505,000	\$ 5,970,000
Less deferred amounts:					
For issue premiums (2004)	600,802	-	(173,653)	427,149	146,078
For issue premiums (2010)	5,588,335	-	(676,313)	4,912,021	664,713
For deferred loss on refunding (2004)	(1,731,751)	-	277,080	(1,454,671)	(277,080)
For deferred loss on refunding (2010)	(4,643,935)	-	419,002	(4,224,934)	(419,002)
Bonds and warrants payable, net	80,078,450	-	(5,913,884)	74,164,566	6,084,709
For bond issuance costs (2004)	(93,100)	-	26,909	(66,191)	(22,636)
For bond issuance costs (2010)	(479,668)	-	58,051	(421,618)	(57,055)
Deferred asset charges	(572,768)	-	84,960	(487,808)	(79,691)
Bonds payable, net of assets	79,505,682	-	(5,828,925)	73,676,758	6,005,018
Compensated absences	10,370,206	4,139,339	(3,971,190)	10,538,355	4,090,325
Internal service funds					
Claims payable - other post employment benefits	\$ 1,692,015	\$ 653,529	\$ (233,374)	\$ 2,112,170	\$ -
Claims payable - workers compensation	2,627,696	15,558	(297,681)	2,345,573	258,240
Claims payable - property & casualty	1,835,153	436,023	(458,682)	1,812,494	785,797
Total claims payable	6,154,864	1,105,110	(989,737)	6,270,237	1,044,037
Total governmental activities	<u>\$ 96,030,752</u>	<u>\$ 5,244,448</u>	<u>\$ (10,789,851)</u>	<u>\$ 90,485,349</u>	<u>\$ 11,139,381</u>
Business-type activities - sewer					
Bonds payable	\$ 28,260,000	\$ -	\$ (915,000)	\$ 27,345,000	\$ 950,000
Less deferred amounts:					
For issue premiums (2007)	320,964	-	(16,754)	304,210	16,754
Bonds and warrants payable, net	28,580,964	-	(931,754)	27,649,210	966,754
For state revolving loan issuance costs (1999)	(54,001)	-	6,612	(47,389)	(6,612)
For state revolving loan issuance costs (2000)	(70,278)	-	7,028	(63,250)	(7,028)
For bond issuance costs (2007)	(210,317)	-	10,978	(199,338)	(10,978)
Deferred asset charges	(334,595)	-	24,618	(309,977)	(24,618)
Compensated absences	25,849	11,058	(11,278)	25,629	11,616
Total proprietary fund types	<u>\$ 28,272,217</u>	<u>\$ 11,058</u>	<u>\$ (918,413)</u>	<u>\$ 27,364,861</u>	<u>\$ 953,752</u>

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

Due within one year includes above FY 2012 reduction amount plus increase of 3% over previous year.

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2012 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2013	\$ 5,970,000	\$ 3,046,993	\$ 950,000	\$ 1,190,190	\$ 11,157,183
2014	6,215,000	2,800,918	985,000	1,154,560	11,155,478
2015	6,490,000	2,529,978	1,025,000	1,117,548	11,162,525
2016	6,775,000	2,246,088	1,060,000	1,079,153	11,160,240
2017	8,775,000	1,909,063	1,100,000	1,039,375	12,823,438
2018	7,415,000	1,628,606	1,140,000	998,119	11,181,725
2019	7,655,000	1,393,575	1,185,000	955,288	11,188,863
2020	7,985,000	1,060,875	1,225,000	910,890	11,181,765
2021	8,395,000	651,375	745,000	873,860	10,665,235
2022	8,830,000	220,750	775,000	843,412	10,669,162
2023	-	-	810,000	810,215	1,620,215
2024	-	-	845,000	775,046	1,620,046
2025	-	-	880,000	738,170	1,618,170
2026	-	-	920,000	699,125	1,619,125
2027	-	-	960,000	658,000	1,618,000
2028	-	-	1,005,000	611,875	1,616,875
2029	-	-	1,060,000	560,250	1,620,250
2030	-	-	1,115,000	505,875	1,620,875
2031	-	-	1,170,000	448,750	1,618,750
2032	-	-	1,230,000	388,750	1,618,750
2033	-	-	1,290,000	325,750	1,615,750
2034	-	-	1,360,000	259,500	1,619,500
2035	-	-	1,430,000	189,750	1,619,750
2036	-	-	1,500,000	116,500	1,616,500
2037	-	-	1,580,000	39,500	1,619,500
Total	<u>\$ 74,505,000</u>	<u>\$ 17,488,219</u>	<u>\$ 27,345,000</u>	<u>\$ 17,289,449</u>	<u>\$ 136,627,668</u>

On November 1, 2010, the city issued warrants for the purpose of (i) advance refunding the City's General Obligation Warrants dated January 1, 2003, issued in the aggregate principal amount of \$78,330,000 and outstanding in the aggregate principal amount of \$56,645,000, (ii) providing a portion of the cost of capital improvements including the purchase of City vehicles (\$3.6 million) and (iii) paying the issuance costs of the Warrants. The 2010 warrants have a 12 year amortization and a principal amount of \$58,510,000, with a balance of \$51,625,000 at the end of fiscal year 2012. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This advanced refunding produced a cash benefit of approximately (\$7,654) and obtained an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$8,322. The 2003R warrants were called on March 1, 2012.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(4) LEASES:

On April 7, 1988, the Parks and Recreation Board entered into a ten-year lease and management agreement to lease the Hoover Metropolitan Stadium to a professional baseball club. The lease and management agreements were re-negotiated and amended on March 14, 1991, after the baseball club underwent a change in ownership. On January 1, 1996, the lease and management agreements were again re-negotiated, with the result being a new stadium lease agreement and an "other events" supplemental agreement. The current stadium lease agreement is in effect from January 1, 2010 through December 31, 2015. The stadium lease amount is to be adjusted once every five years based upon changes in the cost-of-living index. Total revenue under the lease and management agreement for the fiscal year ended September 30, 2012 was \$283,588. For fiscal year 2013, the baseball club terminated the lease as of December 31, 2012. The final payment was \$300,000.

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

Cost of Leased Asset	Carrying Value	Depreciation thru 9/30/12
\$ 17,947,287	\$ 12,518,509	\$ 5,428,778

(5) INTERNAL BALANCES:

Internal Balances represent short-term loans to help supplement various funds. At September 30, 2012, the outstanding internal balances were as follows:

Fund	Internal Balances Due To	Internal Balances Due From
General Fund	\$ 387,566	\$ -
Redevelopment Fund	-	21,054
Internal Service Funds	-	-
Other Governmental Funds	-	366,512
Total	\$ 387,566	\$ 387,566

(6) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2012 were as follows:

(Transfers out)	General Fund	Capital Projects Fund	Transfers in Non-Major Governmental Fund	Proprietary Fund	Total
General Fund	\$ (12,942,905)	\$ 9,913,517	\$ 3,029,388	\$ -	\$ -
Capital Projects Fund	-	-	-	-	-
Non-Major Govt Funds	-	-	-	-	-
Proprietary Funds	-	-	-	-	-
Total	\$ (12,942,905)	\$ 9,913,517	\$ 3,029,388	\$ -	\$ -

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 2012 were as follows: \$2,531,983 - Court and Corrections fund, \$463,602 - General Grants fund, \$30,400 - Federal Drug Fund (DOJ), \$9,913,517 - Capital Projects fund, and \$3,403 - ALDOT Grant fund, which totaled \$12,942,905 in transfers from the general fund.

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(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 2012, the member contribution rate for state correctional officers, certified full-time firefighters, and certified full-time law enforcement officers remains at 6% of employee's compensation. Regular member contributions remain at 5% of employee compensation. The City is required to contribute at an actuarially determined rate, which is currently 10.51% (fiscal year 2013) of annual covered payroll. This rate did not change from fiscal year 2012. 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 2012, the City's annual pension cost of \$4,544,523 for the System was equal to the City's required and actual contributions. The required contribution was determined as part of the September 30, 2011 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 3.75% - 7.25% per year compounded annually. Both (a) and (b) include an inflation component of 3.0%.

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, 2011 was 30 years.

Three-Year Trend Information for the System

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
9/30/2009	\$ 3,769,179	100.00%	-
9/30/2010	4,373,140	100.00%	-
9/30/2010	4,544,523	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]
9/30/2006	\$ 75,660,134	\$ 102,078,546	\$ 26,418,411	74.1%	\$ 36,228,064	72.9%
9/30/2007	85,529,870	118,279,380	32,749,509	72.3%	37,797,690	86.6%
9/30/2008	92,379,624	129,996,614	37,616,990	71.1%	39,860,394	94.4%
9/30/2009	96,969,118	141,225,527	44,256,409	68.7%	39,390,932	112.4%
9/30/2010	100,462,510	148,256,959	47,794,449	67.8%	39,633,067	120.6%
9/30/2011	103,227,235	153,940,818	50,713,583	67.1%	38,407,123	132.0%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2012

(8) POST-EMPLOYMENT BENEFITS

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

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

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

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

In Fiscal Year Ending September 30, 2012, the City of Hoover's portion of health care funding cost for retired employees totaled \$233,374. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table on the following page.

Annual Required Contribution. The City of Hoover's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning October 1, 2011 is \$683,698, as set forth below:

		Medical
Normal Cost	\$	326,944
30-year UAL amortization amount		356,754
Annual required contribution (ARC)	\$	683,698

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2012

(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, 2012:

	Medical
1. Beginning Net OPEB Obligation (Asset) 10/1/2011	\$1,692,015
2. Annual required contribution	683,698
3. Interest on Net OPEB Obligation (Asset): .04 X [1]	67,681
4. ARC Adjustment: [1]/17.292	97,849
5. OPEB Cost: [2]+[3]-[4]	653,529
6. Contribution	0
7. Current year retiree premium	233,374
8. Change in Net OPEB Obligation: [5]-[6]-[7]	420,155
9. Ending Net OPEB Obligation: (Asset) 9/30/2012: [1]+[8]	\$2,112,170

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, 2012	\$653,529	35.71%	\$2,112,170

Funded Status and Funding Progress. In the fiscal year ending September 30, 2012, the City of Hoover made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of September 30, 2012, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$6,415,782, which is defined as that portion, as determined by a particular actuarial cost method (the City of Hoover uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2011/2012, the entire actuarial accrued liability of \$6,415,782 was unfunded.

	Medical
Actuarial Accrued Liability (AAL)	\$ 6,415,782
Actuarial Value of Plan Assets	0
Unfunded Act. Accrued Liability (UAAL)	6,415,782
Funded Ratio (Act. Val. Assets/AAL)	0%
Covered Payroll (active plan members)	40,696,705
UAAL as a percentage of covered payroll	15.76%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2012

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

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

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

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

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

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2012

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

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

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

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the **employer** for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. After retirement, the employer pays a varying amount of the retiree's individual coverage based on length of service at time 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.

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

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases. This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2012

(8) POST-EMPLOYMENT BENEFITS (CONTINUED)

Post-retirement Benefit Increases. The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

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

OPEB Costs and Contributions

	FY 2010	FY 2011	FY 2012
OPEB Cost	\$ 704,016	\$ 721,318	\$ 653,529
Contribution	-	-	-
Retiree premium	<u>78,107</u>	<u>78,107</u>	<u>233,374</u>
Total contribution and premium	<u>78,107</u>	<u>78,107</u>	<u>233,374</u>
Change in net OPEB obligation	<u>\$ 625,909</u>	<u>\$ 643,211</u>	<u>\$ 420,155</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	11.09%	10.83%	35.71%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(9) FUND BALANCES - GOVERNMENTAL FUNDS

As of September 30, 2012, fund balances for the governmental funds are classified as follows:

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

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

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

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

Unassigned - all other spendable amounts.

Fund Balances				
	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Non-spendable:				
Non-current receivable	\$ 163,013	-	-	163,013
Inventory	158,057	-	-	158,057
Prepaid items	13,110	-	-	13,110
Restricted for:				-
Public safety	-	-	1,247,492	1,247,492
Municipal court	-	-	1,523,763	1,523,763
Highways and roadways	-	-	5,262,017	5,262,017
General government	-	-	2,986,243	2,986,243
Recreation services	-	-	13,233	13,233
Committed:				-
Capital projects	-	24,975,201	-	24,975,201
Assigned:				-
Recreation services	649,938	-	-	649,938
Unassigned:	30,615,882	-	-	30,615,882
Total fund balances	\$ 31,600,000	\$ 24,975,201	\$ 11,032,748	\$ 67,607,950

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(10) OTHER INFORMATION:

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The City manages these risks under a limited risk management program, which is administered by the City through two professional claims-handling firms. The City purchases commercial insurance to cover individual workers' compensation claims in excess of \$750,000 and to cover aggregate annual compensation claims in excess of \$1,637,700. The City's excess workers' compensation coverage provides statutory limits for workers' compensation, \$1,000,000 in employer's liability, and \$5,000,000 in aircraft coverage with \$1,000,000 maximum on any one life. The City also purchases commercial insurance to cover individual property, casualty, and liability claims in excess of \$100,000. Some exclusions do apply on these excess limits. The City has not significantly reduced any of its insurance coverage from that of the prior year. All property and casualty claims, claim reserves, and administrative costs of the program are paid from the property and casualty internal service fund and all workers compensation expenses are paid from the workers compensation internal service fund.

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

Changes in the balances of claims liabilities during fiscal 2011 and 2012 are as follows:

Workers compensation (retention)	2011	2012	Difference
Unpaid claims, beginning	\$ 701,525	\$ 783,732	\$ 82,207
Incurred claims, (including IBNRs)	190,603	44,435	(146,169)
Claim Payments	(108,396)	(182,846)	(74,449)
Unpaid claims, ending	\$ 783,732	\$ 645,321	\$ (138,411)

Property and casualty (retention)	2011	2012	Difference
Unpaid claims, beginning	\$ 592,803	\$ 698,779	\$ 105,976
Incurred claims, (including IBNRs)	405,590	410,299	4,709
Claim Payments	(299,614)	(387,979)	(88,365)
Unpaid claims, ending	\$ 698,779	\$ 721,099	\$ 22,320

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

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

	FY 2010	FY 2011	FY 2012
Property and casualty	1	0	1
Workers compensation	0	0	0
Total	1	0	1

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

(10) OTHER INFORMATION:

B. Commitments

Board of Education:

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

Construction Projects:

As of September 30, 2012, the City has approved items related to construction projects for all governmental fund types in the amount of \$55,925,132. Of this amount, \$13,653,644 has been incurred to date creating a total remaining commitment of \$42,271,488. The City is responsible for funding \$17,256,630 of this commitment with the remaining \$25,014,858 to be funded by other governmental units.

Other Matters:

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

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

Through fiscal year 2012, \$2,067,884 has been accumulated to offset these estimated costs.

C. Contingent Liabilities

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2012

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

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

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

Bonds payable	\$ 74,505,000
Less: Deferred charge on refundings - 2004 and 2010 (to be amortized as interest expense)	(5,679,604)
Less: Deferred charge for issuance costs - 2004 and 2010 (to be amortized over life of debt)	(487,808)
Issuance premium - 2004 and 2010 issue	5,339,170
Accrued interest payable	265,629
Compensated absences	10,538,355
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u>\$ 84,480,741</u>

(12) RESTRICTED NET ASSETS

A. Explanation for restrictions on net assets

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

Restricted for:	
Public safety	\$ 1,247,492
Municipal court	1,523,763
General government	2,986,243
Recreation services	13,233
Highway and roadway improvements	5,262,017
Total restricted net assets	\$ 11,032,748

(13) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 28, 2013, the date in which the financial statements were available to be issued.

In October 2012, the land held for resale in the Redevelopment Proprietary fund was sold to Walmart Real Estate for \$2.8 million. The buyer is currently developing this land for a neighborhood Walmart shopping center.

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COMBINING FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2012

	Special Revenue									
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice	Federal Drug Dept of Treasury	CDBG
Assets										
Pooled cash and investments	\$ -	\$ 344,343	\$ 1,930,885	\$ 1,571,107	\$ 864,408	\$ 2,986,243	\$ 213,895	\$ 322,240	\$ 291,385	\$ -
Receivables										
Taxes	-	-	-	-	939,903	-	-	-	-	-
Accounts	117,951	35,579	-	-	-	-	30	45	40	189,533
Due from other governments	-	-	80,232	49,505	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 117,951	\$ 379,922	\$ 2,011,116	\$ 1,620,611	\$ 1,804,310	\$ 2,986,243	\$ 213,924	\$ 322,285	\$ 291,426	\$ 189,533
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 65,418	\$ -	\$ 12,299	\$ -	\$ 161,722	\$ -	\$ -	\$ 1,328	\$ -	\$ 45,408
Deferred revenue	-	-	-	-	-	-	10,567	-	-	-
Internal balances	38,970	-	-	-	-	-	-	-	-	144,125
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	104,388	-	12,299	-	161,722	-	10,567	1,328	-	189,533
Fund balances										
Restricted	13,563	379,922	1,998,818	1,620,611	1,642,588	2,986,243	203,357	320,958	291,426	-
Committed	-	-	-	-	-	-	-	-	-	-
Total fund balances	13,563	379,922	1,998,818	1,620,611	1,642,588	2,986,243	203,357	320,958	291,426	-
Total liabilities and fund balances	\$ 117,951	\$ 379,922	\$ 2,011,116	\$ 1,620,611	\$ 1,804,310	\$ 2,986,243	\$ 213,924	\$ 322,285	\$ 291,426	\$ 189,533

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet - Continued
Non-Major Governmental Funds
September 30, 2012

	Special Revenue - Continued							Capital Projects	Total Nonmajor Governmental Funds	
	Court and Correction	Municipal Court Clerk	Court Training	Court Referral Officer Program	Traffic Safety	Municipal Court Judicial Admin	General Grants	Total		Other Capital Projects Fund
Assets										
Pooled cash and investments	\$ 92,445	\$ 27,356	\$ 14,032	\$ 121,908	\$ 1,337,325	\$ 42,280	\$ 39,352	\$ 10,199,203	\$ -	\$ 10,199,203
Receivables										
Taxes	-	-	-	-	-	-	-	939,903	-	939,903
Accounts	234	-	-	12,786	-	-	37,181	393,380	299,803	693,183
Due from other governments	-	-	-	-	-	-	-	129,736	-	129,736
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 92,680	\$ 27,356	\$ 14,032	\$ 134,694	\$ 1,337,325	\$ 42,280	\$ 76,533	\$ 11,662,222	\$ 299,803	\$ 11,962,025
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 92,680	\$ -	\$ 74	\$ 16,171	\$ 1,739	\$ -	\$ 25,034	\$ 421,872	\$ 116,386	\$ 538,258
Deferred revenue	-	-	-	-	-	13,940	-	24,507	-	24,507
Internal balances	-	-	-	-	-	-	-	183,095	183,417	366,512
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	92,680	-	74	16,171	1,739	13,940	25,034	629,474	299,803	929,277
Fund balances										
Restricted	-	27,356	13,958	118,523	1,335,586	28,340	51,499	11,032,748	-	11,032,748
Committed	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	27,356	13,958	118,523	1,335,586	28,340	51,499	11,032,748	-	11,032,748
Total liabilities and fund balances	\$ 92,680	\$ 27,356	\$ 14,032	\$ 134,694	\$ 1,337,325	\$ 42,280	\$ 76,533	\$ 11,662,222	\$ 299,803	\$ 11,962,025

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, 2012

	Special Revenue									CDBG
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	Jefferson County Road Tax	Alabama Trust Fund Interest	State Drug Enforce- ment	Federal Drug Dept of Justice	Federal Drug Dept of Treasury	
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	837,384	558,963	939,903	685,984	-	-	-	394,180
Fines and forfeits	-	-	-	-	-	-	30,744	114,811	7,038	-
Investment income	-	-	-	-	-	-	870	1,713	1,208	-
Rents and royalties	-	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	-	-	-	-
Charges for services	1,493,910	525,218	-	-	-	-	-	-	-	-
Other	641	-	-	-	-	-	509	-	-	-
Total revenues	1,494,551	525,218	837,384	558,963	939,903	685,984	32,124	116,523	8,246	394,180
Expenditures										
Current operations										
General government	-	-	-	-	-	-	-	-	-	96,201
Public safety	1,623,394	422,304	-	-	-	-	3,652	153,936	-	-
Library	-	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	-	-	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Total	1,623,394	422,304	-	-	-	-	3,652	153,936	-	96,201
Capital outlays	-	-	830,927	186,266	1,068,661	1,973	-	127,608	-	297,980
Total expenditures	1,623,394	422,304	830,927	186,266	1,068,661	1,973	3,652	281,544	-	394,180
Excess of revenues over (under) expenditures	(128,843)	102,914	6,457	372,696	(128,759)	684,011	28,472	(165,021)	8,246	-
Other financing sources (uses)										
Transfers in	-	-	-	-	-	-	-	30,400	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	30,400	-	-
Net change in fund balances	(128,843)	102,914	6,457	372,696	(128,759)	684,011	28,472	(134,621)	8,246	-
Fund balances, beginning of year	142,406	277,008	1,992,360	1,247,915	1,771,347	2,302,232	174,885	455,578	283,180	-
Fund balances, end of year	\$ 13,563	\$ 379,922	\$ 1,998,818	\$ 1,620,611	\$ 1,642,588	\$ 2,986,243	\$ 203,357	\$ 320,958	\$ 291,426	-

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, 2012

	Special Revenue - Continued							Capital Projects	Total Nonmajor Governmental Funds	
	Court and Corrections	Municipal Court Clerk	Court Training	Court Referral Officer Program	Traffic Safety	Municipal Court Judicial Admin	General Grants	Total		Other Capital Projects Fund
Revenues										
Taxes	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	-	\$ -	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	75,981	-	-	582,071	4,074,465	487,409	4,561,874
Fines and forfeits	668,654	-	24,370	-	236,350	28,340	-	1,110,307	-	1,110,307
Investment income	-	-	-	-	-	-	60	3,851	259	4,110
Rents and royalties	-	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	234	-	-	-	-	-	16,196	16,431	-	16,431
Charges for services	5,982	25,177	-	106,705	-	-	450	2,157,442	-	2,157,442
Other	277	-	-	518	-	-	-	1,944	-	1,944
Total revenues	<u>675,147</u>	<u>25,177</u>	<u>24,370</u>	<u>183,203</u>	<u>236,350</u>	<u>28,340</u>	<u>598,777</u>	<u>7,364,440</u>	<u>487,668</u>	<u>7,852,108</u>
Expenditures										
Current operations										
General government	-	-	-	-	-	-	-	96,201	-	96,201
Public safety	1,923,169	-	-	-	-	-	501,195	4,627,650	-	4,627,650
Library	-	-	-	-	-	-	63,281	63,281	-	63,281
Municipal court	1,283,961	-	68,174	122,398	96,772	-	-	1,571,305	-	1,571,305
Sanitation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	-	-	-	-	-
Recreation services	-	-	-	-	-	-	22,381	22,381	-	22,381
Health	-	-	-	-	-	-	-	-	-	-
Total	<u>3,207,130</u>	<u>-</u>	<u>68,174</u>	<u>122,398</u>	<u>96,772</u>	<u>-</u>	<u>586,858</u>	<u>6,380,818</u>	<u>-</u>	<u>6,380,818</u>
Capital outlays	-	-	-	-	-	-	462,840	2,976,256	2,558,150	5,534,406
Total expenditures	<u>3,207,130</u>	<u>-</u>	<u>68,174</u>	<u>122,398</u>	<u>96,772</u>	<u>-</u>	<u>1,049,698</u>	<u>9,357,074</u>	<u>2,558,150</u>	<u>11,915,224</u>
Excess of revenues over (under) expenditures	<u>(2,531,983)</u>	<u>25,177</u>	<u>(43,804)</u>	<u>60,805</u>	<u>139,578</u>	<u>28,340</u>	<u>(450,921)</u>	<u>(1,992,634)</u>	<u>(2,070,482)</u>	<u>(4,063,116)</u>
Other financing sources (uses)										
Transfers in	2,531,983	-	-	-	-	-	463,602	3,025,985	3,403	3,029,388
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,531,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,602</u>	<u>3,025,985</u>	<u>3,403</u>	<u>3,029,388</u>
Net change in fund balances	-	25,177	(43,804)	60,805	139,578	28,340	12,681	1,033,351	(2,067,080)	(1,033,729)
Fund balances, beginning of year	-	2,179	57,762	57,718	1,196,008	-	38,818	9,999,397	2,067,080	12,066,477
Fund balances, end of year	<u>\$ -</u>	<u>27,356</u>	<u>\$ 13,958</u>	<u>\$ 118,523</u>	<u>\$ 1,335,586</u>	<u>\$ 28,340</u>	<u>51,499</u>	<u>\$ 11,032,748</u>	<u>\$ -</u>	<u>\$ 11,032,748</u>

THE CITY OF HOOVER, ALABAMA
Internal Service Funds
Combining Statement of Net Assets
September 30, 2012

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 4,344,298	\$ 562,098	\$ 1,447,273	\$ 2,022,901	\$ 8,376,570
Prepaid items	-	-	24,386	30,541	54,927
Internal balances	-	-	-	-	-
Accounts/stop loss receivable	-	-	23,153	720	23,873
Statutory actuarial receivable	-	-	129,956	504,740	634,696
Total current assets	<u>4,344,298</u>	<u>562,098</u>	<u>1,624,767</u>	<u>2,558,902</u>	<u>9,090,065</u>
Noncurrent assets:					
Capital assets					
Land	-	-	-	-	-
Construction in progress	-	-	-	-	-
Buildings/improvements to buildings	-	-	-	-	-
Equipment and vehicles	-	-	-	-	-
Improvements o/t buildings	-	-	-	-	-
Infrastructure improvements	-	-	-	-	-
Less accumulated depreciation	-	-	-	-	-
Total capital assets (net of accumulated depreciation)	-	-	-	-	-
Other assets	-	-	-	-	-
Statutory actuarial receivable	-	-	1,570,296	586,655	2,156,951
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>1,570,296</u>	<u>586,655</u>	<u>2,156,951</u>
Total assets	<u>\$ 4,344,298</u>	<u>\$ 562,098</u>	<u>\$ 3,195,063</u>	<u>\$ 3,145,557</u>	<u>\$ 11,247,016</u>
Liabilities					
Current liabilities:					
General obligation warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	23,313	-	3,253	18,101	44,667
Retainage payable	-	-	-	-	-
Accrued expenses	372,924	13,701	-	-	386,625
Claims payable	-	233,374	258,240	785,797	1,277,411
Compensated absences	-	-	-	-	-
Internal balances	-	-	-	-	-
Total current liabilities	<u>396,237</u>	<u>247,075</u>	<u>261,493</u>	<u>803,898</u>	<u>1,708,702</u>
Noncurrent liabilities:					
Compensated absences	-	-	-	-	-
Claims payable	-	1,878,796	2,087,333	1,026,697	4,992,826
Total noncurrent liabilities	<u>-</u>	<u>1,878,796</u>	<u>2,087,333</u>	<u>1,026,697</u>	<u>4,992,826</u>
Total liabilities	<u>396,237</u>	<u>2,125,871</u>	<u>2,348,826</u>	<u>1,830,595</u>	<u>6,701,528</u>
Net assets					
Investment in capital assets, net of related debt	-	-	-	-	-
Unrestricted	3,948,061	(1,563,772)	846,237	1,314,962	4,545,488
Total net assets	<u>\$ 3,948,061</u>	<u>\$ (1,563,772)</u>	<u>\$ 846,237</u>	<u>\$ 1,314,962</u>	<u>\$ 4,545,488</u>

THE CITY OF HOOVER, ALABAMA
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the year ended September 30, 2012

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property and Casualty	Total
Operating revenues					
Charges for services - internal	\$ 6,672,320	\$ 365,815	\$ 261,165	\$ 960,895	\$ 8,260,195
Participant premiums	1,430,208	139,558	-	-	1,569,766
Late fees	-	-	-	-	-
Stop loss reimbursements	-	-	114,835	70,703	185,538
Subrogation recoveries	-	-	34	80,036	80,070
Public assistance/school reimbursements	-	-	-	720	720
Rebates or refunds	122,316	7,460	7,544	-	137,320
Other	-	-	-	66	66
Total operating revenue	<u>8,224,845</u>	<u>512,833</u>	<u>383,578</u>	<u>1,112,420</u>	<u>10,233,676</u>
Operating expenses					
Costs of services	6,836,542	372,932	397,764	935,386	8,542,624
Administration	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	<u>6,836,542</u>	<u>372,932</u>	<u>397,764</u>	<u>935,386</u>	<u>8,542,624</u>
Operating income (loss)	1,388,302	139,902	(14,187)	177,034	1,691,051
Non-operating revenues (expenses)					
Actuarial adjustment	-	(420,155)	138,411	(22,320)	(304,064)
Investment earnings	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>(420,155)</u>	<u>138,411</u>	<u>(22,320)</u>	<u>(304,064)</u>
Transfers in (out)	-	-	-	-	-
Change in net assets	1,388,302	(280,253)	124,224	154,714	1,386,987
Net assets, beginning of year	<u>2,559,759</u>	<u>(1,283,519)</u>	<u>722,013</u>	<u>1,160,248</u>	<u>3,158,500</u>
Net assets, end of year	<u>\$ 3,948,061</u>	<u>\$ (1,563,772)</u>	<u>\$ 846,237</u>	<u>\$ 1,314,962</u>	<u>\$ 4,545,488</u>

THE CITY OF HOOVER, ALABAMA
Internal Service Funds
Combining Statement of Cash Flows
For the year ended September 30, 2012

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Cash flows from operating activities					
Cash received from government	\$ 6,672,320	\$ 365,815	\$ 261,165	\$ 960,895	\$ 8,260,195
Cash received from participants	1,430,208	139,558	-	-	1,569,766
Cash received from stop loss reimbursements	139,667	4,147	103,904	73,425	321,143
Cash received from subrogation	-	-	34	80,036	80,070
Cash received from public assistance reimbursements	-	-	-	720	720
Cash received from rebates/overpayments	122,316	7,460	7,544	-	137,320
Payments to suppliers	(6,837,020)	(382,962)	(396,468)	(1,022,204)	(8,638,654)
Other cash receipts	-	-	-	66	66
Net cash provided (used) by operating activities	<u>1,527,491</u>	<u>134,018</u>	<u>(23,821)</u>	<u>92,938</u>	<u>1,730,626</u>
Cash flows from noncapital financing activities					
Transfer to other funds	-	-	-	-	-
Transfer from other funds	-	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities					
Acquisition and construction of capital assets	-	-	-	-	-
Payments of warrants	-	-	-	-	-
Cash paid for interest on debt	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities					
Interest and dividends received	-	-	-	-	-
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	1,527,491	134,018	(23,821)	92,938	1,730,626
Pooled cash and investments, beginning of year	2,816,807	428,080	1,471,094	1,929,963	6,645,944
Pooled cash and investments, end of year	<u>\$ 4,344,298</u>	<u>\$ 562,098</u>	<u>\$ 1,447,273</u>	<u>\$ 2,022,901</u>	<u>\$ 8,376,570</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ 1,388,302	\$ 139,902	\$ (14,187)	\$ 177,034	\$ 1,691,051
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	-	-	-	-	-
(Increase) decrease in accounts receivable	139,667	4,147	(10,931)	2,722	135,604
Increase (decrease) in accounts payable and accrued expenses	(478)	(10,030)	3,096	(86,454)	(93,865)
(Increase) decrease in prepaid items	-	-	(1,800)	(365)	(2,165)
Total adjustments	<u>139,189</u>	<u>(5,883)</u>	<u>(9,634)</u>	<u>(84,097)</u>	<u>39,575</u>
Net cash provided by operating activities	<u>\$ 1,527,491</u>	<u>\$ 134,018</u>	<u>\$ (23,821)</u>	<u>\$ 92,938</u>	<u>\$ 1,730,626</u>

OTHER SUPPLEMENTARY INFORMATION

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
E-911 Fund
For the year ended September 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	1,550,000	1,550,000	1,493,910	(56,090)
Other	-	-	641	641
Total revenues	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,494,551</u>	<u>(55,449)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	1,739,368	1,623,431	1,623,394	37
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,739,368</u>	<u>1,623,431</u>	<u>1,623,394</u>	<u>37</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,739,368</u>	<u>1,623,431</u>	<u>1,623,394</u>	<u>37</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(189,368)</u>	<u>(73,431)</u>	<u>(128,843)</u>	<u>(55,412)</u>
Other financing sources (uses)				
Transfers in	189,368	73,431	-	(73,431)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>189,368</u>	<u>73,431</u>	<u>-</u>	<u>(73,431)</u>
Net change in fund balances	-	-	(128,843)	(128,843)
Fund balances, beginning of year	<u>142,406</u>	<u>142,406</u>	<u>142,406</u>	<u>-</u>
Fund balances, end of year	<u>\$ 142,406</u>	<u>\$ 142,406</u>	<u>\$ 13,563</u>	<u>\$ (128,843)</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, 2012

	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	350,000	350,000	525,218	175,218
Other	-	-	-	-
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>525,218</u>	<u>175,218</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	506,729	506,729	422,304	84,425
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>506,729</u>	<u>506,729</u>	<u>422,304</u>	<u>84,425</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>506,729</u>	<u>506,729</u>	<u>422,304</u>	<u>84,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(156,729)</u>	<u>(156,729)</u>	<u>102,914</u>	<u>259,643</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	(156,729)	(156,729)	102,914	259,643
Fund balances, beginning of year	<u>277,008</u>	<u>277,008</u>	<u>277,008</u>	<u>-</u>
Fund balances, end of year	<u>\$ 120,279</u>	<u>\$ 120,279</u>	<u>\$ 379,922</u>	<u>\$ 259,643</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	745,500	745,500	837,384	91,884
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>745,500</u>	<u>745,500</u>	<u>837,384</u>	<u>91,884</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	100,000	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	1,550,412	2,150,412	830,927	1,319,485
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,650,412</u>	<u>2,150,412</u>	<u>830,927</u>	<u>1,319,485</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(904,912)</u>	<u>(1,404,912)</u>	<u>6,457</u>	<u>1,411,369</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	(904,912)	(1,404,912)	6,457	1,411,369
Fund balances, beginning of year	<u>1,992,360</u>	<u>1,992,360</u>	<u>1,992,360</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,087,448</u>	<u>\$ 587,448</u>	<u>\$ 1,998,818</u>	<u>\$ 1,411,369</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	450,000	450,000	558,963	108,963
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>558,963</u>	<u>108,963</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	86,829	206,829	186,266	20,563
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>86,829</u>	<u>206,829</u>	<u>186,266</u>	<u>20,563</u>
Excess (deficiency) of revenues over (under) expenditures	<u>363,171</u>	<u>243,171</u>	<u>372,696</u>	<u>129,525</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	363,171	243,171	372,696	129,525
Fund balances, beginning of year	<u>1,247,915</u>	<u>1,247,915</u>	<u>1,247,915</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,611,086</u>	<u>\$ 1,491,086</u>	<u>\$ 1,620,611</u>	<u>\$ 129,525</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	975,000	975,000	939,903	(35,097)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>975,000</u>	<u>975,000</u>	<u>939,903</u>	<u>(35,097)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	1,500,000	82,287	-	82,287
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,500,000</u>	<u>82,287</u>	<u>-</u>	<u>82,287</u>
Capital outlays	-	1,542,713	1,068,661	474,052
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,500,000</u>	<u>1,625,000</u>	<u>1,068,661</u>	<u>556,339</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(525,000)</u>	<u>(650,000)</u>	<u>(128,759)</u>	<u>521,241</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(525,000)	(650,000)	(128,759)	521,241
Fund balances, beginning of year	<u>1,771,347</u>	<u>1,771,347</u>	<u>1,771,347</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,246,347</u>	<u>\$ 1,121,347</u>	<u>\$ 1,642,588</u>	<u>\$ 521,241</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	400,000	400,000	685,984	285,984
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>685,984</u>	<u>285,984</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlays	15,377	15,377	1,973	13,404
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>15,377</u>	<u>15,377</u>	<u>1,973</u>	<u>13,404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>384,623</u>	<u>384,623</u>	<u>684,011</u>	<u>299,388</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	384,623	384,623	684,011	299,388
Fund balances, beginning of year	<u>2,302,232</u>	<u>2,302,232</u>	<u>2,302,232</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,686,855</u>	<u>\$ 2,686,855</u>	<u>\$ 2,986,243</u>	<u>\$ 299,388</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	30,744	30,744
Investment income	-	-	870	870
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	509	509
Total revenues	<u>-</u>	<u>-</u>	<u>32,124</u>	<u>32,124</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	20,000	20,000	3,652	16,348
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>20,000</u>	<u>20,000</u>	<u>3,652</u>	<u>16,348</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>3,652</u>	<u>16,348</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>28,472</u>	<u>48,472</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(20,000)	(20,000)	28,472	48,472
Fund balances, beginning of year	<u>174,885</u>	<u>174,885</u>	<u>174,885</u>	<u>-</u>
Fund balances, end of year	<u>\$ 154,885</u>	<u>\$ 154,885</u>	<u>\$ 203,357</u>	<u>\$ 48,472</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	114,811	114,811
Investment income	-	-	1,713	1,713
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>116,523</u>	<u>116,523</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	105,790	225,790	153,936	71,854
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>105,790</u>	<u>225,790</u>	<u>153,936</u>	<u>71,854</u>
Capital outlays	82,000	132,000	127,608	4,392
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>187,790</u>	<u>357,790</u>	<u>281,544</u>	<u>76,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(187,790)</u>	<u>(357,790)</u>	<u>(165,021)</u>	<u>192,769</u>
Other financing sources (uses)				
Transfers in	-	30,400	30,400	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>30,400</u>	<u>30,400</u>	<u>-</u>
Net change in fund balances	(187,790)	(327,390)	(134,621)	192,769
Fund balances, beginning of year	<u>455,578</u>	<u>455,578</u>	<u>455,578</u>	<u>-</u>
Fund balances, end of year	<u>\$ 267,788</u>	<u>\$ 128,188</u>	<u>\$ 320,958</u>	<u>\$ 192,769</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Federal Drug Enforcement - Department of Treasury
For the year ended September 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	7,038	7,038
Investment income	-	-	1,208	1,208
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>8,246</u>	<u>8,246</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	240,000	240,000	-	240,000
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>240,000</u>	<u>240,000</u>	<u>-</u>	<u>240,000</u>
Capital outlays	21,000	21,000	-	21,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>261,000</u>	<u>261,000</u>	<u>-</u>	<u>261,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(261,000)</u>	<u>(261,000)</u>	<u>8,246</u>	<u>269,246</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	(261,000)	(261,000)	8,246	269,246
Fund balances, beginning of year	<u>283,180</u>	<u>283,180</u>	<u>283,180</u>	<u>-</u>
Fund balances, end of year	<u>\$ 22,180</u>	<u>\$ 22,180</u>	<u>\$ 291,426</u>	<u>\$ 269,246</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	548,363	548,363	394,180	(154,183)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>548,363</u>	<u>548,363</u>	<u>394,180</u>	<u>(154,183)</u>
Expenditures				
Current operations				
General government	240,203	174,069	96,201	77,868
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>240,203</u>	<u>174,069</u>	<u>96,201</u>	<u>77,868</u>
Capital outlays	308,160	374,294	297,980	76,314
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>548,363</u>	<u>548,363</u>	<u>394,180</u>	<u>154,183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Court and Corrections
For the year ended September 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	882,000	675,240	668,654	(6,586)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	234	234
Charges for services	-	-	5,982	5,982
Other	-	-	277	277
Total revenues	<u>882,000</u>	<u>675,240</u>	<u>675,147</u>	<u>(93)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,066,939	1,923,250	1,923,169	81
Library	-	-	-	-
Municipal court	1,282,823	1,283,972	1,283,961	11
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>3,349,762</u>	<u>3,207,222</u>	<u>3,207,130</u>	<u>92</u>
Capital outlays				
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,349,762</u>	<u>3,207,222</u>	<u>3,207,130</u>	<u>92</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,467,762)</u>	<u>(2,531,982)</u>	<u>(2,531,983)</u>	<u>(1)</u>
Other financing sources (uses)				
Transfers in	2,467,762	2,531,983	2,531,983	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>2,467,762</u>	<u>2,531,983</u>	<u>2,531,983</u>	<u>-</u>
Net change in fund balances	-	1	-	(1)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Municipal Court Clerk
For the year ended September 30, 2012

	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	-	-	25,177	25,177
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>25,177</u>	<u>25,177</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>25,177</u>	<u>25,177</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	-	-	25,177	25,177
Fund balances, beginning of year	<u>2,179</u>	<u>2,179</u>	<u>2,179</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,179</u>	<u>\$ 2,179</u>	<u>\$ 27,356</u>	<u>\$ 25,177</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	38,000	38,000	24,370	(13,631)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>24,370</u>	<u>(13,631)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	82,124	82,124	68,174	13,950
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>82,124</u>	<u>82,124</u>	<u>68,174</u>	<u>13,950</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>82,124</u>	<u>82,124</u>	<u>68,174</u>	<u>13,950</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,124)</u>	<u>(44,124)</u>	<u>(43,804)</u>	<u>320</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(44,124)	(44,124)	(43,804)	320
Fund balances, beginning of year	<u>57,762</u>	<u>57,762</u>	<u>57,762</u>	<u>-</u>
Fund balances, end of year	<u>\$ 13,638</u>	<u>\$ 13,638</u>	<u>\$ 13,958</u>	<u>\$ 320</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	74,667	74,667	75,981	1,314
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	65,000	65,000	106,705	41,705
Other	-	-	518	518
Total revenues	<u>139,667</u>	<u>139,667</u>	<u>183,203</u>	<u>43,536</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	140,473	140,473	122,398	18,075
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>140,473</u>	<u>140,473</u>	<u>122,398</u>	<u>18,075</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>140,473</u>	<u>140,473</u>	<u>122,398</u>	<u>18,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(806)</u>	<u>(806)</u>	<u>60,805</u>	<u>61,611</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	(806)	(806)	60,805	61,611
Fund balances, beginning of year	<u>57,718</u>	<u>57,718</u>	<u>57,718</u>	<u>-</u>
Fund balances, end of year	<u>\$ 56,912</u>	<u>\$ 56,912</u>	<u>\$ 118,523</u>	<u>\$ 61,611</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	370,000	370,000	236,350	(133,650)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>370,000</u>	<u>370,000</u>	<u>236,350</u>	<u>(133,650)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	450,000	450,000	-	450,000
Library	-	-	-	-
Municipal court	334,977	359,977	96,772	263,205
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>784,977</u>	<u>809,977</u>	<u>96,772</u>	<u>713,205</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>784,977</u>	<u>809,977</u>	<u>96,772</u>	<u>713,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(414,977)</u>	<u>(439,977)</u>	<u>139,578</u>	<u>579,555</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	(414,977)	(439,977)	139,578	579,555
Fund balances, beginning of year	<u>1,196,008</u>	<u>1,196,008</u>	<u>1,196,008</u>	<u>-</u>
Fund balances, end of year	<u>\$ 781,031</u>	<u>\$ 756,031</u>	<u>\$ 1,335,586</u>	<u>\$ 579,555</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Municipal Court Judicial Administration
For the year ended September 30, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	28,340	28,340
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>28,340</u>	<u>28,340</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>28,340</u>	<u>28,340</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	-	-	28,340	28,340
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,340</u>	<u>\$ 28,340</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	583,250	595,501	582,071	(13,431)
Fines and forfeits	-	-	-	-
Investment income	-	-	60	60
Rents and royalties	-	-	-	-
Contributions and reimbursements	1,463	6,463	16,196	9,733
Charges for services	-	-	450	450
Other	-	-	-	-
Total revenues	<u>584,713</u>	<u>601,964</u>	<u>598,777</u>	<u>(3,187)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	467,153	501,244	501,195	49
Library	52,125	63,283	63,281	2
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	25,222	25,222	22,381	2,841
Health	-	-	-	-
Total	<u>544,500</u>	<u>589,749</u>	<u>586,858</u>	<u>2,891</u>
Capital outlays	477,256	463,258	462,840	418
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,021,756</u>	<u>1,053,007</u>	<u>1,049,698</u>	<u>3,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(437,043)</u>	<u>(451,043)</u>	<u>(450,921)</u>	<u>122</u>
Other financing sources (uses)				
Transfers in	415,661	429,661	463,602	33,941
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>415,661</u>	<u>429,661</u>	<u>463,602</u>	<u>33,941</u>
Net change in fund balances	(21,382)	(21,382)	12,681	34,063
Fund balances, beginning of year	<u>38,818</u>	<u>38,818</u>	<u>38,818</u>	<u>-</u>
Fund balances, end of year	<u>\$ 17,436</u>	<u>\$ 17,436</u>	<u>\$ 51,499</u>	<u>\$ 34,063</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	22,260,673	22,972,270	487,409	(22,484,861)
Fines and forfeits	-	-	-	-
Investment income	-	261	259	(2)
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>22,260,673</u>	<u>22,972,531</u>	<u>487,668</u>	<u>(22,484,863)</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	24,323,124	25,043,013	2,558,150	22,484,863
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>24,323,124</u>	<u>25,043,013</u>	<u>2,558,150</u>	<u>22,484,863</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,062,451)</u>	<u>(2,070,482)</u>	<u>(2,070,482)</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	3,403	3,403	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,403</u>	<u>3,403</u>	<u>-</u>
Net change in fund balances	(2,062,451)	(2,067,079)	(2,067,080)	-
Fund balances, beginning of year	<u>2,067,080</u>	<u>2,067,080</u>	<u>2,067,080</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,629</u>	<u>\$ 1</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, 2012

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	-	-	-	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	120,500	120,500	609	(119,891)
Fines and forfeits	-	13,440	13,440	-
Investment income	-	1,484	1,478	(6)
Rents and royalties	-	-	-	-
Contributions and reimbursements	2,003,000	2,075,776	254,713	(1,821,064)
Charges for services	-	-	-	-
Other	-	16,520	63,799	47,279
Total revenues	<u>2,123,500</u>	<u>2,227,720</u>	<u>334,039</u>	<u>(1,893,681)</u>
Expenditures				
Current operations				
General government	853,763	928,763	158,881	769,882
Public safety	860,272	866,772	436,793	429,979
Library	-	69,600	69,526	74
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	318,648	410,948	145,795	265,153
Recreation services	10,000	67,959	4,466	63,493
Health	-	-	-	-
Total	<u>2,042,683</u>	<u>2,344,042</u>	<u>815,461</u>	<u>1,528,581</u>
Capital outlays	15,539,457	16,775,255	4,095,288	12,679,967
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>17,582,140</u>	<u>19,119,297</u>	<u>4,910,749</u>	<u>14,208,548</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,458,640)</u>	<u>(16,891,577)</u>	<u>(4,576,710)</u>	<u>12,314,867</u>
Other financing sources (uses)				
Transfers in	830,000	9,943,595	9,913,517	(30,078)
Transfers out	(2,128,397)	(2,506,332)	-	2,506,332
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>(1,298,397)</u>	<u>7,437,263</u>	<u>9,913,517</u>	<u>2,476,254</u>
Special Items				
Proceeds from the sale of land	-	-	1,000,000	1,000,000
Net change in fund balances	(16,757,037)	(9,454,314)	6,336,807	15,791,121
Fund balances, beginning of year	<u>18,638,394</u>	<u>18,638,394</u>	<u>18,638,394</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,881,357</u>	<u>\$ 9,184,080</u>	<u>\$ 24,975,201</u>	<u>\$ 15,791,121</u>

STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents	Page
Financial Trends	107
<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	112
<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	121
<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	125
<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	127
<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	130
<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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	\$ 315,155,565	\$ 320,407,177	\$ 315,688,443
Restricted capital projects	42,821,354	26,859,710	31,654,643	25,323,478	22,904,794	18,749,479	14,921,949	21,707,247	-	-
Restricted for enabling legislation	2	-	-	4,190,334	4,408,972	3,318,260	4,104,890	6,121,528	9,999,398	11,032,748
Unrestricted	24,419,598	26,920,917	28,134,223	29,621,882	28,657,385	23,342,942	25,030,075	22,944,883	45,276,047	50,794,003
Total governmental activities net assets	\$ 276,816,654	\$ 288,155,293	\$ 304,413,180	\$ 336,144,095	\$ 363,692,718	\$ 344,446,870	\$ 344,531,626	\$ 365,929,222	\$ 375,682,621	\$ 377,515,193
Business-type activities										
Invested in capital assets, net of related debt	\$ 23,604,673	\$ 23,000,983	\$ 22,498,465	\$ 21,852,572	\$ 24,206,035	\$ 22,413,719	\$ 20,744,083	\$ 19,258,810	\$ 17,577,471	\$ 16,041,550
Restricted capital projects	-	-	-	-	-	-	-	-	-	-
Restricted for enabling legislation	-	-	-	-	-	-	-	-	-	-
Unrestricted	(1,720,052)	(245,855)	1,372,757	3,672,145	2,100,616	5,037,955	5,396,604	5,161,471	8,186,960	7,764,046
Total business-type activities net assets	\$ 21,884,621	\$ 22,755,128	\$ 23,871,222	\$ 25,524,717	\$ 26,306,651	\$ 27,451,674	\$ 26,140,686	\$ 24,420,281	\$ 25,764,431	\$ 23,805,596
Primary government										
Invested in capital assets, net of related debt	\$ 233,180,375	\$ 257,375,649	\$ 267,122,779	\$ 298,860,973	\$ 331,927,602	\$ 321,449,908	\$ 321,218,795	\$ 334,414,375	\$ 337,984,648	\$ 331,729,993
Restricted capital projects	42,821,354	26,859,710	31,654,643	25,323,478	22,904,794	18,749,479	14,921,949	21,707,247	-	-
Restricted for enabling legislation	-	-	-	4,190,334	4,408,972	3,318,260	4,104,890	6,121,528	9,999,398	11,032,748
Unrestricted	22,699,546	26,675,062	29,506,980	33,294,028	30,758,001	28,380,897	30,426,678	28,106,354	53,463,006	58,558,049
Total primary government net assets	\$ 298,701,275	\$ 310,910,421	\$ 328,284,401	\$ 361,668,812	\$ 389,999,369	\$ 371,898,544	\$ 370,672,312	\$ 390,349,503	\$ 401,447,052	\$ 401,320,790

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 9,441,739	\$ 10,372,215	\$ 9,805,408	\$ 11,194,315	\$ 12,553,950	\$ 12,159,259	\$ 12,843,118	\$ 12,459,943	\$ 11,895,501	\$ 12,404,558
Public safety	29,387,299	32,635,142	35,433,552	40,463,403	41,027,148	43,244,312	43,857,205	42,186,343	43,231,843	42,984,050
Library	4,127,449	4,295,061	4,615,218	5,016,881	5,290,808	5,668,188	6,123,208	6,217,356	6,262,401	6,384,696
Municipal court	680,343	756,248	930,830	1,188,252	1,331,392	1,479,847	1,617,927	1,560,283	1,738,663	1,709,638
Sanitation	4,546,886	4,210,995	4,530,331	4,803,993	5,100,516	5,478,464	5,658,314	5,843,793	6,075,253	6,222,487
Education	7,560,622	8,335,662	1,895,404	7,100,000	7,500,000	7,500,000	2,000,000	2,000,000	2,000,000	2,000,000
Highway and roadway improvements	4,456,794	4,610,589	5,175,085	5,436,669	7,067,730	9,226,304	12,148,929	7,831,687	14,673,216	22,198,428
Recreation services	6,161,563	6,131,735	6,321,075	7,321,789	7,432,739	8,116,588	9,002,873	8,908,303	8,721,903	8,507,207
Health	208,017	238,379	227,382	253,155	260,070	287,748	268,116	268,098	282,764	292,368
Interest and fiscal charges	4,195,659	5,264,484	4,227,036	4,764,408	4,639,784	4,475,264	4,282,869	4,118,153	2,823,206	3,093,138
Total governmental activities expenses	<u>70,766,371</u>	<u>76,850,511</u>	<u>73,161,322</u>	<u>87,542,865</u>	<u>92,204,137</u>	<u>97,635,973</u>	<u>97,802,558</u>	<u>91,393,959</u>	<u>97,704,750</u>	<u>105,796,570</u>
Business-type activities:										
Sewer services	3,654,400	3,189,092	3,225,498	3,613,950	3,297,871	3,637,809	5,259,834	5,779,443	5,870,227	5,744,407
Total business-type activities expenses	<u>3,654,400</u>	<u>3,189,092</u>	<u>3,225,498</u>	<u>3,613,950</u>	<u>3,297,871</u>	<u>3,637,809</u>	<u>5,259,834</u>	<u>5,779,443</u>	<u>5,870,227</u>	<u>5,744,407</u>
Total primary government expenses	<u>\$ 74,420,771</u>	<u>\$ 80,039,603</u>	<u>\$ 76,386,820</u>	<u>\$ 91,156,815</u>	<u>\$ 95,502,008</u>	<u>\$ 101,273,782</u>	<u>\$ 103,062,392</u>	<u>\$ 97,173,402</u>	<u>\$ 103,574,977</u>	<u>\$ 111,540,977</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 4,092,060	\$ 4,359,687	\$ 4,685,921	\$ 4,946,810	\$ 5,209,005	\$ 5,446,391	\$ 5,220,064	\$ 5,329,379	\$ 5,429,872	\$ 5,709,437
Public safety	5,057,430	6,267,496	5,517,548	6,510,590	7,010,384	5,646,968	2,608,890	4,907,942	4,785,120	5,635,298
Library	219,955	217,273	243,539	273,053	311,405	328,096	334,370	378,425	380,718	411,500
Municipal court	1,103,584	1,163,474	1,572,652	2,213,768	2,421,341	2,322,209	3,554,359	2,924,037	2,303,115	2,345,711
Sanitation	6,450	5,700	6,450	6,300	6,450	7,200	7,350	7,050	6,825	7,556
Highway and roadway improvements	1,863	12,170	-	40,095	-	170,904	118,153	150,419	195,188	144,167
Recreation services	1,231,054	1,257,087	1,194,290	1,356,777	1,537,513	1,508,068	1,512,610	1,546,139	1,587,456	1,419,588
Health	-	-	-	-	-	150	-	1,000	1,000	4,095
Operating grants and contributions	2,282,895	2,254,587	3,238,564	2,401,585	2,869,700	3,900,377	5,596,094	3,569,003	3,627,644	3,765,312
Capital grants and contributions	3,358,490	384,234	234,974	103,719	3,170,596	2,720,341	1,447,809	15,333,481	11,347,086	2,814,007
Total governmental activities program revenues	<u>17,353,781</u>	<u>15,921,708</u>	<u>16,693,938</u>	<u>17,852,697</u>	<u>22,536,394</u>	<u>22,050,704</u>	<u>20,399,700</u>	<u>34,146,875</u>	<u>29,664,024</u>	<u>22,256,671</u>
Business-type activities:										
Charges for services:										
Sewer services	3,244,883	4,059,598	4,336,371	5,267,445	3,883,098	4,623,611	3,924,511	4,050,686	4,195,985	3,760,435
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	5,200	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>3,244,883</u>	<u>4,059,598</u>	<u>4,341,571</u>	<u>5,267,445</u>	<u>3,883,098</u>	<u>4,623,611</u>	<u>3,924,511</u>	<u>4,050,686</u>	<u>4,195,985</u>	<u>3,760,435</u>
Total primary government program revenues	<u>\$ 20,598,664</u>	<u>\$ 19,981,306</u>	<u>\$ 21,035,510</u>	<u>\$ 23,120,142</u>	<u>\$ 26,419,492</u>	<u>\$ 26,674,315</u>	<u>\$ 24,324,211</u>	<u>\$ 38,197,561</u>	<u>\$ 33,860,009</u>	<u>\$ 26,017,106</u>

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Continued										
Net (expense)/revenue										
Governmental activities	\$ (53,412,590)	\$ (60,928,803)	\$ (56,467,384)	\$ (69,690,169)	\$ (69,667,743)	\$ (75,585,268)	\$ (77,402,858)	\$ (57,247,085)	\$ (68,040,726)	\$ (83,539,899)
Business-type activities	(409,517)	870,506	1,116,073	1,653,495	585,227	985,802	(1,335,323)	(1,728,757)	(1,674,241)	(1,983,973)
Total primary government net expense	<u>\$ (53,822,107)</u>	<u>\$ (60,058,297)</u>	<u>\$ (55,351,311)</u>	<u>\$ (68,036,673)</u>	<u>\$ (69,082,516)</u>	<u>\$ (74,599,467)</u>	<u>\$ (78,738,181)</u>	<u>\$ (58,975,842)</u>	<u>\$ (69,714,968)</u>	<u>\$ (85,523,872)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Sales and use taxes	47,552,917	52,097,889	56,449,217	59,153,632	59,301,855	56,570,198	53,182,053	54,755,461	56,503,270	60,522,929
Property taxes	6,705,083	7,712,457	8,053,100	8,788,687	9,418,548	10,212,487	10,475,368	10,346,796	10,040,757	10,108,447
Franchise taxes	638,415	669,243	665,780	704,528	759,067	799,548	845,086	905,611	956,823	1,049,546
Gross receipts taxes	2,663,109	2,763,264	3,026,932	3,425,989	3,793,381	4,548,169	4,364,862	4,592,061	4,749,260	4,695,226
Other taxes	2,655,367	2,858,598	2,949,342	3,550,373	3,608,481	3,602,409	3,343,913	3,575,726	3,992,038	4,106,051
Intergovernmental shared revenues	1,935,834	2,215,218	2,398,968	2,842,123	2,904,688	2,630,712	2,998,692	2,517,021	2,375,635	2,744,975
Investment earnings	1,378,214	1,790,353	1,971,416	2,484,355	3,629,529	2,876,275	2,218,558	1,776,945	1,602,949	964,364
Other revenue	492,661	209,333	321,894	311,014	394,835	195,698	145,068	175,059	573,346	306,235
Gain (loss) on sale of disposed equipment	¹ (10,336)	-	4,986	282,527	(128,757)	89,151	(85,987)	-	-	121,729
Contribution of capital assets	² -	141,094	525,535	20,913,209	-	-	-	-	-	-
Special items	-	-	(6,656,318)	(1,035,353)	(72,877)	-	-	-	-	752,969
Total governmental activities	<u>64,011,264</u>	<u>70,457,451</u>	<u>69,710,852</u>	<u>101,421,086</u>	<u>83,608,750</u>	<u>81,524,649</u>	<u>77,487,614</u>	<u>78,644,681</u>	<u>80,794,077</u>	<u>85,372,472</u>
Business-type activities:										
Investment earnings	-	-	-	-	196,707	159,212	24,335	8,352	11,650	24,387
Other revenues	-	-	21	-	-	10	-	-	6,789	751
Total business-type activities	<u>-</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>196,707</u>	<u>159,222</u>	<u>24,335</u>	<u>8,352</u>	<u>18,439</u>	<u>25,138</u>
Transfers:										
Governmental activities	-	-	-	-	-	-	-	-	(2,999,952)	-
Business-type activities	-	-	-	-	-	-	-	-	2,999,952	-
Total transfers	<u>-</u>									
Total primary government	<u>\$ 64,011,264</u>	<u>\$ 70,457,451</u>	<u>\$ 69,710,873</u>	<u>\$ 101,421,086</u>	<u>\$ 83,805,457</u>	<u>\$ 81,683,871</u>	<u>\$ 77,511,949</u>	<u>\$ 78,653,033</u>	<u>\$ 80,812,517</u>	<u>\$ 85,397,610</u>
Change in Net Assets										
Governmental activities	10,598,674	9,528,648	13,243,468	31,730,917	13,941,007	5,939,380	84,756	21,397,596	9,753,399	1,832,572
Business-type activities	(409,517)	870,506	1,116,093	1,653,495	781,934	1,145,023	(1,310,988)	(1,720,405)	1,344,150	(1,958,835)
Total primary government	<u>10,189,157</u>	<u>10,399,154</u>	<u>14,359,562</u>	<u>33,384,413</u>	<u>14,722,941</u>	<u>7,084,403</u>	<u>(1,226,232)</u>	<u>19,677,191</u>	<u>11,097,549</u>	<u>(126,262)</u>

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

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

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Pre GASB Statement No. 54:										
General fund										
Reserved for non-current receivable	\$ 777,445	\$ 680,670	\$ 549,980	\$ 393,180	\$ 324,580	\$ 289,706	\$ 260,306	\$ 234,581		
Reserved other	-	99,040	158,803	340,345	321,988	135,011	102,556	104,598		
Unreserved	¹ 26,815,425	28,487,586	29,722,353	30,266,475	30,453,433	30,775,283	30,937,137	31,060,821		
Total general fund	<u>27,592,870</u>	<u>29,267,296</u>	<u>30,431,137</u>	<u>31,000,000</u>	<u>31,100,000</u>	<u>31,200,000</u>	<u>31,300,000</u>	<u>31,400,000</u>		
All other governmental funds										
Reserved for capital projects	¹ \$ -	\$ -	\$ -	\$ 25,323,478	\$ 22,904,794	\$ 18,072,292	\$ 13,439,823	\$ 12,483,560		
Unreserved, reported in:										
Special revenue funds	3,007,427	4,387,930	4,434,302	4,190,334	4,408,972	3,995,447	5,587,016	8,016,726		
Capital projects funds	42,821,354	26,859,710	31,654,643	8,341,289	7,756,861	1,621,564	3,299,444	7,328,489		
Total all other governmental funds	<u>45,828,781</u>	<u>31,247,640</u>	<u>36,088,945</u>	<u>37,855,101</u>	<u>35,070,627</u>	<u>23,689,303</u>	<u>22,326,283</u>	<u>27,828,774</u>		
Total all governmental funds	<u>\$ 73,421,651</u>	<u>\$ 60,514,936</u>	<u>\$ 66,520,082</u>	<u>\$ 68,855,101</u>	<u>\$ 66,170,628</u>	<u>\$ 54,889,303</u>	<u>\$ 53,626,283</u>	<u>\$ 59,228,774</u>		
Post GASB Statement No. 54:										
General fund										
Nonspendable									\$ 330,333	\$ 334,180
Assigned									833,837	649,938
Unassigned									<u>30,335,830</u>	<u>30,615,882</u>
Total general fund									<u>31,500,000</u>	<u>31,600,000</u>
All other governmental funds										
Restricted									\$ 9,999,397	\$ 11,032,748
Committed									<u>20,705,474</u>	<u>24,975,201</u>
Total general fund									<u>30,704,871</u>	<u>36,007,949</u>
Total all governmental funds									<u>\$ 62,204,871</u>	<u>\$ 67,607,950</u>

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

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 60,214,892	\$ 66,101,452	\$ 71,144,371	\$ 75,623,209	\$ 76,881,332	\$ 75,732,812	\$ 72,211,282	\$ 74,175,655	\$ 76,242,148	\$ 80,482,200
Licenses and permits	7,774,194	8,750,751	8,498,490	8,987,468	8,753,625	9,046,084	6,229,574	6,875,431	7,069,269	8,247,786
Intergovernmental	5,952,367	4,095,296	5,474,758	4,471,897	5,815,390	6,116,648	6,290,266	5,409,712	5,694,091	5,937,256
Fines and forfeits	1,277,982	1,881,578	2,084,735	3,417,653	4,465,564	2,877,027	3,716,045	4,054,336	2,752,503	2,569,717
Investment income	1,379,526	1,795,771	1,980,059	2,540,019	3,728,266	2,929,797	2,222,208	1,778,099	1,604,899	968,319
Rents and royalties	358,432	375,860	442,924	517,281	700,954	867,877	815,932	879,945	915,600	1,004,765
Contributions and reimbursements	1,439,052	758,743	397,747	874,490	978,704	1,518,762	3,702,758	1,061,255	1,078,960	1,283,304
Charges for services	2,285,998	2,269,281	2,185,504	2,377,059	2,487,467	2,585,195	2,590,304	3,433,024	3,949,779	3,848,768
Other	1,389,750	209,312	432,568	692,757	410,956	320,355	212,088	216,739	713,180	812,835
Total revenues	82,072,193	86,238,043	92,641,156	99,501,833	104,222,257	101,994,557	97,990,456	97,884,197	100,020,428	105,154,948
Expenditures										
General government	\$ 8,031,148	\$ 9,584,128	\$ 8,771,404	\$ 9,818,864	\$ 11,158,288	\$ 11,710,365	\$ 11,587,522	\$ 11,344,500	\$ 10,742,143	\$ 11,229,103
Public safety	27,941,659	30,959,270	34,307,370	37,496,799	40,173,371	42,161,966	40,873,486	41,051,186	42,623,081	42,230,120
Library	3,874,224	4,120,702	4,333,627	4,756,851	5,044,181	5,395,337	5,754,381	5,970,683	5,963,107	6,126,269
Municipal court	671,634	729,106	930,994	1,143,148	1,319,497	1,475,630	1,573,105	1,575,472	1,749,568	1,721,809
Sanitation	4,546,886	4,210,995	4,494,543	4,803,993	5,100,516	5,478,464	5,658,314	5,843,793	6,075,253	6,222,487
Education	7,560,622	8,335,662	1,895,404	7,100,000	7,500,000	7,500,000	2,000,000	2,000,000	2,000,000	2,000,000
Highway and roadway improvements	3,583,649	3,289,738	4,130,672	4,715,687	4,501,009	6,088,176	6,074,324	5,081,039	5,124,642	4,419,917
Recreation services	5,190,949	5,684,917	5,426,654	6,319,400	6,345,982	6,891,524	7,217,549	7,626,551	7,581,964	7,213,887
Health	197,634	205,191	220,172	239,925	252,973	281,702	256,706	262,444	279,050	288,451
Capital outlays	17,953,337	22,739,679	6,888,827	11,320,900	16,274,396	17,151,186	9,098,607	2,500,123	6,487,935	10,273,790
Debt service										
Principal	4,355,000	4,095,000	4,760,000	4,585,000	4,670,000	4,805,000	5,020,000	5,050,000	5,970,000	5,760,000
Interest	4,058,279	5,185,590	4,366,420	4,613,046	4,488,630	4,331,633	4,134,583	3,971,966	3,072,173	3,263,593
Fiscal agent fees	3,235	4,800	6,817	3,899	5,010	4,900	4,900	3,950	2,200	2,447
Total expenditures	87,968,256	99,144,778	80,532,902	96,917,512	106,833,852	113,275,882	99,253,477	92,281,706	97,671,115	100,751,870
Excess of revenues over (under) expenditures	(5,896,063)	(12,906,735)	12,108,253	2,584,321	(2,611,596)	(11,281,324)	(1,263,021)	5,602,492	2,349,313	4,403,079
Other financing sources (uses)										
Transfers in	6,212,202	-	25,603,806	27,902,907	31,159,272	27,599,752	25,383,211	28,097,325	32,356,880	33,666,195
Transfers out	(6,212,202)	-	(25,603,806)	(27,902,907)	(31,159,272)	(27,599,752)	(25,383,211)	(28,097,325)	(35,356,832)	(33,666,195)
Transfers out component units	-	-	-	-	-	-	-	-	-	-
Capital portion of refunding bonds issued	41,957,326	-	-	-	-	-	-	-	-	-
Refunding bonds issued	40,567,674	-	29,165,000	-	-	-	-	-	58,510,000	-
Premium on bonds issued	-	-	1,934,793	-	-	-	-	-	6,276,046	-
Payment to bond refunding escrow agent	(40,567,674)	-	(30,787,042)	-	-	-	-	-	(60,620,613)	-
Bond issuance costs	(764,499)	-	(299,814)	-	-	-	-	-	(538,697)	-
Discount on refunding bonds issued	(109,456)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	41,083,371	-	12,937	-	-	-	-	-	626,784	-
Residual equity transfer from internal service fund	-	-	-	-	-	-	-	-	-	-
Special items	-	-	(6,116,046)	(249,303)	(72,877)	-	-	-	-	1,000,000
Net changes in fund balances	\$ 35,187,308	\$ (12,906,735)	\$ 6,005,145	\$ 2,335,018	\$ (2,684,473)	\$ (11,281,324)	\$ (1,263,021)	\$ 5,602,492	\$ 2,976,097	\$ 5,403,079
Debt service as a percentage of noncapital expenditures	11.88%	12.05%	12.29%	10.73%	9.97%	9.32%	9.64%	9.89%	9.88%	9.93%

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

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

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

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

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

Fiscal Year	Sales and Use Taxes	Property Taxes Real/Per/Util	Property Taxes Motor Vehicles	In Lieu of Property Taxes	Rental Taxes	Gross Receipts and Franchise Taxes	Other Municipal Taxes	Total
2003	\$ 47,552,917	\$ 5,900,922	\$ 804,160	\$ 8,847	\$ 659,009	\$ 3,301,523	\$ 1,987,514	\$ 60,214,892
2004	52,097,889	6,839,985	872,472	8,847	674,964	3,432,507	2,174,787	66,101,452
2005	56,449,217	7,086,799	966,301	8,847	661,148	3,692,712	2,279,347	71,144,371
2006	59,153,632	7,713,133	1,075,554	8,947	738,330	4,130,516	2,803,096	75,623,209
2007	59,301,855	8,523,963	894,585	-	720,749	4,552,448	2,887,732	76,881,332
2008	56,570,198	9,327,227	885,260	-	778,752	5,347,718	2,823,657	75,732,812
2009	53,182,053	9,645,981	829,388	8,847	644,966	5,209,947	2,690,100	72,211,282
2010	54,755,461	9,537,895	808,901	-	766,826	5,497,673	2,808,900	74,175,655
2011	56,503,270	9,171,222	869,535	-	763,658	5,706,083	3,228,380	76,242,148
2012	60,522,929	9,149,342	959,105	-	800,752	5,744,772	3,305,299	80,482,200

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Merchandise Retail ¹	\$ 33,990,825	\$ 37,239,571	\$ 40,349,900	\$ 42,283,016	\$ 42,388,966	\$ 40,436,378	\$ 38,014,531	\$ 39,139,204	\$ 40,388,537	\$ 43,261,790
Auto Dealers and Supplies ¹	3,885,073	4,256,398	4,611,901	4,832,852	4,844,962	4,621,785	4,344,974	4,473,521	4,616,317	4,944,723
Grocery Stores ¹	2,586,879	2,834,125	3,070,837	3,217,958	3,226,021	3,077,419	2,893,104	2,978,697	3,073,778	3,292,447
Restaurants ¹	4,065,774	4,454,370	4,826,408	5,057,636	5,070,309	4,836,752	4,547,066	4,681,592	4,831,030	5,174,710
Home Furnishings & Appliances ¹	523,082	573,077	620,941	650,690	652,320	622,272	585,003	602,310	621,536	665,752
Pharmacy ¹	332,870	364,685	395,145	414,075	415,113	395,991	372,274	383,288	395,523	423,661
Other Sales ¹	2,168,413	2,375,664	2,574,084	2,697,406	2,704,165	2,579,601	2,425,102	2,496,849	2,576,549	2,759,846
Total	\$ 47,552,917	\$ 52,097,889	\$ 56,449,217	\$ 59,153,632	\$ 59,301,855	\$ 56,570,198	\$ 53,182,053	\$ 54,755,461	\$ 56,503,270	\$ 60,522,929

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>
	2003	3.0%	1.0%	4.0%	8.0%
	2004	3.0%	1.0%	4.0%	8.0%
	2005	3.0%	2.0%	4.0%	9.0%
	2006	3.0%	2.0%	4.0%	9.0%
	2007	3.0%	2.0%	4.0%	9.0%
	2008	3.0%	2.0%	4.0%	9.0%
	2009	3.0%	2.0%	4.0%	9.0%
	2010	3.0%	2.0%	4.0%	9.0%
	2011	3.0%	2.0%	4.0%	9.0%
	2012	3.0%	2.0%	4.0%	9.0%

Shelby County	<u>Fiscal Year</u>	<u>City Sales Tax Rate</u>	<u>County Sales Tax Rate</u>	<u>State Sales Tax Rate</u>	<u>Total Sales Tax Rate</u>
	2003	3.0%	1.0%	4.0%	8.0%
	2004	3.0%	1.0%	4.0%	8.0%
	2005	3.0%	1.0%	4.0%	8.0%
	2006	3.0%	1.0%	4.0%	8.0%
	2007	3.0%	1.0%	4.0%	8.0%
	2008	3.0%	1.0%	4.0%	8.0%
	2009	3.0%	1.0%	4.0%	8.0%
	2010	3.0%	1.0%	4.0%	8.0%
	2011	3.0%	1.0%	4.0%	8.0%
	2012	3.0%	1.0%	4.0%	8.0%

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

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

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

Jefferson County ¹	<u>Fiscal Year</u>	<u>City Auto Tax Rate</u>	<u>County Auto Tax Rate</u>	<u>State Auto Tax Rate</u>	<u>Total Auto Tax Rate</u>
	2003	1.000%	0.375%	2.000%	3.375%
	2004	1.000%	0.375%	2.000%	3.375%
	2005	1.000%	0.750%	2.000%	3.750%
	2006	1.000%	0.750%	2.000%	3.750%
	2007	1.000%	0.750%	2.000%	3.750%
	2008	1.000%	0.750%	2.000%	3.750%
	2009	1.000%	0.750%	2.000%	3.750%
	2010	1.000%	0.750%	2.000%	3.750%
	2011	1.000%	0.750%	2.000%	3.750%
	2012	1.000%	0.750%	2.000%	3.750%

Shelby County	<u>Fiscal Year</u>	<u>City Auto Tax Rate</u>	<u>County Auto Tax Rate</u>	<u>State Auto Tax Rate</u>	<u>Total Auto Tax Rate</u>
	2003	1.000%	0.375%	2.000%	3.375%
	2004	1.000%	0.375%	2.000%	3.375%
	2005	1.000%	0.375%	2.000%	3.375%
	2006	1.000%	0.375%	2.000%	3.375%
	2007	1.000%	0.375%	2.000%	3.375%
	2008	1.000%	0.375%	2.000%	3.375%
	2009	1.000%	0.375%	2.000%	3.375%
	2010	1.000%	0.375%	2.000%	3.375%
	2011	1.000%	0.375%	2.000%	3.375%
	2012	1.000%	0.375%	2.000%	3.375%

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

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

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

	Calendar Year ¹	
	2012	2003
	Rank	Rank
Costco	1	
Wal-mart - 280 location	2	2
Wal-mart - 150 location (formerly US 31 location)	3	1
Sam's Club	4	4
Belk (formerly Parisian)	5	3
Target	6	
Publix - Highway 280 location	7	
CarMax	8	
Publix - Highway 150 location	9	
Best Buy	10	
Macy's (Galleria/Rich's)		5
Long Lewis Ford		6
Home Depot (Galleria)		7
Home Depot (Highway 280 location)		8
Sear's Roebuck		9
Lowe's (Valleydale)		10
Total Sales and Use Taxes - Principal Payers	26.38%	30.17%

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	
2003	\$ 460,220,484	\$ 3,318,482,231	\$ 60,812,830	\$ 304,064,150	\$ 62,513,240	\$ 208,377,467	\$ 583,546,554	\$ 3,830,923,848	15.23%
2004	531,348,660	3,815,581,059	78,418,828	392,094,140	67,132,840	335,664,200	676,900,328	4,543,339,399	14.90%
2005	561,355,711	4,135,731,086	69,111,960	345,559,800	67,092,040	223,640,133	697,559,711	4,704,931,019	14.83%
2006	609,737,802	4,766,875,285	76,308,794	381,543,970	73,977,240	246,588,334	760,023,836	5,395,007,589	14.09%
2007	740,242,802	5,187,041,365	80,073,115	400,365,575	75,822,180	252,740,595	896,138,097	5,840,147,535	15.34%
2008	815,979,995	5,827,708,810	88,650,383	443,401,915	74,818,360	249,394,533	979,448,738	6,520,505,258	15.02%
2009	871,487,443	6,245,090,738	80,586,224	393,032,108	69,671,380	206,315,000	1,021,745,047	6,844,437,846	14.93%
2010	866,426,114	6,600,123,303	78,606,422	376,061,227	61,894,500	152,862,533	1,006,927,036	7,129,047,063	14.12%
2011	865,019,115	6,589,405,290	75,212,246	359,823,137	45,858,760	113,258,629	986,090,121	7,062,487,056	13.96%
2012	863,344,523	6,576,648,848	77,536,836	370,944,217	40,169,020	99,206,523	981,050,379	7,046,799,589	13.92%

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	
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	507,838,280	4,078,949,800	41,512,500	205,721,000	5,940,120	20,648,467	555,290,900	4,305,319,267	12.90%
2009	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%
2010	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%
2011	522,848,120	3,990,017,400	41,474,920	207,374,600	6,270,580	20,901,933	570,593,620	4,218,293,933	13.53%
2012	524,052,540	3,986,758,600	37,783,220	187,364,100	6,120,860	20,402,870	567,956,620	4,194,525,570	13.54%

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

(A) Excludes motor vehicles

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

Jefferson County

Fiscal Year Ended September 30,	City of Hoover			Jefferson County				State of Alabama	Total Tax
	General Fund	City Schools	City Total	County County	School Schools	School District	County Total		
2003	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2004	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2005	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2006	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2007	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2008	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2009	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2010	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2011	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2012	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		
2003	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2004	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2005	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2006	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2007	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2008	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2009	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2010	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2011	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2012	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>
2003	* \$ 3,686,294	\$ 3,699,348	100.35	\$ 20,445	\$ 3,719,793	100.91
2004	* 4,278,404	4,296,294	100.42	20,186	4,316,480	100.89
2005	4,421,652	4,394,795	99.39	12,703	4,407,498	99.68
2006	4,940,155	4,891,079	99.01	11,336	4,902,415	99.24
2007	5,447,216	5,378,437	98.74	10,291	5,388,727	98.93
2008	5,913,220	5,869,775	99.27	5,756	5,875,531	99.36
2009	6,106,450	6,031,066	98.77	8,083	6,039,149	98.90
2010	6,025,722	5,928,585	98.39	38,689	5,967,274	99.03
2011	5,870,776	5,652,653	96.28	25,094	5,677,747	96.71
2012	5,710,325	5,664,417	99.20	75,328	5,739,745	100.52

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>
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	* 3,427,698	3,450,316	100.66	1,380	3,451,696	100.70
2009	* 3,600,312	3,605,250	100.14	1,582	3,606,832	100.18
2010	* 3,556,845	3,567,194	100.29	3,427	3,570,621	100.39
2011	3,501,064	3,488,426	99.64	5,049	3,493,476	99.78
2012	* 3,391,231	3,408,296	100.50	1,302	3,409,597	100.54

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

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

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

Rate Per 100 Cubic Feet of Water Consumption

<u>Fiscal Year ¹</u>	<u>Commercial</u>	<u>Residential (15% Discount)</u>
2003	\$ 4.90	\$ 4.17
2004	5.39	4.58
2005	5.39	4.58
2006	5.39	4.58
2007	5.39	4.58
2008	5.39	4.58
2009	5.39	4.58
2010	5.39	4.58
2011	5.39	4.58
2012	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>						
2003	\$ 115,375,000	\$ 16,480,000	\$ 131,855,000	\$ 2,126,334,840	6.20%	67,830	²	\$ 1,944
2004	111,280,000	15,800,000	127,080,000	2,369,148,960	5.36%	70,060	²	1,814
2005	108,500,000	15,090,000	123,590,000	2,548,486,518	4.85%	71,151	²	1,737
2006	103,915,000	14,360,000	118,275,000	2,743,647,630	4.31%	73,505	²	1,609
2007	99,245,000	13,600,000	112,845,000	3,106,232,259	3.63%	79,041	²	1,428
2008	94,440,000	30,815,000	125,255,000	3,250,673,945	3.85%	80,933	²	1,548
2009	89,420,000	29,995,000	119,415,000	3,165,966,256	3.77%	81,616	²	1,463
2010	84,370,000	29,145,000	113,515,000	3,213,176,792	3.53%	81,619	¹	1,391
2011	80,265,000	28,260,000	108,525,000	3,293,093,832	3.30%	83,649	¹	1,297
2012	74,505,000	27,345,000	101,850,000	3,450,176,480	2.95%	84,530	¹	1,205

¹ Federal Census

² House Consultants

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

<u>Fiscal Year</u>	<u>General Obligation Debt</u>	<u>Estimated Actual Value of Taxable Property</u> ³	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Population</u>	<u>Per Capita</u>
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	11,149,757,113	0.80%	81,616 ¹	1,096
2010	84,370,000	11,400,225,463	0.74%	81,619 ²	1,034
2011	80,265,000	11,280,780,989	0.71%	83,649 ²	960
2012	74,505,000	11,241,325,159	0.66%	84,530 ²	881

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, 2012

	<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>\$ 74,505,000</u>	100.00%	<u>\$ 74,505,000</u>
Total direct debt	<u>74,505,000</u>		<u>74,505,000</u>
Overlapping Debt:			
Hoover City Board of Education	187,570,000	100.00%	187,570,000
Jefferson County	200,520,000	9.75%	19,553,576
Jefferson County Board of Education	102,663,388	9.75%	10,011,153
Shelby County	-	18.91%	-
Shelby County Board of Education	<u>224,820,125</u>	18.91%	<u>42,516,831</u>
Total overlapping debt	<u>715,573,514</u>		<u>259,651,560</u>
Total direct and overlapping debt	<u><u>\$ 790,078,514</u></u>		<u><u>\$ 334,156,560</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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 210,508,019	\$ 240,975,822	\$ 254,754,122	\$ 279,033,267	\$ 308,317,899	\$ 335,060,640	\$ 347,078,129	\$ 342,577,139	\$ 339,292,868	\$ 340,738,908
Total net debt applicable to limit	<u>115,375,000</u>	<u>111,280,000</u>	<u>108,500,000</u>	<u>103,915,000</u>	<u>99,245,000</u>	<u>94,440,000</u>	<u>89,420,000</u>	<u>84,370,000</u>	<u>80,265,000</u>	<u>74,505,000</u>
Legal debt margin	<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>\$ 240,620,640</u>	<u>\$ 257,658,129</u>	<u>\$ 258,207,139</u>	<u>\$ 259,027,868</u>	<u>\$ 266,233,908</u>
Total net debt applicable to the limit as a percentage of debt limit	54.81%	46.18%	42.59%	37.24%	32.19%	28.19%	25.76%	24.63%	23.66%	21.87%

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value of property:	1
Jefferson County	\$ 1,073,821,759
Shelby County	<u>629,872,780</u>
Total assessed value of property	1,703,694,539
Debt limit - 20 percent of total assessed value	340,738,908
Debt applicable to limit:	
General obligation warrants	<u>74,505,000</u>
Legal debt margin	<u>\$ 266,233,908</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 \$154,687,540 (Jefferson County - \$92,771,380 and Shelby County - \$61,916,160).

Source: Jefferson County and Shelby County Tax Assessors

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income (Birmingham-Hoover MSA)</u> ⁵	<u>School Enrollment</u> ³	<u>Unemployment Rate</u> ⁴
2003	67,830 ²	2,126,334,840	31,348	10,765	2.5%
2004	70,060 ²	2,369,148,960	33,816	11,163	2.3%
2005	71,151 ²	2,548,486,518	35,818	11,771	2.3%
2006	73,505 ²	2,743,647,630	37,326	12,036	2.1%
2007	79,041 ²	3,106,232,259	39,299	12,400	2.1%
2008	80,933 ²	3,250,673,945	40,165	12,538	2.9%
2009	81,616 ¹	3,165,966,256	38,791	12,875	5.8%
2010	81,619 ²	3,213,176,792	39,368	13,099	5.6%
2011	83,649 ²	3,293,093,832	39,368	13,384	5.1%
2012	84,530 ²	3,450,176,480	40,816	13,718	4.2%

¹ Federal Census

² House Consultants

³ Hoover City Schools

⁴ Alabama Department of Industrial Relations

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

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

Employer	2012			2003		
	Employees ¹	Rank	Percentage of Total City Employment	Employees ¹	Rank	Percentage of Total City Employment
Bellsouth Telecommunications	4,469	1	na	na		
Regions Bank	3,164	2				
Blue Cross Blue Shield of Alabama	2,559	3				
Hoover Board of Education	1,918	4				
Southern Company Services/Southern Nuclear	1,450	5				
B E & K Construction/Engineering	1,178	6				
Wal-mart - 2 locations/Sam's Club - 1 location	973	7				
City of Hoover	735	8				
Publix - 4 locations	517	9				
Cahaba Government Benefit	476	10				
Total top 10	17,439					
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																			
	2003		2004		2005		2006		2007		2008		2009		2010		2011		2012	
	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO	FT	EO
General government																				
Administration	na	na	13	6	13	8	16	8	16	8	16	8	15	8	14	8	14	8	14	8
Building services	na	na	10	0	11	0	12	0	12	0	14	0	16	0	15	0	15	0	15	0
Development	na	na	2	0	2	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0
Finance	na	na	8	0	8	0	8	0	8	0	8	0	8	0	8	0	8	0	9	0
Fleet	na	na	7	0	7	0	7	0	7	0	7	0	6	0	6	0	6	0	6	0
Human resources	na	na	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0
Revenue	na	na	7	0	9	0	10	0	10	0	10	0	10	0	9	0	9	0	9	0
Support services/mis	na	na	8	0	8	0	8	0	8	0	8	0	8	0	8	0	8	0	8	0
Total general government	<u>na</u>	<u>na</u>	<u>60</u>	<u>6</u>	<u>63</u>	<u>8</u>	<u>68</u>	<u>8</u>	<u>68</u>	<u>8</u>	<u>68</u>	<u>8</u>	<u>68</u>	<u>8</u>	<u>65</u>	<u>8</u>	<u>65</u>	<u>8</u>	<u>66</u>	<u>8</u>
Public safety																				
Police																				
Officers	na	na	139	0	143	0	154	0	155	0	157	0	157	0	157	0	157	0	157	0
Civilians (including park rangers) ¹	na	na	29	10	35	12	33	12	33	12	33	3	33	2	33	2	35	2	35	2
Fire																				
Firefighters and officers	na	na	149	12	149	12	152	12	152	12	158	12	159	12	160	9	160	9	160	9
Civilians	na	na	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Homeland security (officer)	na	na	0	0	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0
Communications/dispatch																				
Officers	na	na	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Civilians	na	na	26	0	27	0	27	1	27	0	27	0	27	0	27	0	27	0	27	0
Inspection services	na	na	19	0	19	0	21	0	21	0	21	0	21	0	18	0	18	0	18	0
Total public safety	<u>na</u>	<u>na</u>	<u>364</u>	<u>22</u>	<u>376</u>	<u>24</u>	<u>390</u>	<u>25</u>	<u>391</u>	<u>24</u>	<u>399</u>	<u>15</u>	<u>399</u>	<u>14</u>	<u>397</u>	<u>11</u>	<u>399</u>	<u>11</u>	<u>399</u>	<u>11</u>
Library	na	na	41	49	42	53	44	56	43	60	44	59	44	59	44	59	44	59	44	59
Municipal court ¹	na	na	10	1	12	1	14	0	14	0	14	0	14	0	14	0	14	0	14	0
Highway and roadway																				
Engineering and horticulture	na	na	5	0	5	0	5	0	5	0	5	0	6	0	5	0	5	0	6	0
Public works	na	na	33	0	34	0	35	0	35	0	33	0	31	0	30	0	30	0	30	0
Total highway and roadway	<u>na</u>	<u>na</u>	<u>38</u>	<u>0</u>	<u>39</u>	<u>0</u>	<u>40</u>	<u>0</u>	<u>40</u>	<u>0</u>	<u>38</u>	<u>0</u>	<u>37</u>	<u>0</u>	<u>35</u>	<u>0</u>	<u>35</u>	<u>0</u>	<u>36</u>	<u>0</u>
Recreation services																				
Recreation/senior center/park rangers ¹	na	na	18	35	19	33	21	34	23	33	23	32	24	32	24	32	20	32	20	32
Park maintenance	na	na	36	6	36	6	36	6	36	6	36	6	36	6	37	6	37	6	37	6
Total recreation services	<u>na</u>	<u>na</u>	<u>54</u>	<u>41</u>	<u>55</u>	<u>39</u>	<u>57</u>	<u>40</u>	<u>59</u>	<u>39</u>	<u>59</u>	<u>38</u>	<u>60</u>	<u>38</u>	<u>61</u>	<u>38</u>	<u>57</u>	<u>38</u>	<u>57</u>	<u>38</u>
Health																				
Animal control	na	na	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0
Total health	<u>na</u>	<u>na</u>	<u>2</u>	<u>0</u>																
Sewer	na	na	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Total approved positions	<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>	<u>619</u>	<u>116</u>	<u>617</u>	<u>116</u>	<u>619</u>	<u>116</u>

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

¹ Changes from FY 2011 to FY 2012 are as follows:
Purchasing - Added a Director of Purchasing for the new Purchasing Dept
Engineering - Added a Journeyman Electrician

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

		Fiscal Year									
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function											
General Government											
Employees hired	⁷	82	79	122	116	80	96	79	86	74	77
Business licenses issued	⁸	8,184	8,736	8,970	9,168	9,469	9,460	9,243	9,236	9,299	9,312
Public safety:											
Police											
Arrests (adults only)	³	2,516	2,625	3,058	3,118	3,205	3,507	4,241	3,976	3,625	3,329
Fire											
Number of calls:											
Emergency medical services	⁶	na	na	5,019	5,605	5,786	5,716	5,955	6,146	6,171	6,296
Fire		na	na	1,513	1,436	1,397	1,527	1,296	1,480	1,355	1,407
Service/other		na	na	1,251	1,226	1,397	1,450	1,715	2,034	2,047	1,690
Total fire calls				7,783	8,267	8,580	8,693	8,966	9,660	9,573	9,393
Inspections											
Building permits issued		1,836	2,062	1,873	1,951	1,754	1,611	1,368	1,748	1,832	1,976
Library											
Materials checked out	⁹	962,086	1,072,196	1,141,311	1,262,067	1,404,302	1,487,497	1,630,981	1,663,743	1,631,044	1,575,465
Municipal court											
Non-traffic court cases	⁵	2,318	2,471	2,826	3,086	3,404	3,533	3,911	3,544	3,072	2,788
Traffic cases	⁵	7,004	7,935	12,692	17,566	16,992	19,429	25,063	17,583	13,800	16,995
Adjudicated cases	⁵	9,197	9,359	12,805	18,577	19,526	21,075	28,143	21,508	15,827	16,341
Failure to appear warrants	⁵	1,986	2,273	3,399	5,096	5,338	5,191	5,856	4,609	3,507	3,456
Other warrants	⁵	2,351	3,252	4,264	5,959	6,198	3,304	2,036	1,413	939	679
Sanitation											
Single homes:											
Regular garbage service	⁴	na	na	20,448	21,279	21,883	22,400	22,680	23,074	23,434	23,757
Backdoor garbage service		na	na	50	50	50	50	50	50	58	65
Recreation services											
Average daily recreation center visits	²	na	484	441	494	527	579	634	666	682	600
Sewer											
Average daily flow (gallons per day):											
Inverness	¹⁰	837,000	852,000	795,000	963,000	872,000	920,000	926,000	802,000	946,000	995,000
Riverchase	¹⁰	2,138,000	1,454,000	2,770,000	2,984,000	1,622,000	1,054,000	1,649,000	1,321,000	1,207,000	1,207,000

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

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

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General government										
Vehicles	na	na	na	33	38	38	38	38	38	39
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	2	3	3	3	4	4	4	4	4	4
Vehicles	na	na	na	196	211	211	211	211	215	256
Fire:										
Fire stations	8	8	8	8	8	8	9	9	9	9
Vehicles	na	na	na	50	49	49	51	52	53	65
Other public safety:										
Vehicles	na	na	na	18	21	21	19	15	15	13
Library										
Vehicles	na	na	na	2	2	2	2	2	2	2
Municipal Court										
Vehicles	na	na	na	4	4	4	4	4	4	4
Highway and roadways										
Streets (miles) ¹	307	307	307	334	323	293	293	306	306	306
Streetlights	na	na	na	495	490	490	490	492	492	504
Traffic signals & flashers:										
Jefferson County	na	na	66	66	69	69	74	75	75	78
Shelby County	na	na	30	30	30	30	30	30	30	30
Vehicles	na	na	na	49	55	55	56	56	57	61
Recreation services										
Lakes ²	na	na	na	6	6	6	6	6	6	6
Acres ²	na	na	na	na	na	24	24	24	24	24.25
Parks ²	na	na	21	22	22	23	23	23	23	25
Acres ²	na	na	na	na	na	837	837	837	837	1,012.50
Vehicles	na	na	na	36	39	39	39	40	40	46
Health										
Vehicles	na	na	na	3	3	3	3	3	3	3
Sewer										
Sanitary sewer miles			86	86	86	86	89	89	95	95
Vehicles	na	na	na	1	1	1	1	1	3	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, 2012

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (7 members)

Population:

1968	410	(A)
1970	1,393	(A)
1980	19,792	(A)
1990	39,788	(A)
2000	62,742	(A)
2010	81,619	(A)
2012	84,530	(B)

Estimated number of housing units:

Owner occupied (townhomes or single family detached)	24,456	(B)
Renter occupied (multi-family or group quarters)	<u>11,518</u>	(B)
Total	<u><u>35,974</u></u>	(B)

Public Schools (Established August 29, 1988):

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

Area (Square Miles): 47.79 (D)

Source:

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