

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2013

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, 2013

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INTRODUCTORY SECTION

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The City of Hoover has an estimated population of 85,249 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, 2013, 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 2013, 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 85,249 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. In late 2013, Von Maur joined these anchor stores. 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 1459/150 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 2013, this transfer was \$7,744,460, which was a decrease compared to \$9,035,782 in fiscal year 2012.

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, 2013 decreased by \$135,355, or (0.13)% from the fiscal year ended September 30, 2012. Increases in tax revenues were offset by decreases in licenses & permits and investment returns.

The following schedule presents a summary of revenues for all Governmental Funds for the fiscal year ended September 30, 2013, with the amount and percentage of increase (decrease) in relation to the fiscal year ended September 30, 2012.

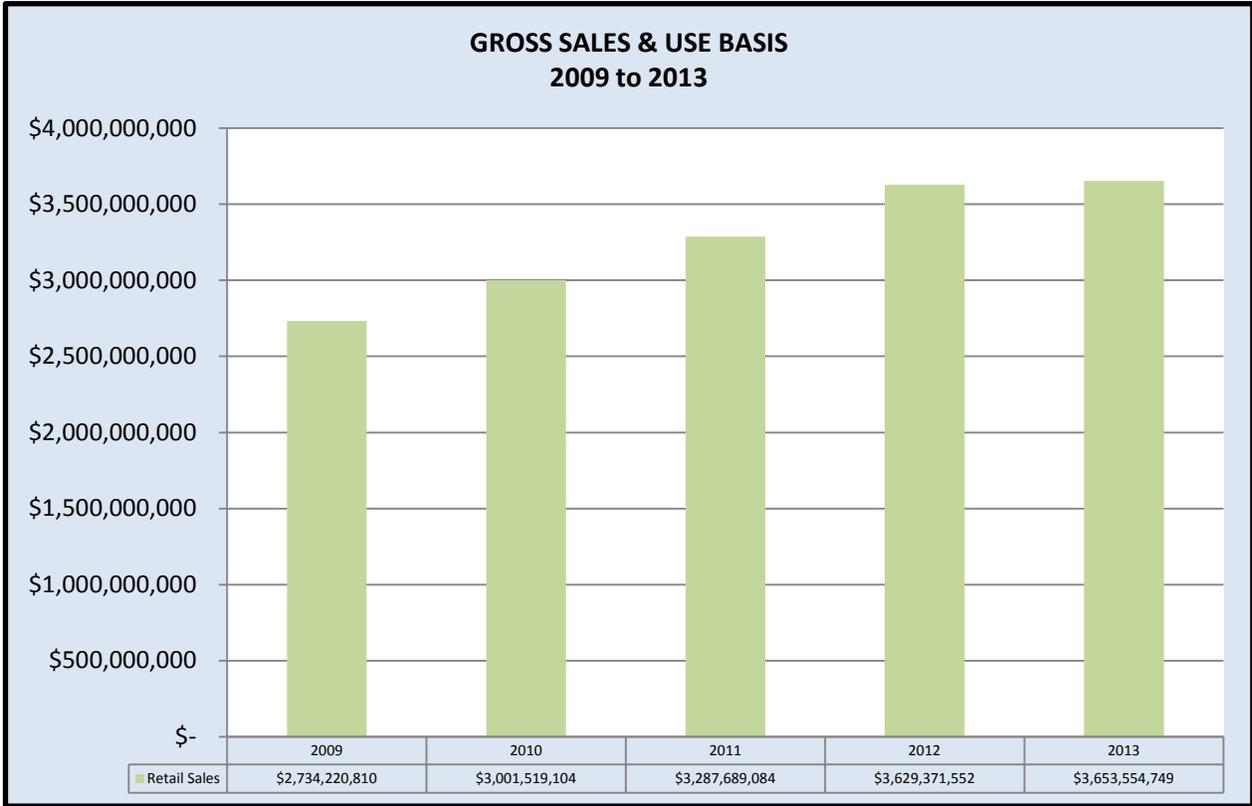
Revenues are broken down by major categories. As shown, the largest category, taxes, increased by \$2.2 million, or 2.75%. This offset all other category decreases except for the investment income category mentioned above. The other large decrease was in licenses & permits, which decreased by over \$500,000, or 6.2%. In fiscal year 2012, we had a significant new development that resulted in over \$900,000 of front door fee income compared to \$378,000 in fiscal year 2013

Revenues	FY 2013 Amount	Percent of Total	FY 2012 Amount	Increase (Decrease) From FY 2012	Percent of Increase (Decrease)
Taxes	\$ 82,695,247	78.74 %	\$ 80,482,200	\$ 2,213,047	2.75 %
Licenses and permits	7,736,743	7.37	8,247,786	(511,043)	(6.20)
Intergovernmental	6,683,614	6.36	5,937,256	746,358	12.57
Fines and forfeits	2,520,752	2.40	2,569,717	(48,965)	(1.91)
Investment income	(1,250,044)	(1.19)	968,319	(2,218,363)	(229.09)
Rents and royalties	974,756	0.93	1,004,765	(30,009)	(2.99)
Contributions and reimbursements	1,331,676	1.27	1,283,304	48,372	3.77
Charges for services	3,776,945	3.60	3,848,768	(71,823)	(1.87)
Other	549,904	0.52	812,835	(262,931)	(32.35)
Total revenues	<u>\$ 105,019,593</u>	<u>100.00 %</u>	<u>\$ 105,154,949</u>	<u>\$ (135,355)</u>	<u>(0.13) %</u>

Overall, the City added \$100,000 to the General Fund and transferred over \$7.7 million to the Capital Projects Fund for future project funding.

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, sales & use tax increased for 2013, while property tax slightly decreased. While sales tax increased dramatically in 2012, for 2013 the growth slowed.

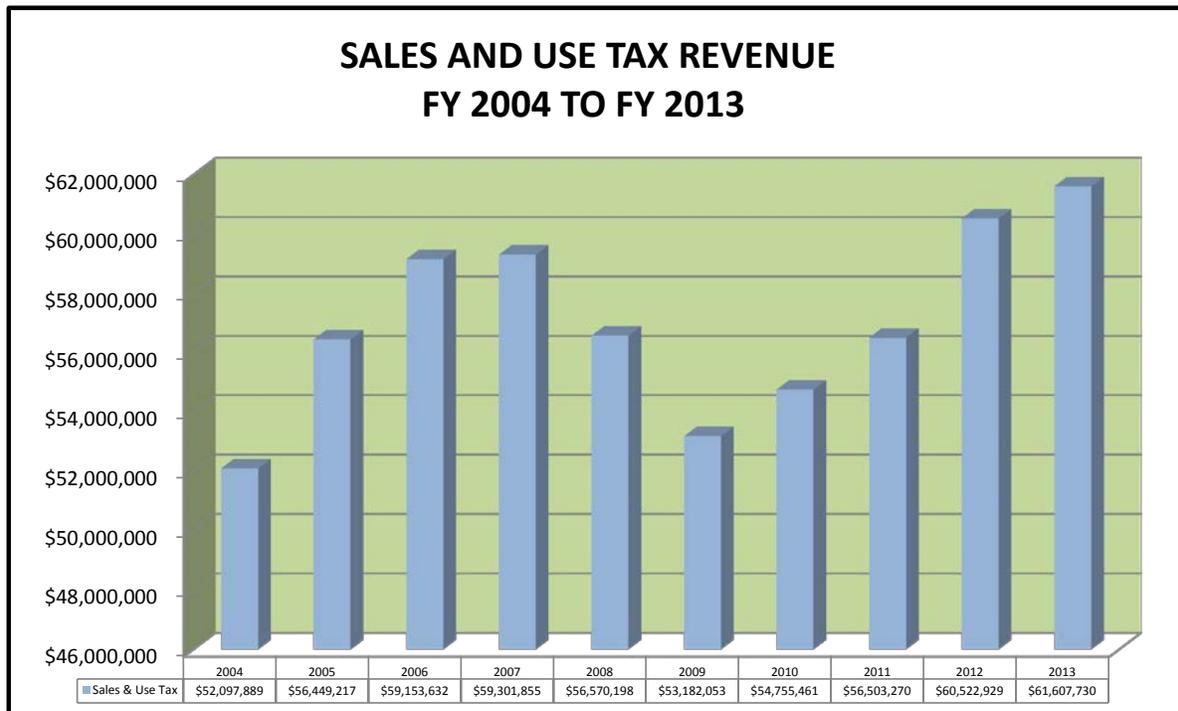
Related to sales and use taxes, the City's total gross sales and use tax basis increased by \$24,183,197 over the previous year to a total of \$3,653,554,749. This represented an increase of 0.67%. Although this represents a small increase, city officials are pleased with these results in the tough economy, including competition that exists today. The chart below depicts the gross sales for the last five years.



Fiscal year 2013 resulted in a fourth 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 1.79% over fiscal year 2012. The chart and table below depict the past ten years of sales and use tax revenue collected by the City. Sales and use taxes themselves realized their all time high in fiscal year 2013 by surpassing the prior year high number in fiscal year 2012.

<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>
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
2013	61,607,730	1.79	105,019,593	58.66

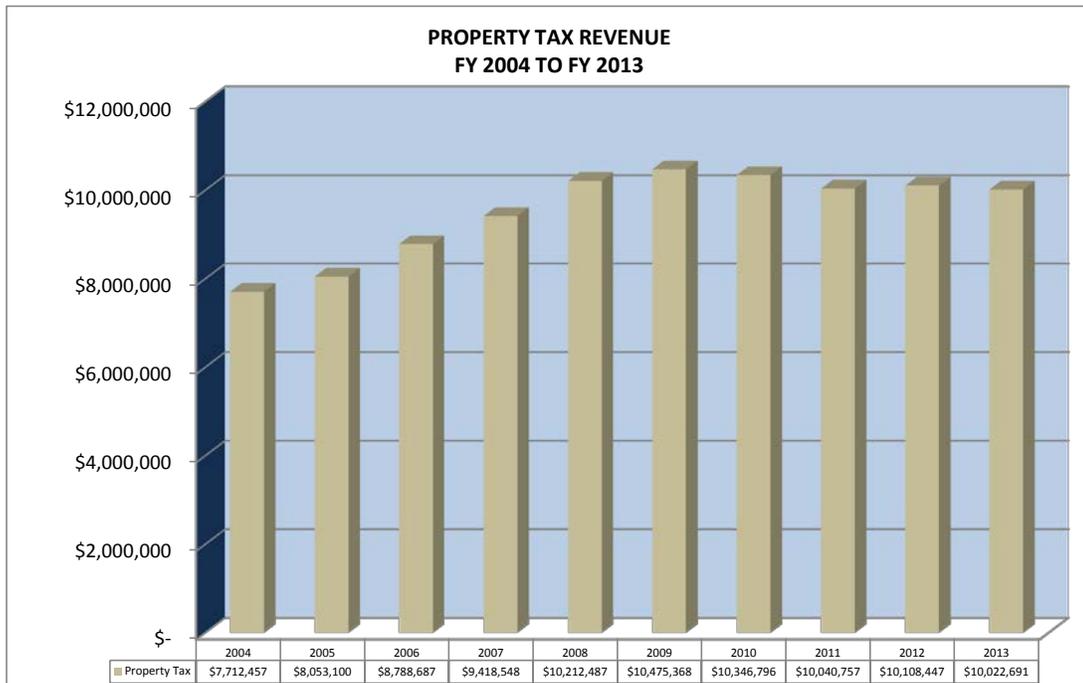
City management expects to maintain the fiscal year 2013 level of sales tax revenue receipts in the near future.



The second largest revenue source for the City is property tax, which comprises 9.54% of total revenues for governmental fund types. A 10 year summary of property tax is as follows:

Fiscal Year	Property Tax Revenue	Percent of Increase (Decrease) from Previous Year	Total All Governmental Fund Types	Percent of Total Revenue
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
2013	10,022,691	(0.85)	105,019,593	9.54

The City's property tax is 6 1/2 mills for general governmental use. Property tax revenue decreased by (\$85,756) from FY 2012, or (0.85%). The major reason for this decrease was that delinquent collections in fiscal year 2012 were \$75,328 compared to only \$10,049 in fiscal year 2013. Management expects overall property tax to increase slightly in the near future, as housing prices continue to recover and new houses expand the tax base.



OTHER INFORMATION

Awards

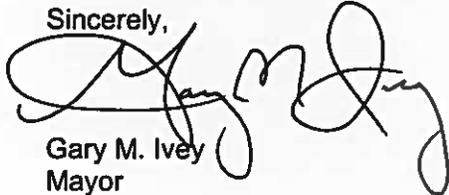
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2012. This was the thirty first consecutive year that the City has received this 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



Government Finance Officers Association

**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

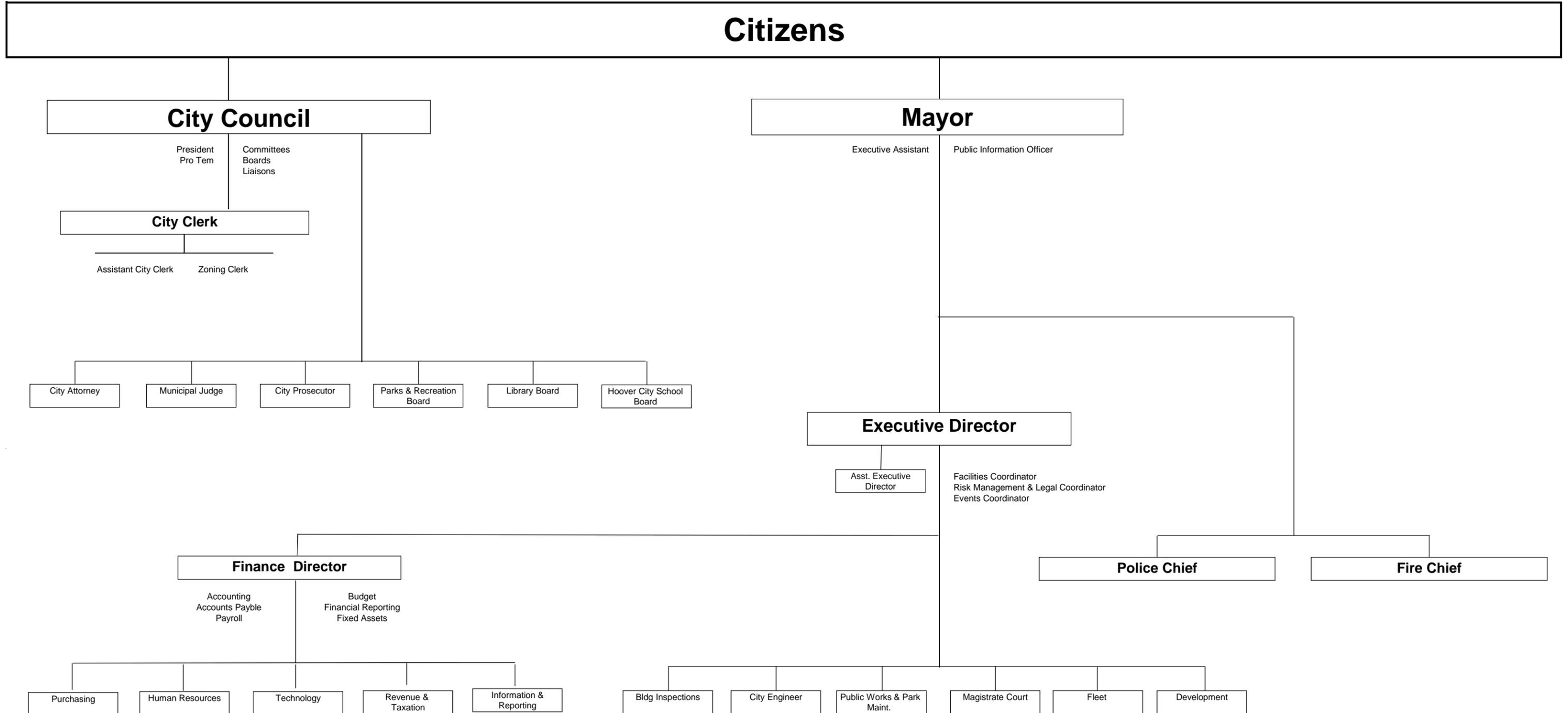
September 30, 2012

Executive Director/CEO

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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

Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit, 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 of Hoover, Alabama, as of September 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 13 to the financial statements, in 2013 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 the 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 basic financial statements. Such 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and in our opinion, is fairly stated in all material respects in relation to the basic financial statements 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Borland Benefield, P.C.
Birmingham, Alabama
March 28, 2014

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, 2013. 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, 2013, by \$391,168,255. Of this amount, \$319,063,461 is invested in capital assets – net of related debt, \$15,513,389 is restricted by enabling legislation, which by definition is legally restricted to certain uses, and \$56,591,404 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$9,465,389 or 2.36% in comparison to the net position at the beginning of the year, restated. 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 \$72,737,519, an increase of \$5,129,569 in comparison with the prior year. Approximately \$30,369,909 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- Total net position for governmental activities decreased by \$7,369,675, bringing the total to \$369,657,710 for fiscal year 2013.

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 Position 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 Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. 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 position 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 position 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 51-74).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets

The City's total assets on its Statement of Net Position for fiscal year 2013 totaled \$514,610,101, of which \$465,428,710 or 90.44% was from governmental activities. This was a decrease of \$8,421,021 for assets in governmental activities. A major part of this change was due to the capital assets (net of depreciation) decreasing by over \$16 million, which offset the increase in current assets that consisted mainly of an increase in cash and investments by over \$7 million.

Business-type activities made up \$49,181,391 or 9.56% of total assets for fiscal year 2013, which was a decrease of \$2,278,247, or 4.43% from fiscal year 2012. This change was also mostly related to the capital assets (net of depreciation), which decreased by \$2.2 million.

As shown in the summary below, noncurrent assets comprise 80.89% of total assets, which is a decrease from fiscal year 2012 where the percentage was 82.29%. For fiscal 2013, current assets comprised 19.11% of all assets, an increase from fiscal year 2012 where the percentage was 17.27%. This increase in current assets is attributable to cash and investments increasing by over \$7 million. Overall, the decrease in government-wide assets of \$10,699,268 was due mainly to the increase in depreciation expense that reduced the value of capital assets.

Breakdown of Assets - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current assets	\$ 81,676,758	\$ 89,352,306	\$ 9,041,467	\$ 8,974,906	\$ 90,718,225	\$ 98,327,212
Noncurrent assets:						
Capital assets, net of depreciation	389,853,009	373,664,263	42,418,171	40,206,485	432,271,180	413,870,747
Actuarial receivable	2,156,951	2,286,277	-	-	2,156,951	2,286,277
Long-term receivables	163,013	125,864	-	-	163,013	125,864
Total noncurrent assets	<u>392,172,973</u>	<u>376,076,404</u>	<u>42,418,171</u>	<u>40,206,485</u>	<u>434,591,144</u>	<u>416,282,888</u>
Total Assets	<u>\$ 473,849,731</u>	<u>\$ 465,428,710</u>	<u>\$ 51,459,638</u>	<u>\$ 49,181,391</u>	<u>\$ 525,309,369</u>	<u>\$ 514,610,101</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current assets	17.24%	19.20%	17.57%	18.25%	17.27%	19.11%
Noncurrent assets:						
Capital assets, net of depreciation	82.27%	80.28%	82.43%	81.75%	82.29%	80.42%
Statutory actuarial receivable	0.46%	0.49%	0.00%	0.00%	0.41%	0.44%
Long-term receivables	0.03%	0.03%	0.00%	0.00%	0.03%	0.02%
Total noncurrent assets	<u>82.76%</u>	<u>80.80%</u>	<u>82.43%</u>	<u>81.75%</u>	<u>82.73%</u>	<u>80.89%</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 Position - Percentage by Activity-Type

Category	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current assets	90.03%	90.87%	9.97%	9.13%	100.00%	100.00%
Noncurrent assets:						
Capital assets, net of depreciation	90.19%	90.29%	9.81%	9.71%	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>90.24%</u>	<u>90.34%</u>	<u>9.76%</u>	<u>9.66%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Assets	<u>90.20%</u>	<u>90.44%</u>	<u>9.80%</u>	<u>9.56%</u>	<u>100.00%</u>	<u>100.00%</u>

Deferred Outflows of Resources

In fiscal year 2013, the City implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows and Resources, Deferred Inflows of Resources, and Net Position" and Statement No. 65, "Items Previously Reported as Assets and Liabilities." Where applicable, the numbers below restate fiscal year 2012 deferred outflows that were previously classified as assets. For Hoover, these deferred outflows represent the deferred loss on debt refinancing for various bond issues. Governmental activities comprise most of these deferred outflows, representing 98.16% compared to 1.84% in business-type activities for fiscal year 2013.

Breakdown of Deferred Outflow of Resources - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Deferred outflow of resources	\$ 5,679,605	\$ 5,018,682	\$ -	\$ 93,980	\$ 5,679,605	\$ 5,112,662
	100.00%	98.16%	0.00%	1.84%	100.00%	100.00%

Liabilities

The City's total liabilities on its Statement of Net Position totaled \$128,554,509 of which \$100,789,682 or 78.40% was from governmental activities. This resulted in an increase of \$4,047,027 for liabilities in governmental activities in fiscal year 2013 compared with fiscal year 2012's liabilities of \$96,742,655. The majority of this was due to increases in accounts payable and other accrued liabilities, which were considered current and somewhat due to timing issues at year-end.

Business-type activities made up \$27,764,827, or 21.60% of total liabilities for fiscal year 2013. This was a small decrease from the previous year. Specifically, it decreased by \$174,573 compared to the previous year. This change was mostly due to the debt service payments and activity related to the sewer enterprise fund.

Overall, as shown in the summary below, long-term liabilities consisting of net bonds/warrants payable, compensated absences, and claims payable comprise 82.44% of total liabilities, with current liabilities comprising 17.56%. The percentage represented was an increase from fiscal year 2012, which was 85.38% and 14.62% respectively.

Breakdown of Liabilities - Statement of Net Position - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Current liabilities:						
Accounts payable and other accrued liabilities	\$ 5,780,040	\$ 8,344,001	\$ 254,020	\$ 259,790	\$ 6,034,059	\$ 8,603,790
Internal payable	(10,542)	8,913	10,542	(8,913)	-	-
Bonds and warrants payable, net	6,084,709	7,402,467	966,754	1,182,561	7,051,463	8,585,028
Compensated absences	4,090,325	3,998,570	11,616	12,734	4,101,941	4,011,304
Claims payable opeb	-	-	-	-	-	-
Claims payable workers compensation	258,240	300,957	-	-	258,240	300,957
Claims payable property and casualty	785,797	1,068,323	-	-	785,797	1,068,323
Total current liabilities	<u>16,988,568</u>	<u>21,123,232</u>	<u>1,242,931</u>	<u>1,446,171</u>	<u>18,231,500</u>	<u>22,569,403</u>
Long-term liabilities:						
Bonds and warrants payable, net	68,079,857	66,765,472	26,682,456	26,306,420	94,762,313	93,071,892
Compensated absences	6,448,029	6,845,649	14,013	12,235	6,462,042	6,857,884
Claims payable opeb	2,112,170	2,692,018	-	-	2,112,170	2,692,018
Claims payable workers compensation	2,087,333	2,040,173	-	-	2,087,333	2,040,173
Claims payable property and casualty	1,026,697	1,323,138	-	-	1,026,697	1,323,138
Total long-term liabilities	<u>79,754,086</u>	<u>79,666,450</u>	<u>26,696,469</u>	<u>26,318,655</u>	<u>106,450,555</u>	<u>105,985,105</u>
Total Liabilities	<u>\$ 96,742,655</u>	<u>\$ 100,789,682</u>	<u>\$ 27,939,400</u>	<u>\$ 27,764,827</u>	<u>\$ 124,682,055</u>	<u>\$ 128,554,509</u>

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

Category	2012	2013	2012	2013	2012	2013
Current liabilities	17.56%	20.96%	4.45%	5.21%	14.62%	17.56%
Long-term liabilities	<u>82.44%</u>	<u>79.04%</u>	<u>95.55%</u>	<u>94.79%</u>	<u>85.38%</u>	<u>82.44%</u>
Total Liabilities	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

Category	2012	2013	2012	2013	2012	2013
Current liabilities	93.18%	93.59%	6.82%	6.41%	100.00%	100.00%
Long-term liabilities	74.92%	75.17%	25.08%	24.83%	100.00%	100.00%
Total Liabilities	<u>77.59%</u>	<u>78.40%</u>	<u>22.41%</u>	<u>21.60%</u>	<u>100.00%</u>	<u>100.00%</u>

Deferred Inflows of Resources

As mentioned above, in fiscal year 2013, the City implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows and Resources, Deferred Inflows of Resources, and Net Position" and Statement No. 65, "Items Previously Reported as Assets and Liabilities." The City had no deferred inflows of resources to report in the current fiscal year.

Net Position

The City's entity-wide net position totaled \$391,168,255. Governmental activities comprised \$369,657,710 or 94.50% of the total net position for fiscal year 2013. This represented a decrease of \$7,857,483, or 2.13%. In particular, net investment in capital assets decreased by over \$11 million, which was offset by an increase in net position restricted of \$4.4 million. The former was due largely to depreciation of capital assets, while the latter was due to increasing fund balances for funds that are restricted in their purpose.

Business-type activities made up \$21,510,544, or 5.50% of total net position for fiscal year 2013. This represented a decrease of \$2,295,052, but the percentage represented was relatively the same in comparison with fiscal year 2012, which was 5.93%. Most of this decrease was due to the decrease in capital assets (net of depreciation) discussed previously.

Summary of Net Position - Primary Government - Actual

	Governmental Activities		Business-Type Activities		Total	
	2012	2013	2012	2013	2012	2013
Net investment in capital assets	\$ 315,688,443	\$ 304,515,007	\$ 16,041,550	\$ 14,548,454	\$ 331,729,993	\$ 319,063,461
Restricted for other purposes	11,032,748	15,513,390	-	-	11,032,748	15,513,390
Unrestricted (deficit)	50,794,003	49,629,314	7,764,046	6,962,090	58,558,049	56,591,404
Total net position	\$ 377,515,193	\$ 369,657,710	\$ 23,805,596	\$ 21,510,544	\$ 401,320,790	\$ 391,168,255

Summary of Net Position - Primary Government - Percentage by Net Position Category -Type

	2012		2013		2013	
	2012	2013	2012	2013	2012	2013
Net investment in capital assets	83.62%	82.38%	67.39%	67.63%	82.66%	81.57%
Restricted for other purposes	2.92%	4.20%	0.00%	0.00%	2.75%	3.97%
Unrestricted (deficit)	13.45%	13.43%	32.61%	32.37%	14.59%	14.47%
Total net position	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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

	2012		2013		2013	
	2012	2013	2012	2013	2012	2013
Net investment in capital assets	95.16%	95.44%	4.84%	4.56%	100.00%	100.00%
Restricted for other purposes	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Unrestricted (deficit)	86.74%	87.70%	13.26%	12.30%	100.00%	100.00%
Total net position	94.07%	94.50%	5.93%	5.50%	100.00%	100.00%

The largest portion of the City's assets is restricted or invested in capital assets. In particular, \$319,063,461, or 81.57% 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 \$15,513,390, or 3.97% is restricted for other various purposes. Thus, the total percentage of restricted assets totaled 85.53% for fiscal year 2013, as compared with fiscal year 2012 at 85.41%.

At the same time, the City has \$56,591,404 or 14.47% of assets available in unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. Overall, this decreased by \$1,966,645 from fiscal year 2012 to fiscal year 2013, with governmental activities representing a \$1,164,689 decrease, while the business-type activities decreased \$801,956.

As mentioned above, the largest portion of the City's net position (81.57%) 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 position for the fiscal year ended 2013 was a decrease of (\$9,465,389) compared with the fiscal year ended 2012 change in net position that had a decrease of (\$126,262), a difference of (\$9,339,127). There are several reasons for this difference that relate to both revenue and expenses.

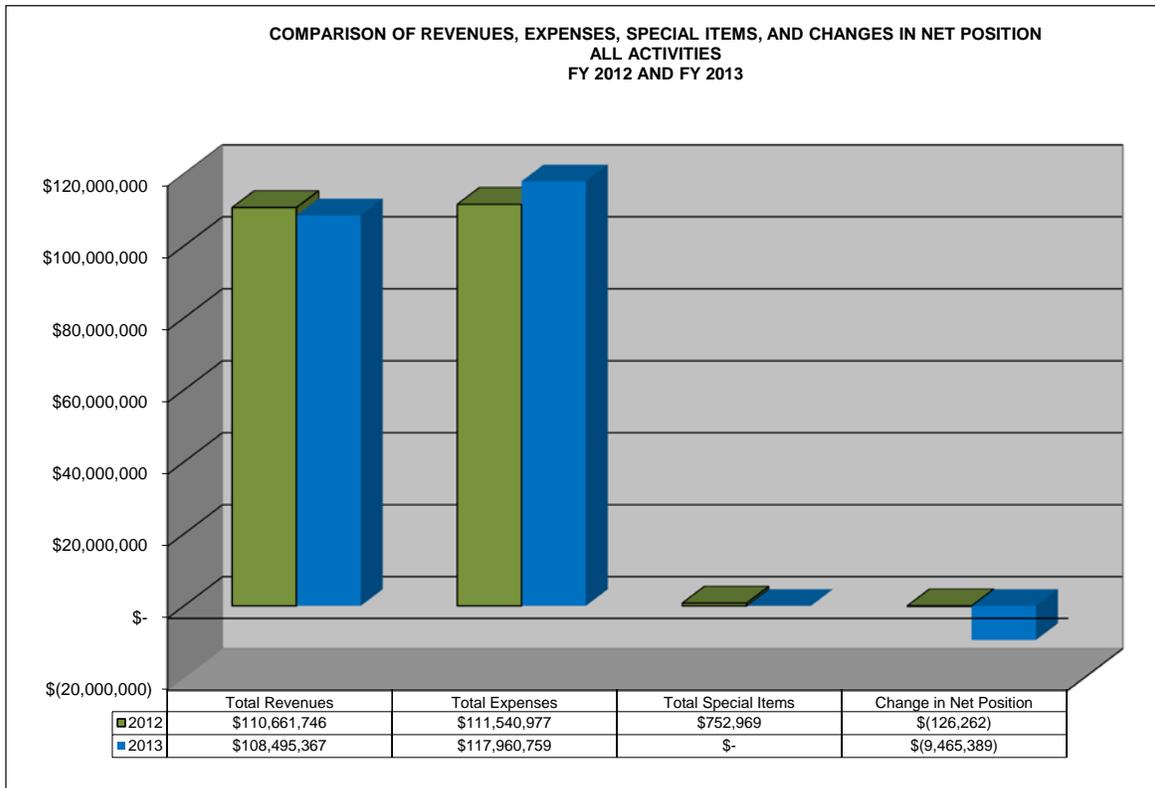
In terms of revenues, capital grants and contributions decreased by \$2.3 million, while unrestricted investment income reduced by \$2.2 million. Both of these were offset somewhat with increases in other categories, but with an overall decrease of \$2.1 million. Capital grants and contributions are received only as these long-term projects proceed. Most of them are related to roads and improvements and take years to effectuate, but are not generally trendable.

Expenses increased by over \$6.4 million. Highway and roadway improvements accounted for \$2.4 million. We had the completion of one of our major road projects that extended Chapel Lane. The expense of this project alone in fiscal year 2013 was \$2.25 million. The other large increase related to public safety and was due to the allocation of change in net position for internal service funds that is applied to the government wide statements. The change in net position for fiscal year 2012 for internal service funds was \$1,386,987, whereas for fiscal year 2013 it was (\$1,028,116), a difference of approximately \$2.4 million. Since public safety comprises most of the overall government expenses, this category contained most of that allocated change.

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

CHANGE IN NET POSITION AS OF SEPTEMBER 30						
Category	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
REVENUES						
Program Revenues:						
Charges for services	\$ 15,677,352	\$ 15,014,057	\$ 3,760,435	\$ 3,729,376	\$ 19,437,787	\$ 18,743,433
Operating grants and contributions	3,765,312	3,620,721	-	-	3,765,312	3,620,721
Capital grants and contributions	2,814,007	499,703	-	-	2,814,007	499,703
General Revenues:						
Sales and use taxes	60,522,929	61,607,730	-	-	60,522,929	61,607,730
Property taxes	10,108,447	10,022,691	-	-	10,108,447	10,022,691
Other taxes	9,850,823	11,064,825	-	-	9,850,823	11,064,825
Intergovernmental revenue not restricted	2,744,975	3,923,181	-	-	2,744,975	3,923,181
Unrestricted Investment income	964,364	(1,254,273)	24,387	35,234	988,751	(1,219,039)
Gain (loss) on asset disposals	121,729	149,871	-	(123,095)	121,729	26,776
Other revenue	306,235	205,346	751	-	306,986	205,346
Total Revenues	<u>\$ 106,876,173</u>	<u>\$ 104,853,855</u>	<u>\$ 3,785,573</u>	<u>\$ 3,641,515</u>	<u>\$ 110,661,746</u>	<u>\$ 108,495,367</u>
EXPENSES						
Program Activities:						
General government	\$ 12,404,558	\$ 12,848,852	\$ -	\$ -	\$ 12,404,558	\$ 12,848,852
Public safety	42,984,050	45,105,811	-	-	42,984,050	45,105,811
Library	6,384,696	6,566,225	-	-	6,384,696	6,566,225
Municipal court	1,709,638	1,612,455	-	-	1,709,638	1,612,455
Sanitation	6,222,487	6,290,465	-	-	6,222,487	6,290,465
Education	2,000,000	2,000,000	-	-	2,000,000	2,000,000
Highway and roadway improvements	22,198,428	24,627,788	-	-	22,198,428	24,627,788
Recreation services	8,507,207	9,557,624	-	-	8,507,207	9,557,624
Health	292,368	234,855	-	-	292,368	234,855
Interest and fiscal charges	3,093,138	3,379,455	-	-	3,093,138	3,379,455
Redevelopment	-	-	75,557	9,124	75,557	9,124
Sewer services	-	-	5,668,850	5,728,105	5,668,850	5,728,105
Total Expenses	<u>\$ 105,796,570</u>	<u>\$ 112,223,530</u>	<u>\$ 5,744,407</u>	<u>\$ 5,737,229</u>	<u>\$ 111,540,977</u>	<u>\$ 117,960,759</u>
Excess (deficiency) before transfers	1,079,603	(7,369,675)	(1,958,834)	(2,095,714)	(879,231)	(9,465,392)
Transfers	-	-	-	-	-	-
SPECIAL ITEMS						
Gain on sale of park land	\$ 752,969	\$ -	\$ -	\$ -	\$ 752,969	\$ -
Conference center construction grant	-	-	-	-	-	-
Revenue rebate to developer	-	-	-	-	-	-
Total special items	<u>\$ 752,969</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,969</u>	<u>\$ -</u>
CHANGE IN NET POSITION	<u>\$ 1,832,572</u>	<u>\$ (7,369,675)</u>	<u>\$ (1,958,835)</u>	<u>\$ (2,095,714)</u>	<u>\$ (126,262)</u>	<u>\$ (9,465,389)</u>

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



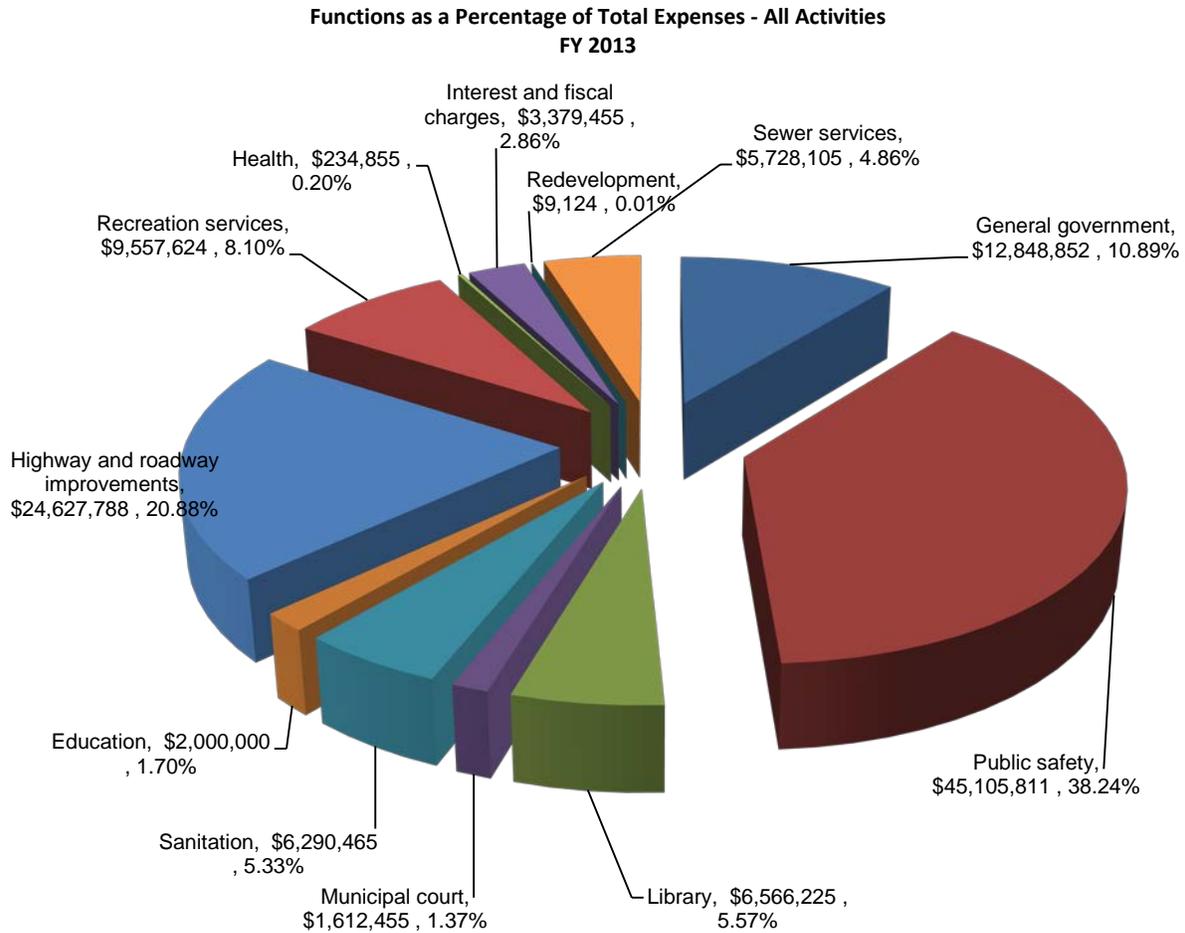
As mentioned previously, revenues decreased while expenses increased, which resulted in the decrease in net position of (\$9,465,389). Almost all of this change was reflected in the governmental activities. The schedule below shows the % change in detail by each category.

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

Category	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
REVENUES						
Program Revenues:						
Charges for services	14.67%	14.32%	99.34%	102.41%	17.57%	17.28%
Operating grants and contributions	3.52%	3.45%	0.00%	0.00%	3.40%	3.34%
Capital grants and contributions	2.63%	0.48%	0.00%	0.00%	2.54%	0.46%
General Revenues:						
Sales and use taxes	56.63%	58.76%	0.00%	0.00%	54.69%	56.78%
Property taxes	9.46%	9.56%	0.00%	0.00%	9.13%	9.24%
Other taxes	9.22%	10.55%	0.00%	0.00%	8.90%	10.20%
Intergovernmental revenue not restricted	2.57%	3.74%	0.00%	0.00%	2.48%	3.62%
Unrestricted Investment income	0.90%	-1.20%	0.64%	0.97%	0.89%	-1.12%
Gain on sale of disposed equipment	0.11%	0.14%	0.00%	-3.38%	0.11%	0.02%
Other revenue	0.29%	0.20%	0.02%	0.00%	0.28%	0.19%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
EXPENSES						
Program Activities:						
General government	11.72%	11.45%	0.00%	0.00%	11.12%	10.89%
Public safety	40.63%	40.19%	0.00%	0.00%	38.54%	38.24%
Library	6.03%	5.85%	0.00%	0.00%	5.72%	5.57%
Municipal court	1.62%	1.44%	0.00%	0.00%	1.53%	1.37%
Sanitation	5.88%	5.61%	0.00%	0.00%	5.58%	5.33%
Education	1.89%	1.78%	0.00%	0.00%	1.79%	1.70%
Highway and roadway improvements	20.98%	21.95%	0.00%	0.00%	19.90%	20.88%
Recreation services	8.04%	8.52%	0.00%	0.00%	7.63%	8.10%
Health	0.28%	0.21%	0.00%	0.00%	0.26%	0.20%
Interest and fiscal charges	2.92%	3.01%	0.00%	0.00%	2.77%	2.86%
Redevelopment	0.00%	0.00%	1.32%	0.16%	0.07%	0.01%
Sewer services	0.00%	0.00%	98.68%	99.84%	5.08%	4.86%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
CHANGE IN NET POSITION	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 38.24% of the total expenses on the Statement of Activities. After the highway and road improvement category that represented 20.88% of expenses, general government, recreation services (including park maintenance), and the library comprised 10.89%, 8.10%, and 5.57% of expenses, respectively. Interest and fiscal charges, which represent mandatory spending (as opposed to discretionary spending) represented only 2.86% of total expenses.



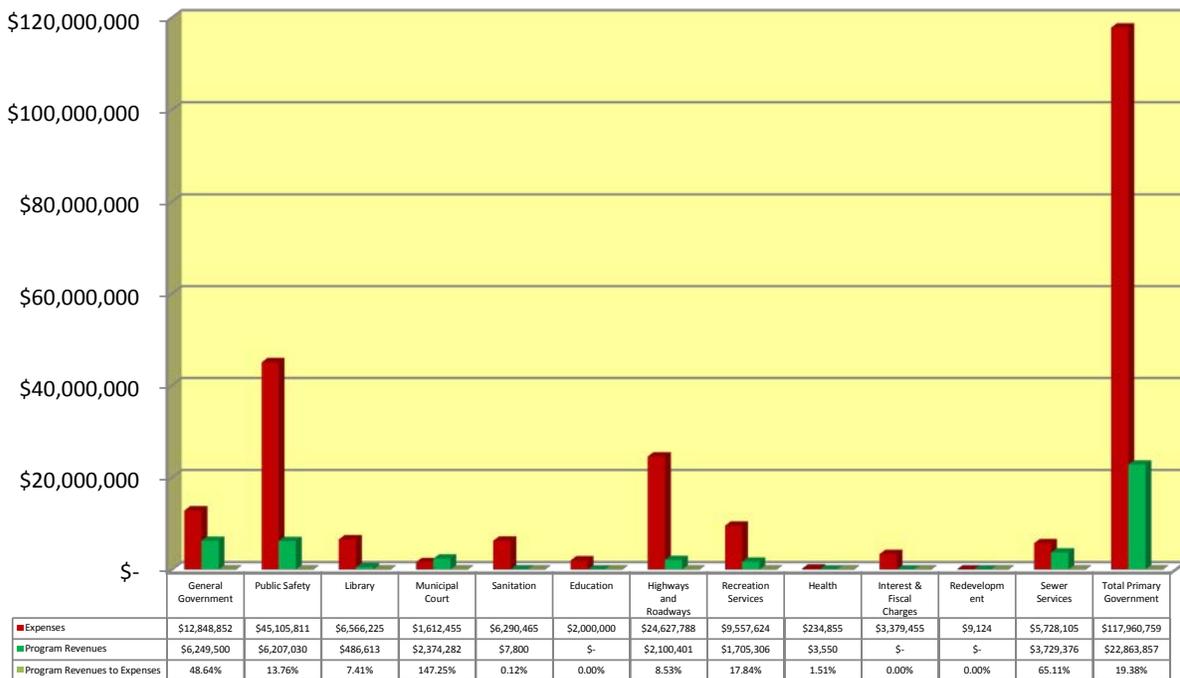
The figure above illustrates the entire expense breakdown by function and corresponding percentage for fiscal year 2013. The percentages match closely with those of fiscal year 2012.

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 \$6,249,500 and \$6,207,030, 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.

Expenses and Program Revenues - All Activities
FY 2013



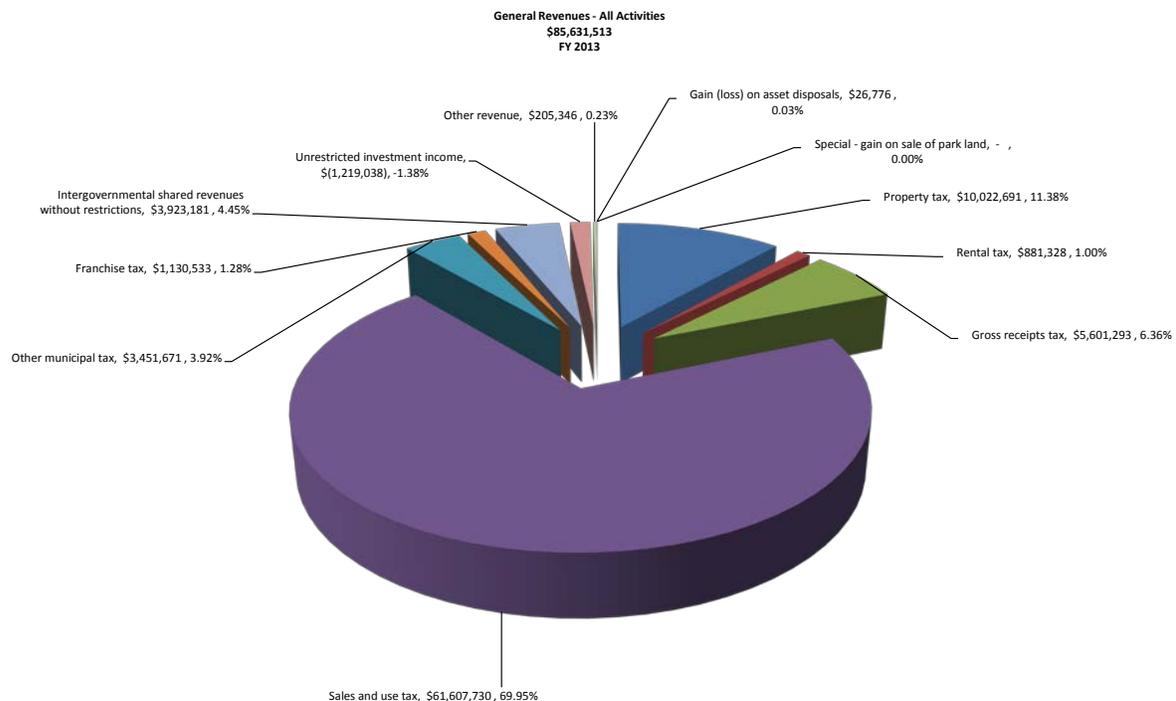
In addition, Municipal Court was the only program that took in more program revenue than they had expenses. For fiscal year 2013, Municipal Court had expenses totaling \$1,612,455 and program revenues totaling \$2,374,282, which represented 147.25% of revenues to expenses, respectively. It is important 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 2013 totaled \$5,728,105 and program revenues totaled \$3,729,376, which represented 65.11% of revenues to expenses. The City is continuing to review alternatives on how to close the gap between the sewer's revenues and expenses.

General Revenues

As a whole, primary government programs offset 19.38% of their total expenses (\$117,960,759) from program revenue (\$22,863,857). General revenues also helped to offset the balance of these programs by \$85,631,513.

Sales and use tax encompass the overwhelming percentage of general revenues, making up \$61,607,730 of them, which is 71.95% of total general revenues. The second largest category that contributes to general revenues is property tax, which comprised \$10,022,691 or 11.70% of total revenues. Gross receipts taxes from public utilities and insurance companies comprised the third largest source of general revenue bringing in \$5,601,293, or 6.54%.



In summary, after taking into account total expenses, total program revenues, and total general revenues for governmental activities in the Statement of Activities, net position decreased by (\$9,465,389) for the primary government. As a result, the net position at the end of the year totaled \$391,168,255 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 City sold this land to a commercial developer in fiscal year 2013. A neighborhood Walmart has since been constructed. The sale of this property resulted in an overall loss of (\$123,095).

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 \$3,648,493 in net position, while the health insurance - retirees - internal service fund ended the year with (\$1,882,086) in net position. The latter was due to the accumulated 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 \$675,816 in net position, while the property and casualty internal service fund, ended the year with \$1,075,150 in net position, for a combined total in all internal service funds of \$3,517,372 in net position. Overall, the City is pleased with the net 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 position that has 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 2013.

	2013			
	Governmental Funds			
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Total revenues	\$ 96,453,588	\$ 66,135	\$ 8,499,870	\$ 105,019,593
Total expenditures	84,632,173	8,176,225	7,875,181	100,683,579
Total other financing sources (uses)	<u>(11,721,414)</u>	<u>8,659,018</u>	<u>3,855,952</u>	<u>793,556</u>
Total special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	100,000	548,929	4,480,641	5,129,570
Fund balances, beginning of year	<u>31,600,000</u>	<u>24,975,201</u>	<u>11,032,748</u>	<u>67,607,950</u>
Fund balances, end of year	<u><u>\$ 31,700,000</u></u>	<u><u>\$ 25,524,130</u></u>	<u><u>\$ 15,513,389</u></u>	<u><u>\$ 72,737,519</u></u>
Percent of fund balance to expenditures	37.46%	312.17%	196.99%	72.24%

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, 2013, the City of Hoover's governmental funds reported combined ending fund balances of \$72,737,519. Approximately \$30,369,909 or 44.92% constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of the fund balance is non-spendable (.42%) restricted (22.95%), committed (37.75%), or assigned (1.55%). These fund balance categories are defined in the Notes to the Financial Statements.

In fiscal year 2012, the combined governmental ending fund balances were \$67,607,950. The total end of the year fund balances increased by \$5,129,570 from fiscal 2012 to fiscal 2013. This increase was actualized as follows: General Fund - \$100,000, Capital Projects Fund - \$548,929, and Other Governmental Funds - \$4,480,641. By resolution, the excess in the General Fund above \$100,000 is transferred to the Capital Projects Fund.

General Fund

The general fund is the chief operating fund for the City of Hoover. As of September 30, 2013, the total fund balance of the general fund was \$31,700,000 as compared with September 30, 2012 where it was \$31,600,000, an increase of \$100,000. The end of the year fund balance for fiscal year 2013 represents approximately 37.46% 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, 2013, the total ending fund balance for the capital projects fund was \$25,524,130. For the fiscal year, a transfer from the general fund in the amount of \$8,659,018 offset the total expenditures during the year of \$8,176,225, with a net increase to the fund of \$548,929 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, 2013, although all of the fund balance shows as committed, the total city portion of ongoing projects from this fund is estimated at \$14,076,626. The balance, \$11,447,504 is not dedicated to specific projects and is available to be allocated to future projects as needed. The fiscal year 2014 budget did dedicate some of these funds to new or existing projects as needed.

Other Governmental Funds

Other governmental funds include various special revenue funds and other capital project funds, including the 2013B 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 \$7,840,661, or 8.57% 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 (\$2,053,777), or 2.31%. 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	\$ 77,116,545	\$ 82,898,616	\$ 5,782,071	7.50 %
Licenses and permits	7,001,600	7,868,741	867,141	12.38
Intergovernmental	1,170,000	1,594,269	424,269	36.26
Fines and forfeits	1,835,000	1,850,493	15,493	0.84
Investment income	800,100	802,834	2,734	0.34
Rents and royalties	926,280	951,267	24,987	2.70
Contributions and reimbursements	949,675	1,178,535	228,860	24.10
Charges for services	1,556,800	1,654,028	97,228	6.25
Other	144,000	541,878	397,878	276.30
Total revenues	<u>91,500,000</u>	<u>99,340,661</u>	<u>7,840,661</u>	<u>8.57 %</u>
Expenditures				
Current operations				
General government	13,578,631	11,895,661	(1,682,970)	-12.39 %
Public safety	37,472,808	37,181,339	(291,469)	-0.78
Library	6,227,974	6,335,490	107,516	1.73
Municipal court	211,665	195,873	(15,792)	-7.46
Sanitation	6,516,516	6,290,467	(226,049)	-3.47
Education	2,000,000	2,000,000	-	0.00
Highway and roadway improvements	4,300,854	4,221,859	(78,995)	-1.84
Recreation services	8,542,920	8,338,838	(204,082)	-2.39
Health	310,565	299,185	(11,380)	-3.66
Total	<u>79,161,933</u>	<u>76,758,712</u>	<u>(2,403,221)</u>	<u>-3.04 %</u>
Capital outlays	539,695	751,695	212,000	39.28 %
Debt service				
Principal	5,970,000	5,970,000	-	0.00 %
Interest	3,046,993	3,049,726	2,733	0.09
Issuance costs	-	134,711	134,711	
Fiscal agent fees	2,200	2,200	-	0.00
Total expenditures	<u>88,720,821</u>	<u>86,667,044</u>	<u>(2,053,777)</u>	<u>-2.31 %</u>
Excess (deficiency) of revenues over (under) expenditures	2,779,179	12,673,617	9,894,438	3.56
Other financing sources (uses)				
Transfers in	25,204,559	22,797,929	(2,406,630)	-0.10 %
Transfers out	(27,983,738)	(35,912,392)	(7,928,654)	0.28
Refunding bonds issued	-	11,280,000	11,280,000	100.00
Premium on bonds issued	-	70,801	70,801	100.00
Payment to refund bond escrow agent	-	(10,809,955)	(10,809,955)	100.00
Total other financing sources (uses)	<u>(2,779,179)</u>	<u>(12,573,617)</u>	<u>(9,794,438)</u>	<u>3.52 %</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>100.00 %</u>
Fund balances, beginning of year	31,600,000	31,600,000	-	
Fund balances, end of year	31,600,000	31,700,000	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.

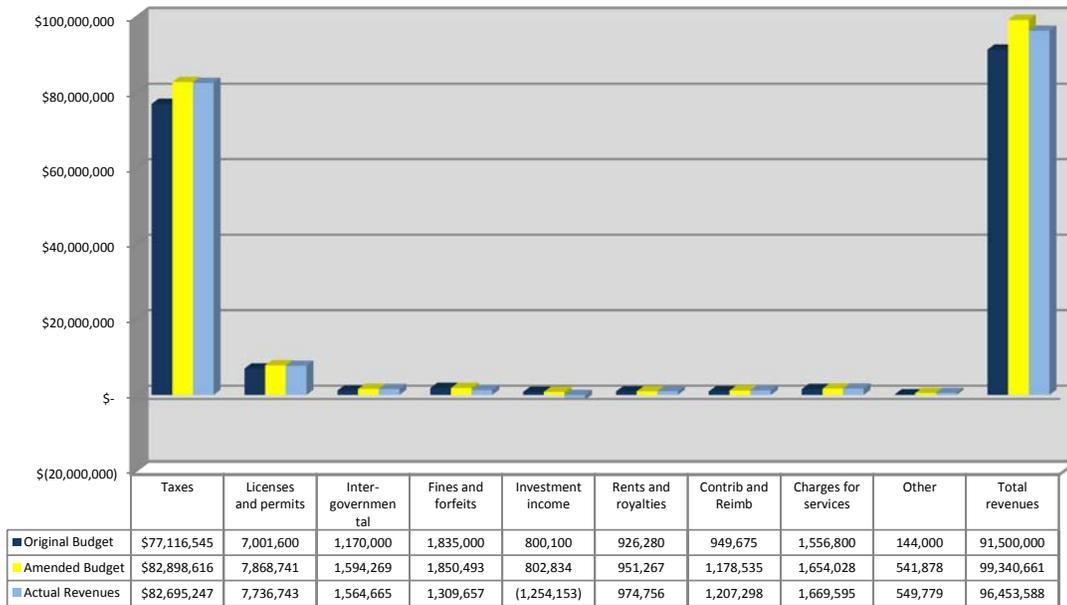
Revenues came in at \$1,869,707 more than the amended projection, but \$8,423,560 more than the original projection. Revenue accounts with surplus are amended to equal the actual revenues, but those accounts that did not meet projections are not affected, which is why unfavorable balance exists in certain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

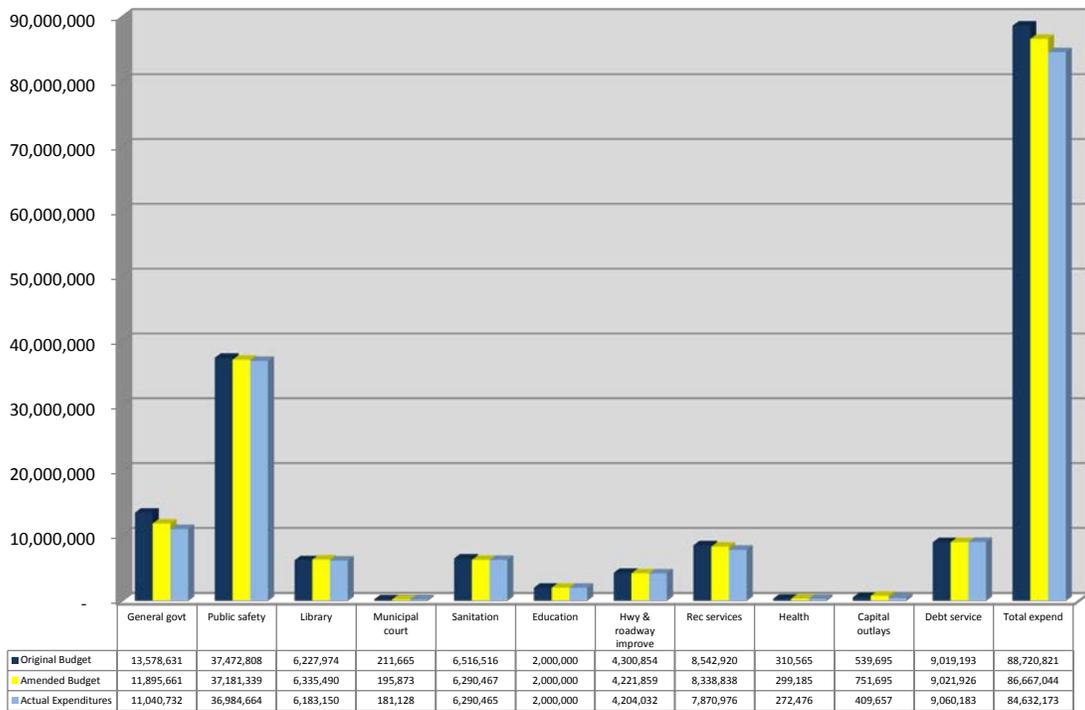
General Fund Original Budget, and Amended Budget to Actual					
	Original Budget	Amended Budget	Actual	Amended Variance Favorable (Unfavorable)	% Difference Between Amended Budget and Actual Expenditure
Revenues					
Taxes	\$ 77,116,545	\$ 82,898,616	\$ 82,695,247	\$ (203,369)	-0.25 %
Licenses and permits	7,001,600	7,868,741	7,736,743	(131,998)	-1.68
Intergovernmental	1,170,000	1,594,269	1,564,665	(29,604)	-1.86
Fines and forfeits	1,835,000	1,850,493	1,309,657	(540,836)	-29.23
Investment income	800,100	802,834	(1,254,153)	(2,056,987)	-256.22
Rents and royalties	926,280	951,267	974,756	23,489	2.47
Contributions and reimbursements	949,675	1,178,535	1,207,298	28,763	2.44
Charges for services	1,556,800	1,654,028	1,669,595	15,567	0.94
Other	144,000	541,878	549,779	7,901	1.46
Total revenues	<u>91,500,000</u>	<u>99,340,661</u>	<u>96,453,588</u>	<u>(2,887,073)</u>	<u>-2.91</u>
Expenditures					
Current operations					
General government	13,578,631	11,895,661	11,040,732	854,929	7.19
Public safety	37,472,808	37,181,339	36,984,664	196,675	0.53
Library	6,227,974	6,335,490	6,183,150	152,340	2.40
Municipal court	211,665	195,873	181,128	14,745	7.53
Sanitation	6,516,516	6,290,467	6,290,465	2	0.00
Education	2,000,000	2,000,000	2,000,000	-	0.00
Highway & roadway improvements	4,300,854	4,221,859	4,204,032	17,827	0.42
Recreation services	8,542,920	8,338,838	7,870,976	467,862	5.61
Health	310,565	299,185	272,476	26,709	8.93
Total	<u>79,161,933</u>	<u>76,758,712</u>	<u>75,027,622</u>	<u>1,731,090</u>	<u>2.26</u>
Capital outlays	539,695	751,695	409,657	342,038	45.50
Debt service					
Principal	5,970,000	5,970,000	5,970,000	-	0.00
Interest	3,046,993	3,049,726	3,087,983	(38,257)	-1.25
Issuance costs	-	134,711	134,710	1	0.00
Fiscal agent fees	2,200	2,200	2,200	-	0.00
Total expenditures	<u>88,720,821</u>	<u>86,667,044</u>	<u>84,632,173</u>	<u>2,034,870</u>	<u>2.35</u>
Excess (deficiency) of revenues over (under) expenditures	2,779,179	12,673,617	11,821,414	(852,203)	-6.72
Other financing sources (uses)					
Transfers in	25,204,559	22,797,929	21,169,285	(1,628,644)	-7.14
Transfers out	(27,983,738)	(35,912,392)	(33,684,255)	2,228,137	-6.20
Refunding bonds issued	-	11,280,000	11,280,000	-	0.00
Premium on bonds issued	-	70,801	70,801	(1)	0.00
Payment to refund bond escrow agent	-	(10,809,955)	(10,557,245)	252,710	0.00
Total other financing sources (uses)	<u>(2,779,179)</u>	<u>(12,573,617)</u>	<u>(11,721,414)</u>	<u>852,203</u>	<u>-6.78</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>31,600,000</u>	-	
Fund balances, end of year			<u>\$ 31,700,000</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 2013.

GENERAL FUND BUDGET - REVENUES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL REVENUE
FY 2013



GENERAL FUND BUDGET - EXPENDITURES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL EXPENDITURES
FY 2013



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, 2013, amounts to \$413,870,748 (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 2013. The Sewer Enterprise fund added \$204,920 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 \$2,211,686

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 \$69,705,000 of governmental debt and \$26,915,000 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 \$337,471,663, which is significantly in excess of the City of Hoover's outstanding general obligation debt by \$267,766,663. 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 2013 sustained a recovery for the City after the economic downturn that began in fiscal year 2008. During fiscal year 2013, the City fell slightly short of meeting its prior year high in general fund revenue established in fiscal year 2012 of \$96,968,802. This decrease in overall general fund revenue was attributed to a \$2.2 million change in investment income over the 2 years. This was due to a mark to market requirement on our investment portfolio. However, the City fully intends to hold these investments to maturity and has no intention of selling them for a loss at this time.

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 \$60,522,929 in fiscal year 2012 to \$61,607,730 in fiscal year 2013. However, despite this increase, the City continues to budget. Our unassigned fund balance was \$30,369,909. 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 continuing to review 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 project resulted in a new neighborhood Walmart opening this past year.

The unemployment rate for the City of Hoover for 2012 was 3.8%, which decreased from 2012's number of 4.2%. This number is favorable compared to other government entities within the State of Alabama and nationally.

Overall, the City has maintained its fiscal health, 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 2013 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.

BASIC FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Statement of Net Position
September 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Pooled cash and investments	\$ 80,386,785	\$ 8,653,917	\$ 89,040,702
Receivables:			
Taxes	5,671,149	-	5,671,149
Accounts	1,960,449	320,989	2,281,438
Statutory actuarial receivable	895,552	-	895,552
Due from other governments	133,289	-	133,289
Inventories	136,241	-	136,241
Prepaid items	168,841	-	168,841
Total current assets	<u>89,352,306</u>	<u>8,974,906</u>	<u>98,327,212</u>
Noncurrent assets			
Capital assets			
Depreciable:			
Buildings/improvements to buildings	102,169,476	26,626,760	128,796,236
Storm sewer inventory/drainage improvements	56,183,893	-	56,183,893
Equipment and vehicles	39,223,284	917,808	40,141,092
Improvements o/t buildings	17,856,180	21,294,227	39,150,408
Streets and bridges	236,660,549	-	236,660,549
Other infrastructure	7,543,062	24,281,242	31,824,303
Accumulated depreciation	(127,909,015)	(34,628,065)	(162,537,080)
Non-depreciable:			
Land	38,322,129	1,670,000	39,992,128
Construction in progress - other	3,614,705	44,513	3,659,219
Total capital assets, net of depreciation	<u>373,664,263</u>	<u>40,206,485</u>	<u>413,870,748</u>
Statutory actuarial receivable	2,286,277	-	2,286,277
Long-term receivables	125,864	-	125,864
Total noncurrent assets	<u>376,076,404</u>	<u>40,206,485</u>	<u>416,282,889</u>
Total assets	<u>465,428,710</u>	<u>49,181,391</u>	<u>514,610,101</u>
Deferred outflows of resources			
Deferred amount on refunding	5,018,682	93,980	5,112,662
Liabilities			
Current liabilities payable from current assets			
Accounts payable and accrued liabilities	\$ 8,048,790	\$ 172,306	\$ 8,221,095
Interest payable	259,055	87,484	346,539
Unearned revenue	33,623	-	33,623
Refundable deposits	2,533	-	2,533
Internal payable	8,913	(8,913)	-
Current maturities of long-term liabilities:			
Bonds and warrants payable, net	7,402,467	1,182,561	8,585,028
Compensated absences	3,998,570	12,734	4,011,304
Claims payable workers compensation	300,957	-	300,957
Claims payable property and casualty	1,068,323	-	1,068,323
Total current liabilities	<u>21,123,232</u>	<u>1,446,171</u>	<u>22,569,403</u>
Long-term liabilities			
Bonds and warrants payable, net	66,765,472	26,306,420	93,071,892
Compensated absences	6,845,649	12,235	6,857,884
Claims payable opeb	2,692,018	-	2,692,018
Claims payable workers compensation	2,040,173	-	2,040,173
Claims payable property and casualty	1,323,138	-	1,323,138
Total noncurrent liabilities	<u>79,666,450</u>	<u>26,318,655</u>	<u>105,985,106</u>
Total liabilities	<u>100,789,682</u>	<u>27,764,827</u>	<u>128,554,509</u>
Deferred inflows of resources			
Deferred amount on refunding	-	-	-
Net Position			
Net investment in capital assets	304,515,007	14,548,454	319,063,461
Restricted for:			
Public safety	1,545,205	-	1,545,205
Municipal court	1,926,453	-	1,926,453
General government	4,822,545	-	4,822,545
Recreation services	14,697	-	14,697
Highway and roadway improvements	7,204,490	-	7,204,490
Unrestricted (deficit)	<u>49,629,314</u>	<u>6,962,090</u>	<u>56,591,404</u>
Total net position	<u>\$ 369,657,710</u>	<u>\$ 21,510,544</u>	<u>\$ 391,168,255</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, 2013

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Functions							
Primary government							
Governmental activities							
General government	\$ 12,848,852	\$ 5,818,193	\$ 431,307	\$ -	\$ (6,599,352)	\$ -	\$ (6,599,352)
Public safety	45,105,811	4,847,602	1,319,493	39,935	(38,898,782)	-	(38,898,782)
Library	6,566,225	363,621	122,992	-	(6,079,612)	-	(6,079,612)
Municipal court	1,612,455	2,280,864	93,418	-	761,826	-	761,826
Sanitation	6,290,465	7,800	-	-	(6,282,665)	-	(6,282,665)
Education	2,000,000	-	-	-	(2,000,000)	-	(2,000,000)
Highway and roadway improvements	24,627,788	120,796	1,519,837	459,768	(22,527,387)	-	(22,527,387)
Recreation services	9,557,624	1,571,631	133,675	-	(7,852,318)	-	(7,852,318)
Health	234,855	3,550	-	-	(231,305)	-	(231,305)
Interest and fiscal charges	3,379,455	-	-	-	(3,379,455)	-	(3,379,455)
Total governmental activities	<u>112,223,530</u>	<u>15,014,057</u>	<u>3,620,721</u>	<u>499,703</u>	<u>(93,089,048)</u>	<u>-</u>	<u>(93,089,048)</u>
Business-type activities							
Redevelopment	9,124	-	-	-	-	(9,124)	(9,124)
Sewer services	5,728,105	3,729,376	-	-	-	(1,998,729)	(1,998,729)
Total business-type activities	<u>5,737,229</u>	<u>3,729,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,007,853)</u>	<u>(2,007,853)</u>
Total primary government	<u>\$ 117,960,759</u>	<u>\$ 18,743,433</u>	<u>\$ 3,620,721</u>	<u>\$ 499,703</u>	<u>(93,089,048)</u>	<u>(2,007,853)</u>	<u>(95,096,901)</u>
General revenues							
Property tax					10,022,691	-	10,022,691
In lieu of property tax					-	-	-
Rental tax					881,328	-	881,328
Gross receipts tax					5,601,293	-	5,601,293
Sales and use tax					61,607,730	-	61,607,730
Other municipal tax					3,451,671	-	3,451,671
Franchise tax					1,130,533	-	1,130,533
Intergovernmental shared revenues without restrictions					3,923,181	-	3,923,181
Unrestricted investment income					(1,254,273)	35,234	(1,219,038)
Other revenue					205,346	-	205,346
Gain (loss) on asset disposals					149,871	(123,095)	26,776
Total general revenues and transfers					<u>85,719,373</u>	<u>(87,861)</u>	<u>85,631,513</u>
Change in net position					<u>(7,369,675)</u>	<u>(2,095,714)</u>	<u>(9,465,389)</u>
Net position at beginning of year					377,515,193	23,805,596	401,320,790
Prior period adjustment (Note #13)					(487,808)	(199,338)	(687,147)
Net position at beginning of year restated					<u>377,027,385</u>	<u>23,606,258</u>	<u>400,633,643</u>
Net position at end of year					<u>\$ 369,657,710</u>	<u>\$ 21,510,544</u>	<u>\$ 391,168,255</u>

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

THE CITY OF HOOVER, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2013

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Pooled cash and investments	\$ 31,238,041	\$ 26,010,755	\$ 14,615,610	\$ 71,864,405
Receivables				
Taxes	4,738,133	-	933,016	5,671,149
Accounts	1,104,022	311,772	527,513	1,943,307
Due from other governments	642	-	132,648	133,289
Internal balances	179,281	-	-	179,281
Inventories	136,241	-	-	136,241
Prepaid items	19,898	-	-	19,898
Non-current receivable	125,864	-	-	125,864
	\$ 37,542,121	\$ 26,322,527	\$ 16,208,786	\$ 80,073,434
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 5,826,706	\$ 798,397	\$ 495,374	\$ 7,120,477
Unearned revenue	12,882	-	20,742	33,623
Internal balances	-	-	179,281	179,281
Refundable deposits	2,533	-	-	2,533
	5,842,121	798,397	695,397	7,335,915
Fund balances				
Nonspendable: non-current receivable	125,864	-	-	125,864
Nonspendable: inventory	136,241	-	-	136,241
Nonspendable: prepaid items	19,898	-	-	19,898
Restricted	-	-	15,513,389	15,513,389
Committed	-	25,524,130	-	25,524,130
Assigned	1,048,088	-	-	1,048,088
Unassigned	30,369,909	-	-	30,369,909
	31,700,000	25,524,130	15,513,389	72,737,519
Total liabilities and fund balances	37,542,121	26,322,527	16,208,786	80,073,434

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	373,664,263
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 position.	3,508,458
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(80,252,531)
Net position of governmental activities	\$ 369,657,710

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, 2013

	General Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 82,695,247	\$ -	\$ -	\$ 82,695,247
Licenses and permits	7,736,743	-	-	7,736,743
Intergovernmental	1,564,665	-	5,118,949	6,683,614
Fines and forfeits	1,309,657	-	1,211,094	2,520,752
Investment income	(1,254,153)	-	4,109	(1,250,044)
Rents and royalties	974,756	-	-	974,756
Contributions and reimbursements	1,207,298	66,135	58,243	1,331,676
Charges for services	1,669,595	-	2,107,350	3,776,945
Other	549,779	-	125	549,904
Total revenues	<u>96,453,588</u>	<u>66,135</u>	<u>8,499,870</u>	<u>105,019,593</u>
Expenditures				
Current operations				
General government	11,040,732	239,122	61,761	11,341,615
Public safety	36,984,664	528,431	4,763,715	42,276,810
Library	6,183,150	-	42,010	6,225,160
Municipal court	181,128	-	1,412,736	1,593,864
Sanitation	6,290,465	-	-	6,290,465
Education	2,000,000	-	-	2,000,000
Highway and roadway improvements	4,204,032	34,084	21,563	4,259,678
Recreation services	7,870,976	119,980	21,288	8,012,244
Health	272,476	-	-	272,476
Total	<u>75,027,622</u>	<u>921,617</u>	<u>6,323,073</u>	<u>82,272,313</u>
Capital outlays	409,657	7,254,608	1,552,108	9,216,373
Debt service:				
Principal	5,970,000	-	-	5,970,000
Interest	3,087,983	-	-	3,087,983
Issuance costs	134,710	-	-	134,710
Fiscal agent fees	2,200	-	-	2,200
Total expenditures	<u>84,632,173</u>	<u>8,176,225</u>	<u>7,875,181</u>	<u>100,683,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,821,414</u>	<u>(8,110,090)</u>	<u>624,689</u>	<u>4,336,014</u>
Other financing sources (uses)				
Transfers in	21,169,285	8,659,018	3,855,952	33,684,255
Transfers out	(33,684,255)	-	-	(33,684,255)
Capital portion of refunding bonds issued	-	-	-	-
Refunding bonds issued	11,280,000	-	-	11,280,000
Premium on bonds issued	70,801	-	-	70,801
Payment to bond refunding escrow agent	(10,557,245)	-	-	(10,557,245)
Discount on refunding bonds issued	-	-	-	-
Discount on refunding bonds issued	-	-	-	-
Total other financing sources (uses)	<u>(11,721,414)</u>	<u>8,659,018</u>	<u>3,855,952</u>	<u>793,556</u>
Net change in fund balances	100,000	548,929	4,480,641	5,129,570
Fund balances, beginning of year	<u>31,600,000</u>	<u>24,975,201</u>	<u>11,032,748</u>	<u>67,607,950</u>
Fund balances, end of year	<u>\$ 31,700,000</u>	<u>\$ 25,524,130</u>	<u>\$ 15,513,389</u>	<u>\$ 72,737,519</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, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 5,129,570

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 premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal debt payments	5,970,000
Proceeds from refunding bonds	(11,280,000)
Payment to refund bond escrow	10,557,245
Bond premium	(70,801)
Amortization of debt premium on 2004 issue	273,200
Amortization of debt premium on 2010 issue	664,713
Amortization of debt premium on 2013b issue	9,119
Amortization of deferred loss 2004 issue	(484,890)
Amortization of deferred loss 2010 issue	(530,101)
Amortization of deferred loss 2013b issue	(93,176)

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

Outlays capitalized	6,146,782
Depreciation	(22,169,789)

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)	-
Removal of items that are not capital assets	-

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

Cost of assets disposed	(733,059)
Accumulated depreciation of assets disposed	567,321

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

6,574

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	(305,865)
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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.

(1,026,518)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (7,369,675)</u>
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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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ 77,116,545	\$ 82,898,616	\$ 82,695,247	\$ (203,369)
Licenses and permits	7,001,600	7,868,741	7,736,743	(131,998)
Intergovernmental	1,170,000	1,594,269	1,564,665	(29,604)
Fines and forfeits	1,835,000	1,850,493	1,309,657	(540,836)
Investment income	800,100	802,834	(1,254,153)	(2,056,987)
Rents and royalties	926,280	951,267	974,756	23,489
Contributions and reimbursements	949,675	1,178,535	1,207,298	28,763
Charges for services	1,556,800	1,654,028	1,669,595	15,567
Other	144,000	541,878	549,779	7,901
Total revenues	<u>91,500,000</u>	<u>99,340,661</u>	<u>96,453,588</u>	<u>(2,887,073)</u>
Expenditures				
Current operations				
General government	13,578,631	11,895,661	11,040,732	854,929
Public safety	37,472,808	37,181,339	36,984,664	196,675
Library	6,227,974	6,335,490	6,183,150	152,340
Municipal court	211,665	195,873	181,128	14,745
Sanitation	6,516,516	6,290,467	6,290,465	2
Education	2,000,000	2,000,000	2,000,000	-
Highway and roadway improvements	4,300,854	4,221,859	4,204,032	17,827
Recreation services	8,542,920	8,338,838	7,870,976	467,862
Health	310,565	299,185	272,476	26,709
Total	<u>79,161,933</u>	<u>76,758,712</u>	<u>75,027,622</u>	<u>1,731,090</u>
Capital outlays	539,695	751,695	409,657	342,038
Debt service:				
Principal	5,970,000	5,970,000	5,970,000	-
Interest	3,046,993	3,049,726	3,087,983	(38,257)
Issuance costs	-	134,711	134,710	(1)
Fiscal agent fees	2,200	2,200	2,200	-
Total expenditures	<u>88,720,821</u>	<u>86,667,044</u>	<u>84,632,173</u>	<u>2,034,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,779,179</u>	<u>12,673,617</u>	<u>11,821,414</u>	<u>(852,203)</u>
Other financing sources (uses)				
Transfers in	25,204,559	22,797,929	21,169,285	(1,628,644)
Transfers out	(27,983,738)	(35,912,392)	(33,684,255)	2,228,137
Refunding bonds issued	-	11,280,000	11,280,000	-
Premium on bonds issued	-	70,801	70,801	(1)
Payment to bond refunding escrow agent	-	(10,809,955)	(10,557,245)	252,710
Total other financing sources (uses)	<u>(2,779,179)</u>	<u>(12,573,617)</u>	<u>(11,721,414)</u>	<u>852,203</u>
Net change in fund balances	-	100,000	100,000	-
Fund balances, beginning of year	<u>31,600,000</u>	<u>31,600,000</u>	<u>31,600,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 31,600,000</u>	<u>\$ 31,700,000</u>	<u>\$ 31,700,000</u>	<u>\$ -</u>

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

THE CITY OF HOOVER, ALABAMA
Statement of Fund Net Position
Proprietary Funds
September 30, 2013

	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	\$ 5,885,685	\$ 2,768,232	\$ 8,653,917	\$ 8,522,379
Land held for resale	-	-	-	-
Prepaid items	-	-	-	148,943
Internal balances	-	-	-	-
Accounts/stop loss receivable	320,989	-	320,989	17,142
Statutory actuarial receivable	-	-	-	895,552
Total current assets	6,206,674	2,768,232	8,974,906	9,584,016
Noncurrent assets:				
Capital assets				
Land	1,670,000	-	1,670,000	-
Construction in progress	44,513	-	44,513	-
Buildings/improvements to buildings	26,626,760	-	26,626,760	-
Equipment and vehicles	917,808	-	917,808	-
Improvements o/t buildings	21,294,227	-	21,294,227	-
Infrastructure improvements	24,281,242	-	24,281,242	-
Less accumulated depreciation	(34,628,065)	-	(34,628,065)	-
Total capital assets (net of accumulated depreciation)	40,206,485	-	40,206,485	-
Statutory actuarial receivable	-	-	-	2,286,277
Total noncurrent assets	40,206,485	-	40,206,485	2,286,277
Total assets	46,413,159	2,768,232	49,181,391	11,870,293
Deferred outflows of resources:				
Deferred amount on refunding	93,980	-	93,980	-
Liabilities				
Current liabilities:				
General obligation warrants payable	\$ 1,182,561	\$ -	\$ 1,182,561	\$ -
Accounts payable	168,421	-	168,421	193,544
Retainage payable	-	-	-	-
Accrued salary expense	3,884	-	3,884	734,769
Interest payable	87,484	-	87,484	-
Claims payable	-	-	-	1,462,818
Compensated absences	12,734	-	12,734	-
Internal balances	-	-	-	-
Total current liabilities	1,455,085	-	1,455,085	2,391,131
Noncurrent liabilities:				
Compensated absences	12,235	-	12,235	-
Claims payable	-	-	-	5,961,791
General obligation warrants payable	26,306,420	-	26,306,420	-
Total noncurrent liabilities	26,318,655	-	26,318,655	5,961,791
Total liabilities	27,773,740	-	27,773,740	8,352,922
Deferred inflows of resources:				
Deferred amount on refunding	-	-	-	-
Net position				
Net investment in capital assets	14,548,454	-	14,548,454	-
Unrestricted (deficit)	4,184,945	2,768,232	6,953,177	3,517,372
Total net position	\$ 18,733,399	\$ 2,768,232	\$ 21,501,631	\$ 3,517,372
Some amounts reported for <i>business-type activities</i> in the statement of net position are different because certain internal service fund assets and liabilities are included with business-type activities.				
	8,913	-	8,913	
Net position of business-type activities	\$ 18,742,312	\$ 2,768,232	\$ 21,510,544	

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 Position
Proprietary Funds
For the year ended September 30, 2013

	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	\$ 3,729,376	\$ -	\$ 3,729,376	\$ 6,692,867
Participant premiums	-	-	-	1,485,124
Late fees	-	-	-	3
Stop loss reimbursements	-	-	-	225,584
Subrogation recoveries	-	-	-	42,389
Public assistance reimbursements	-	-	-	9,808
Rents	-	-	-	-
Forfeitures	-	-	-	-
Rebates or refunds	-	-	-	178,455
Other revenue	-	-	-	-
Total operating revenue	<u>3,729,376</u>	<u>-</u>	<u>3,729,376</u>	<u>8,634,230</u>
Operating expenses				
Cost of services	-	9,790	9,790	8,898,156
Collection fees	157,243	-	157,243	-
Depreciation	2,416,606	-	2,416,606	-
Management fees	892,037	-	892,037	-
Personal services	119,201	-	119,201	-
Repairs and maintenance	252,583	-	252,583	-
Supplies	200,765	-	200,765	-
Telephone	15,060	-	15,060	-
Utilities	428,173	(666)	427,507	-
Total operating expenses	<u>4,481,667</u>	<u>9,124</u>	<u>4,490,791</u>	<u>8,898,156</u>
Operating income (loss)	(752,291)	(9,124)	(761,415)	(263,926)
Non-operating revenues (expenses)				
Investment earnings	35,234	-	35,234	-
Sale of capital assets - gain (loss)	-	(123,095)	(123,095)	-
Actuarial adjustment	-	-	-	(764,190)
Transfers in	-	-	-	-
Interest and fiscal charges	(1,244,839)	-	(1,244,839)	-
Total non-operating revenues (expenses)	<u>(1,209,605)</u>	<u>(123,095)</u>	<u>(1,332,700)</u>	<u>(764,190)</u>
Change in net position	(1,961,896)	(132,219)	(2,094,115)	(1,028,116)
Total net position, beginning of year	20,894,634	2,900,451	23,795,085	4,545,488
Prior period adjustment (Note #13)	(199,338)	-	(199,338)	-
Net position at beginning of year, restated	<u>20,695,295</u>	<u>2,900,451</u>	<u>23,595,746</u>	<u>4,545,488</u>
Total net position, end of year	<u>\$ 18,733,399</u>	<u>\$ 2,768,232</u>	<u>\$ 21,501,631</u>	<u>\$ 3,517,372</u>
Some amounts reported for <i>business-type activities</i> in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.	(1,598)	-	(1,598)	
Change in net position of business-type activities	<u>\$ (1,963,494)</u>	<u>\$ (132,219)</u>	<u>\$ (2,095,714)</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, 2013

	Business-type Activities -	Business-type Activities -	Business-type Activities -	Internal Service Funds
	Enterprise Funds	Enterprise Funds	Enterprise Funds	
	Sewer	Redevelopment	Total	
Cash flows from operating activities				
Cash received from government	\$ -	\$ -	\$ -	\$ 6,692,867
Cash received from customers	3,715,198	-	3,715,198	-
Cash payments to suppliers	(1,021,448)	(10,789)	(1,032,237)	(8,495,151)
Cash received from stop loss reimbursements	-	-	-	232,315
Cash received from subrogation	-	-	-	42,389
Cash received from rebates/overpayments	-	-	-	178,455
Cash received from public assistance reimbursements	-	-	-	1,485,127
Cash received from participants	-	-	-	9,808
Cash payments to management companies	(892,037)	-	(892,037)	-
Cash payments to employees	(119,439)	-	(119,439)	-
Other cash receipts	-	-	-	-
Net cash provided (used) by operating activities	<u>1,682,274</u>	<u>(10,789)</u>	<u>1,671,485</u>	<u>145,810</u>
Cash flows from noncapital financing activities				
Transfer to other funds	-	(21,054)	(21,054)	-
Transfer from other funds	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(21,054)</u>	<u>(21,054)</u>	<u>-</u>
Cash flows from capital and related financing activities				
Proceeds from capital debt	8,915,000	-	8,915,000	-
Internal transfers	-	-	-	-
Premium on debt	322,192	-	322,192	-
Debt issuance cost	(104,604)	-	(104,604)	-
Sale of capital assets	-	2,800,000	2,800,000	-
Acquisition and construction of capital assets	(204,920)	-	(204,920)	-
Payments of warrants	(9,444,144)	-	(9,444,144)	-
Cash paid for interest on debt	(1,102,215)	-	(1,102,215)	-
Net cash provided (used) by capital and related financing activities	<u>(1,618,692)</u>	<u>2,800,000</u>	<u>1,181,308</u>	<u>-</u>
Cash flows from investing activities				
Interest and dividends received	35,234	-	35,234	-
Net cash provided (used) by investing activities	<u>35,234</u>	<u>-</u>	<u>35,234</u>	<u>-</u>
Net increase (decrease) in pooled cash and investments	98,817	2,768,157	2,866,974	145,810
Pooled cash and investments, beginning of year	<u>5,786,868</u>	<u>75</u>	<u>5,786,944</u>	<u>8,376,570</u>
Pooled cash and investments, end of year	<u>\$ 5,885,685</u>	<u>\$ 2,768,232</u>	<u>\$ 8,653,917</u>	<u>\$ 8,522,379</u>
Reconciliation of operating income to net cash provided by operating activities				
Operating income	\$ (752,291)	\$ (9,124)	\$ (761,415)	\$ (263,926)
Adjustments to reconcile operating income to net cash provided (used) by operating activities				
Depreciation expense	2,416,606	-	2,416,606	-
(Increase) decrease in accounts receivable	(14,179)	-	(14,179)	6,731
Increase (decrease) in accounts payable and accrued expenses	32,798	(1,665)	31,133	497,021
Increase (decrease) in compensated absences payable	(660)	-	(660)	(94,017)
Total adjustments	<u>2,434,565</u>	<u>(1,665)</u>	<u>2,432,900</u>	<u>409,736</u>
Net cash provided by operating activities	<u>\$ 1,682,274</u>	<u>\$ (10,789)</u>	<u>\$ 1,671,485</u>	<u>\$ 145,810</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, 2013

(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). 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 position 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 position and the statement of changes in position) 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, 2013

(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 2013 general obligation 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 position and cash flow. All assets and liabilities are included on the Statement of Net Position.

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 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 and a neighborhood Walmart was built.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2013

(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 position and the operating statements present increases (revenues) and decreases (expenses) in net position. 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, 2013

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2013

(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 Forfeiture Fund, Federal Forfeiture Funds, certain grants within the General Grant Fund, and the Sewer Enterprise Fund as applicable, 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, 2013, most all of the City's depositories are participating in the SAFE program, with a bank balance of \$27,739,255 and a carrying balance of \$27,395,322.

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

As of September 30, 2013, 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	\$ 303,423	\$ 303,423	\$ -	\$ -	\$ -
Money market accounts	11,071,882	11,071,882	-	-	-
Certificates of Deposit	-	-	-	-	-
U.S. Government Agencies:					
Federal Farm Credit Bank	14,457,749	-	-	7,887,143	6,570,606
Federal Home Loan Bank	28,779,263	-	-	28,779,263	-
Federal Home Loan Mortgage Corp	3,595,063	-	-	3,595,063	-
Federal National Mortgage Association	14,723,072	-	-	14,723,072	-
Total U.S. government agencies	61,555,147	-	-	54,984,541	6,570,606
Grand total all investments	\$ 72,930,452	\$ 11,375,304	\$ -	\$ 54,984,541	\$ 6,570,606

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, 2013

(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 9/26/2013 to purchase a Federal Farm Credit Bank (FFCB) note, maturity date 08/16/2021, face value \$305,000 and fair value \$304,771. FNBB agreed to repurchase the investment on 10/03/2013 for \$303,433.

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, 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 position is classified in the following categories:

- Net investment in capital assets - 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 - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted (deficit) - 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, 2013

(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.

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 are now capitalized and depreciated over their useful life.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2013

(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	38,322,129	\$ -	\$ 38,322,129	\$ -	\$ -	\$ 38,322,129
Construction in progress	4,000,259	-	4,000,259	855,458	(1,241,011)	3,614,705
Total capital assets not being depreciated	<u>42,322,388</u>	<u>-</u>	<u>42,322,388</u>	<u>855,458</u>	<u>(1,241,011)</u>	<u>41,936,834</u>
Other capital assets						
Buildings/improvements to buildings	99,396,630	-	99,396,630	2,772,846	-	102,169,476
Equipment and vehicles	36,842,670	-	36,842,670	3,113,673	(733,059)	39,223,284
Improvements o/t buildings	17,581,722	-	17,581,722	274,459	-	17,856,180
Infrastructure:						
Street system inventory	230,121,781	-	230,121,781	-	-	230,121,781
Street system improvements	2,241,391	-	2,241,391	253,836	-	2,495,228
Storm sewer inventory	56,183,893	-	56,183,893.35	-	-	56,183,893
Bridges inventory	4,043,541	-	4,043,541	-	-	4,043,541
Other infrastructure (sidewalks, traffic signals)	7,425,540	-	7,425,540	117,522	-	7,543,062
Total other capital assets at historical cost	<u>453,837,168</u>	<u>-</u>	<u>453,837,168</u>	<u>6,532,335</u>	<u>(733,059)</u>	<u>459,636,444</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	21,891,682	-	21,891,682.33	2,063,458	-	23,955,141
Equipment and vehicles	26,937,614	-	26,937,613.53	2,349,959	(567,321)	28,720,252
Improvements o/t buildings	7,164,344	-	7,164,344.37	595,971	-	7,760,315
Infrastructure:						
Street system inventory	23,012,178	-	23,012,177.94	15,341,452	-	38,353,630
Street system improvements	132,466	-	132,466.08	154,232	-	286,698
Storm sewer inventory	24,963,285	-	24,963,284.51	1,197,020	-	26,160,305
Bridges inventory	325,730	-	325,729.56	217,153	-	542,883
Other infrastructure (sidewalks, traffic signals)	1,879,249	-	1,879,248.75	250,543	-	2,129,792
Total accumulated depreciation	<u>106,306,547</u>	<u>-</u>	<u>106,306,547</u>	<u>22,169,789</u>	<u>(567,321)</u>	<u>127,909,015</u>
Other capital assets, net	<u>347,530,621</u>	<u>-</u>	<u>347,530,621</u>	<u>(15,637,453)</u>	<u>(165,739)</u>	<u>331,727,429</u>
Governmental activities capital assets, net	<u>389,853,009</u>	<u>\$ -</u>	<u>\$ 389,853,009</u>	<u>\$ (14,781,996)</u>	<u>\$ (1,406,750)</u>	<u>\$ 373,664,263</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	29,513	(68,807)	44,513
Total capital assets not being depreciated	<u>1,753,807</u>	<u>-</u>	<u>1,753,807</u>	<u>29,513</u>	<u>(68,807)</u>	<u>1,714,513</u>
Other capital assets						
Buildings/improvements to buildings	26,626,760	-	26,626,760	-	-	26,626,760
Equipment and vehicles	828,605	-	828,605	89,203	-	917,808
Improvements o/t buildings	21,409,452	(115,224)	21,294,227	-	-	21,294,227
Other Infrastructure	24,011,007	115,224	24,126,231	155,011	-	24,281,242
Total other capital assets at historical cost	<u>72,875,824</u>	<u>-</u>	<u>72,875,824</u>	<u>244,214</u>	<u>-</u>	<u>73,120,038</u>
Less accumulated depreciation for						
Buildings/improvements to buildings	11,555,889	-	11,555,889	517,610	-	12,073,499
Equipment and vehicles	761,287	-	761,287	41,480	-	802,767
Improvements o/t buildings	7,121,219	-	7,121,219	1,349,823	-	8,471,042
Infrastructure improvements	12,773,066	-	12,773,066	507,692	-	13,280,758
Total accumulated depreciation	<u>32,211,460</u>	<u>-</u>	<u>32,211,460</u>	<u>2,416,606</u>	<u>-</u>	<u>34,628,065</u>
Other capital assets, net	<u>40,664,364</u>	<u>-</u>	<u>40,664,364</u>	<u>(2,172,392)</u>	<u>-</u>	<u>38,491,972</u>
Business-type activities capital assets, net	<u>42,418,171</u>	<u>\$ -</u>	<u>\$ 42,418,171</u>	<u>\$ (2,142,879)</u>	<u>\$ (68,807)</u>	<u>\$ 40,206,485</u>

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

Governmental activities:	
General government and administration	\$ 1,277,879
Public safety	1,836,449
Library	295,659
Municipal court	4,054
Highway and roadway improvements	17,338,047
Recreational services	1,411,774
Health	5,927
Total depreciation expense - Governmental activities	<u>\$ 22,169,789</u>
Business-type activities:	
Sewer services	\$ 2,416,606
Total depreciation expense - Business-type activities	<u>\$ 2,416,606</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, 2013

(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, 2013, 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	8,690,000	-
\$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	49,735,000	-
\$11,280,000 series 2013b general obligation warrants dated May 1, 2013; due \$380,000 to \$5,610,000 annually beginning March 1, 2014; interest at .45% to 1.25% due semiannually commencing September 1, 2013	11,280,000	-
\$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
\$8,915,000 series 2013a general obligation sewer warrant; due \$680,000 to \$1,250,000 annually beginning March 1, 2014; interest at 1.00% to 3.00% due semiannually commencing September 1, 2013	-	8,915,000
Total Bonds Payable	<u>\$ 69,705,000</u>	<u>\$ 26,915,000</u>
Less deferred amounts:		
For issue premiums (2004)	153,949	-
For issue premiums (2007)	-	287,456
For issue premiums (2010)	4,247,308	-
For issue premiums (2013)	61,681	286,526
For deferred loss on refunding (2004)	(969,781)	-
For deferred loss on refunding (2010)	(3,694,833)	-
For deferred loss on refunding (2013)	(354,069)	(93,980)
Total Bonds Payable, net	<u>\$ 69,149,256</u>	<u>\$ 27,395,002</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2013

(3) LONG-TERM DEBT (CONTINUED):

Changes in Long-term Liabilities

	Balance October 1, 2012	Additions	Reductions	Balance September 30, 2013	Due within one year
Governmental activities					
Bonds payable	\$ 74,505,000	\$ 11,280,000	\$ (16,080,000)	\$ 69,705,000	\$ 6,595,000
Less deferred amounts:					
For issue premiums (2004)	427,149	-	(273,200)	153,949	133,856
For issue premiums (2010)	4,912,021	-	(664,713)	4,247,308	651,887
For issue premiums (2013)	-	70,801	(9,119)	61,681	21,723
Bonds and warrants payable, net	<u>79,844,170</u>	<u>11,350,801</u>	<u>(17,027,032)</u>	<u>74,167,939</u>	<u>7,402,467</u>
Deferred outflows of resources					
For deferred gain (loss) on refunding (2004)	(1,454,671)	-	484,890	(969,781)	(484,890)
For deferred gain (loss) on refunding (2010)	(4,224,934)	-	530,101	(3,694,833)	(457,093)
For deferred gain (loss) on refunding (2013)	-	(447,245)	93,176	(354,069)	(223,623)
Deferred gain (loss) on refundings	<u>(5,679,604)</u>	<u>(447,245)</u>	<u>1,108,167</u>	<u>(5,018,682)</u>	<u>(1,165,606)</u>
Compensated absences	<u>10,538,355</u>	<u>4,187,972</u>	<u>(3,882,107)</u>	<u>10,844,220</u>	<u>3,998,570</u>
Internal service funds					
Claims payable - other post employment benefits	\$ 2,112,170	\$ 673,386	\$ (93,538)	\$ 2,692,018	\$ -
Claims payable - workers compensation	2,345,573	252,526	(256,969)	2,341,130	300,957
Claims payable - property & casualty	1,812,494	1,053,558	(474,591)	2,391,461	1,068,323
Total claims payable	<u>6,270,237</u>	<u>1,979,469</u>	<u>(825,097)</u>	<u>7,424,609</u>	<u>1,369,280</u>
Total governmental activities	<u>\$ 90,973,158</u>	<u>\$ 17,070,997</u>	<u>\$ (20,626,070)</u>	<u>\$ 87,418,085</u>	<u>\$ 11,604,711</u>
Business-type activities - sewer					
Bonds payable	\$ 27,345,000	\$ 8,915,000	\$ (9,345,000)	\$ 26,915,000	\$ 1,085,000
Less deferred amounts:					
For issue premiums (2007)	304,210	-	(16,754)	287,456	16,754
For issue premiums (2013)	-	322,192	(35,666)	286,526	80,808
Bonds and warrants payable, net	<u>27,649,210</u>	<u>9,237,192</u>	<u>(9,397,420)</u>	<u>27,488,982</u>	<u>1,182,561</u>
For deferred gain (loss) on refunding (2013)	<u>-</u>	<u>(99,144)</u>	<u>5,164</u>	<u>(93,980)</u>	<u>(12,393)</u>
Compensated absences	<u>25,629</u>	<u>11,703</u>	<u>(12,363)</u>	<u>24,969</u>	<u>12,734</u>
Total proprietary fund types	<u>\$ 27,674,839</u>	<u>\$ 9,149,751</u>	<u>\$ (9,404,619)</u>	<u>\$ 27,419,971</u>	<u>\$ 1,182,902</u>

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

Due within one year includes above FY 2013 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, 2013

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2013 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2014	\$ 6,595,000	\$ 2,923,035	\$ 1,085,000	\$ 1,049,806	\$ 11,652,841
2015	6,875,000	2,396,565	1,115,000	1,022,231	11,408,796
2016	7,075,000	1,942,469	1,145,000	988,331	11,150,800
2017	8,880,000	1,799,488	1,180,000	953,456	12,812,944
2018	7,415,000	1,628,606	1,215,000	917,531	11,176,138
2019	7,655,000	1,393,575	1,245,000	893,081	11,186,656
2020	7,985,000	1,060,875	1,250,000	879,356	11,175,231
2021	8,395,000	651,375	750,000	865,626	10,662,001
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>\$ 69,705,000</u>	<u>\$ 14,016,738</u>	<u>\$ 26,915,000</u>	<u>\$ 15,539,888</u>	<u>\$ 126,176,626</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 \$49,735,000 at the end of fiscal year 2013. 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.

On May 1, 2013, the city issued Series 2013-A warrants for the purpose of (i) refunding the City's 1999 General Obligation Sewer Warrants issued in the aggregate principal amount of \$8,505,000 and outstanding in the aggregate principal amount of \$3,670,000, (ii) refunding the City's 2000 General Obligation Sewer Warrants issued in the aggregate principal amount of \$9,565,000 and outstanding in the aggregate principal amount of \$4,725,000, (iii) financing the costs of certain miscellaneous capital improvements and, (iv) paying the issuance costs of the 2013-A Warrants. The 2013-A warrants have a 8 year amortization and a principal amount of \$8,915,000, with a balance of \$8,915,000 at the end of fiscal year 2013. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately (\$128,446) and obtained an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately (\$99,144).

On May 1, 2013, the city issued Series 2013-B warrants for the purpose of (i) advance partial refunding the City's 2004 General Obligation Warrants issued in the aggregate principal amount of \$29,165,000 and outstanding in the aggregate principal amount of \$18,800,000, (ii) financing the costs of certain miscellaneous capital improvements and, (iii) paying the issuance costs of the 2013-B Warrants. The 2013-B warrants have a 4 year amortization and a principal amount of \$11,280,000, with a balance of \$11,280,000 at the end of fiscal year 2013. The Series 2004 warrants have a balance of \$8,690,000 at the end of fiscal year 2013. The refunded bonds in the amount of \$10,110,000 are considered to be defeased and the liability has been removed. This refunding produced a cash benefit of approximately \$281,002 and realized an economic loss (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately (\$447,245).

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2013

(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 final stadium lease agreement was in effect from January 1, 2010 through December 31, 2015. The stadium lease amount was 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 9/30/13
\$ 17,948,824	\$ 12,154,207	\$ 5,794,617

(5) INTERNAL BALANCES:

Internal Balances represent short-term loans to help supplement various funds. At September 30, 2013, the outstanding internal balances were as follows:

Fund	Internal Balances Due To	Internal Balances Due From
General Fund	\$ 179,281	\$ -
Other Governmental Funds	-	179,281
Total	\$ 179,281	\$ 179,281

(6) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2013 were as follows:

(Transfers out)	Transfers in				Total
	General Fund	Capital Projects Fund	Non-Major Governmental Fund	Proprietary Fund	
General Fund	\$ (12,514,970)	\$ 8,659,018	\$ 3,855,952	\$ -	\$ -
Capital Projects Fund	-	-	-	-	-
Non-Major Govt Funds	-	-	-	-	-
Proprietary Funds	-	-	-	-	-
Total	\$ (12,514,970)	\$ 8,659,018	\$ 3,855,952	\$ -	\$ -

Transfers are primarily used to move funds from the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfers for fiscal year 2013 were as follows: \$508,333 - E911 fund, \$2,607,003 - Court and Corrections fund, \$334,481 - General Grants fund, \$8,659,018 - Capital Projects fund, and \$406,135 - 2013B Series Capital Projects fund, which totaled \$12,514,970 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, 2013

(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 2013, the member contribution rate for state correctional officers, certified full-time firefighters, and certified full-time law enforcement officers was 6% of employee's compensation for Tier 1 employees and 7% for Tier 2 employees. Tier 2 employees consist of all members hired on or after January 1, 2013. Regular member contributions were 5% of employee's compensation for Tier 1 employees and 6% for Tier 2 employees. The City is required to contribute at an actuarially determined rate, which is currently 11.40% for Tier 1 and 9.10% for Tier 2 (fiscal year 2014) of annual covered payroll. This rate changed from fiscal year 2013, which was 10.51% for Tier 1 and 8.21% for Tier 2. 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 2013, the City's annual pension cost of \$3,904,109 for the System was equal to the City's required and actual contributions. The required contribution was determined as part of the September 30, 2012 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, 2012 was 27 years.

Three-Year Trend Information for the System

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
9/30/2010	\$ 4,373,140	100.00%	-
9/30/2011	4,544,523	100.00%	-
9/30/2012	3,904,109	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]
9/30/2007	\$ 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%
9/30/2012	106,036,665	151,040,275	45,003,610	70.2%	36,136,898	124.5%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2013

(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, 2013, the City of Hoover's portion of health care funding cost for retired employees totaled \$93,538. 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, 2012 is \$711,046, as set forth below:

		Medical
Normal Cost	\$	340,022
30-year UAL amortization amount		371,024
Annual required contribution (ARC)	\$	711,046

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2013

(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, 2013:

	Medical
1. Beginning Net OPEB Obligation (Asset) 10/1/2012	\$2,112,170
2. Annual required contribution	711,046
3. Interest on Net OPEB Obligation (Asset): .04 X [1]	84,487
4. ARC Adjustment: [1]/17.292	122,147
5. OPEB Cost: [2]+[3]-[4]	673,386
6. Contribution	0
7. Current year retiree premium	93,538
8. Change in Net OPEB Obligation: [5]-[6]-[7]	579,848
9. Ending Net OPEB Obligation: (Asset) 9/30/2013: [1]+[8]	\$2,692,018

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, 2013	\$673,386	13.89%	\$2,692,018

Funded Status and Funding Progress. In the fiscal year ending September 30, 2013, 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, 2013, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$6,672,413, 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 2012/2013, the entire actuarial accrued liability of \$6,672,413 was unfunded.

	Medical
Actuarial Accrued Liability (AAL)	\$ 6,672,413
Actuarial Value of Plan Assets	0
Unfunded Act. Accrued Liability (UAAL)	6,672,413
Funded Ratio (Act. Val. Assets/AAL)	0%
Covered Payroll (active plan members)	39,729,210
UAAL as a percentage of covered payroll	16.79%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
Fiscal Year Ended September 30, 2013

(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, 2013

(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, 2013

(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 2011	FY 2012	FY 2013
OPEB Cost	\$ 721,318	\$ 653,529	\$ 673,386
Contribution	-	-	-
Retiree premium	<u>78,107</u>	<u>233,374</u>	<u>93,538</u>
Total contribution and premium	<u>78,107</u>	<u>233,374</u>	<u>93,538</u>
Change in net OPEB obligation	<u>\$ 643,211</u>	<u>\$ 420,155</u>	<u>\$ 579,848</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to cost	10.83%	35.71%	13.89%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2013

(9) FUND BALANCES - GOVERNMENTAL FUNDS

As of September 30, 2013, 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 through 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	\$ 125,864	-	-	125,864
Inventory	136,241	-	-	136,241
Prepaid items	19,898	-	-	19,898
Restricted for:				-
Public safety	-	-	1,545,205	1,545,205
Municipal court	-	-	1,926,453	1,926,453
Highways and roadways	-	-	7,204,490	7,204,490
General government	-	-	4,822,545	4,822,545
Recreation services	-	-	14,697	14,697
Committed:				-
Capital projects	-	25,524,130	-	25,524,130
Assigned:				
Library	233,203	-	-	233,203
Recreation services	814,885	-	-	814,885
Unassigned:	30,369,909	-	-	30,369,909
Total fund balances	\$ 31,700,000	\$ 25,524,130	\$ 15,513,389	\$ 72,737,519

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2013

(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 2012 and 2013 are as follows:

Workers compensation (retention)	2012	2013	Difference
Unpaid claims, beginning	\$ 783,732	\$ 645,321	\$ (138,411)
Incurred claims, (including IBNRs)	44,435	217,033	172,598
Claim Payments	(182,846)	(149,655)	33,191
Unpaid claims, ending	<u>\$ 645,321</u>	<u>\$ 712,699</u>	<u>\$ 67,378</u>

Property and casualty (retention)	2012	2013	Difference
Unpaid claims, beginning	\$ 698,779	\$ 721,099	\$ 22,320
Incurred claims, (including IBNRs)	410,299	553,673	143,374
Claim Payments	(387,979)	(436,709)	(48,730)
Unpaid claims, ending	<u>\$ 721,099</u>	<u>\$ 838,063</u>	<u>\$ 116,964</u>

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

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

	FY 2011	FY 2012	FY 2013
Property and casualty	0	1	0
Workers compensation	0	0	0
Total	<u>0</u>	<u>1</u>	<u>0</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2013

(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, 2013, the City has approved items related to construction projects for all governmental fund types in the amount of \$57,352,604. Of this amount, \$14,778,949 has been incurred to date creating a total remaining commitment of \$42,573,655. The City is responsible for funding \$21,171,180 of this commitment with the remaining \$21,402,475 to be funded by other governmental units.

Of this \$42,573,655 remaining commitment, \$15,804,125 is from the capital projects fund - a major fund, while \$940,000 is from the sewer proprietary fund, and \$25,829,530 is from non-major governmental funds.

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, with the cost being bid at approximately \$3,700,000. 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 2013, \$2,982,442 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, 2013

(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	\$ 69,705,000
Less: Deferred charge on refundings - 2004, 2010, and 2013b (to be amortized as interest expense)	(5,018,683)
Issuance premium - 2004, 2010 and 2013 issue	4,462,938
Accrued interest payable - 2004, 2010, and 2013b	259,055
Compensated absences	<u>10,844,220</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ 80,252,530</u></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	\$ 1,545,205
Municipal court	1,926,453
General government	4,822,545
Recreation services	14,697
Highway and roadway improvements	<u>7,204,490</u>
Total restricted net assets	<u><u>\$ 15,513,389</u></u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2013

(13) ACCOUNTING CHANGES AND ACCOUNTING STANDARDS

In June 2011, the GASB issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65 "Items Previously Reported as Assets and Liabilities". Statement No. 63 provides guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. The objective of Statement No. 65 is to either properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or to recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

The implementation of Statement No. 65 resulted in the reclassification of beginning net position of the governmental activities in the government-wide financial statements. The deferred charges for issuance costs were reclassified as an expense of prior periods and resulted in the adjustment below.

	Governmental Activities	Business Type Activities
Net position at September 30, 2012	377,515,193	23,805,596
Change in reporting for deferred charges for debt issuance costs	<u>(487,808)</u>	<u>(199,338)</u>
Net position at September 30, 2012, restated	<u>\$ 377,027,385</u>	<u>\$ 23,606,258</u>

(14) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 28, 2014, the date in which the financial statements were available to be issued.

In December 2013, the City Council revised the retiree health insurance program effective January 1, 2014. The new policy was evaluated by the same actuary who estimated our current OPEB obligation. It was estimated that there would be no significant change in that liability due to this change.

COMBINING FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2013

	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	\$ -	\$ 761,668	\$ 2,615,649	\$ 2,110,718	\$ 1,460,773	\$ 4,822,545	\$ 165,540	\$ 185,532	\$ 296,984	\$ -
Receivables										
Taxes	-	-	-	-	933,016	-	-	-	-	-
Accounts	114,373	34,763	-	-	-	-	31	37	58	140,688
Due from other governments	-	-	82,600	50,047	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 114,373	\$ 796,431	\$ 2,698,249	\$ 2,160,765	\$ 2,393,789	\$ 4,822,545	\$ 165,571	\$ 185,569	\$ 297,042	\$ 140,688
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 67,448	\$ -	\$ 18,176	\$ 8,004	\$ 22,134	\$ -	\$ -	\$ 6,666	\$ -	\$ 24,964
Unearned revenue	-	-	-	-	-	-	20,742	-	-	-
Internal balances	46,925	-	-	-	-	-	-	-	-	115,724
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	114,373	-	18,176	8,004	22,134	-	20,742	6,666	-	140,688
Fund balances										
Restricted	-	796,431	2,680,073	2,152,762	2,371,655	4,822,545	144,830	178,904	297,042	-
Committed	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	796,431	2,680,073	2,152,762	2,371,655	4,822,545	144,830	178,904	297,042	-
Total liabilities and fund balances	\$ 114,373	\$ 796,431	\$ 2,698,249	\$ 2,160,765	\$ 2,393,789	\$ 4,822,545	\$ 165,571	\$ 185,569	\$ 297,042	\$ 140,688

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet - Continued
Non-Major Governmental Funds
September 30, 2013

	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	\$ 127,022	\$ 51,725	\$ 24,505	\$ 182,889	\$ 1,451,974	\$ 227,355	\$ 130,731	\$ 14,615,610	\$ -	\$ 14,615,610
Receivables										
Taxes	-	-	-	-	-	-	-	933,016	-	933,016
Accounts	196	-	-	12,786	-	-	21,089	324,021	203,492	527,513
Due from other governments	-	-	-	-	-	-	-	132,648	-	132,648
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 127,217	\$ 51,725	\$ 24,505	\$ 195,675	\$ 1,451,974	\$ 227,355	\$ 151,820	\$ 16,005,294	\$ 203,492	\$ 16,208,786
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 127,217	\$ -	\$ 849	\$ 18,684	\$ 4,788	\$ 460	\$ 9,125	\$ 308,514	\$ 186,861	\$ 495,374
Unearned revenue	-	-	-	-	-	-	-	20,742	-	20,742
Internal balances	-	-	-	-	-	-	-	162,649	16,631	179,281
Refundable deposits	-	-	-	-	-	-	-	-	-	-
Total liabilities	127,217	-	849	18,684	4,788	460	9,125	491,905	203,492	695,397
Fund balances										
Restricted	-	51,725	23,656	176,991	1,447,186	226,896	142,695	15,513,389	-	15,513,389
Committed	-	-	-	-	-	-	-	-	-	-
Total fund balances	-	51,725	23,656	176,991	1,447,186	226,896	142,695	15,513,389	-	15,513,389
Total liabilities and fund balances	\$ 127,217	\$ 51,725	\$ 24,505	\$ 195,675	\$ 1,451,974	\$ 227,355	\$ 151,820	\$ 16,005,294	\$ 203,492	\$ 16,208,786

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, 2013

	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	-	-	825,506	552,251	933,016	1,836,302	-	-	-	269,340
Fines and forfeits	-	-	-	-	-	-	13,185	193,216	4,063	-
Investment income	-	-	-	-	-	-	1,130	1,426	1,553	-
Rents and royalties	-	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	-	45,111	-	-
Charges for services	1,525,601	416,509	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>1,525,601</u>	<u>416,509</u>	<u>825,506</u>	<u>552,251</u>	<u>933,016</u>	<u>1,836,302</u>	<u>14,315</u>	<u>239,753</u>	<u>5,616</u>	<u>269,340</u>
Expenditures										
Current operations										
General government	-	-	-	-	-	-	-	-	-	61,761
Public safety	2,047,497	-	-	-	-	-	72,843	261,517	-	-
Library	-	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	21,563	-	-	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Total	<u>2,047,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,563</u>	<u>-</u>	<u>72,843</u>	<u>261,517</u>	<u>-</u>	<u>61,761</u>
Capital outlays	-	-	144,250	20,100	182,387	-	-	120,290	-	207,578
Total expenditures	<u>2,047,497</u>	<u>-</u>	<u>144,250</u>	<u>20,100</u>	<u>203,949</u>	<u>-</u>	<u>72,843</u>	<u>381,807</u>	<u>-</u>	<u>269,340</u>
Excess of revenues over (under) expenditures	<u>(521,896)</u>	<u>416,509</u>	<u>681,256</u>	<u>532,151</u>	<u>729,067</u>	<u>1,836,302</u>	<u>(58,528)</u>	<u>(142,054)</u>	<u>5,616</u>	<u>-</u>
Other financing sources (uses)										
Transfers in	508,333	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>508,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(13,563)	416,509	681,256	532,151	729,067	1,836,302	(58,528)	(142,054)	5,616	-
Fund balances, beginning of year	<u>13,563</u>	<u>379,922</u>	<u>1,998,818</u>	<u>1,620,611</u>	<u>1,642,588</u>	<u>2,986,243</u>	<u>203,357</u>	<u>320,958</u>	<u>291,426</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 796,431</u>	<u>\$ 2,680,073</u>	<u>\$ 2,152,762</u>	<u>\$ 2,371,655</u>	<u>\$ 4,822,545</u>	<u>\$ 144,830</u>	<u>\$ 178,904</u>	<u>\$ 297,042</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Continued
Non-Major Governmental Funds
For the year ended September 30, 2013

	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	
Revenues									
Taxes	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	93,418	-	-	149,350	4,659,181	459,768
Fines and forfeits	623,555	-	22,386	-	151,936	202,754	-	1,211,094	-
Investment income	-	-	-	-	-	-	-	4,109	-
Rents and royalties	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	196	-	-	-	-	-	12,937	58,243	-
Charges for services	-	24,369	-	140,110	-	-	761	2,107,350	-
Other	-	-	-	75	50	-	-	125	-
Total revenues	<u>623,750</u>	<u>24,369</u>	<u>22,386</u>	<u>233,603</u>	<u>151,986</u>	<u>202,754</u>	<u>163,048</u>	<u>8,040,103</u>	<u>459,768</u>
Expenditures									
Current operations									
General government	-	-	-	-	-	-	-	61,761	-
Public safety	2,038,824	-	-	-	-	-	343,034	4,763,715	-
Library	-	-	-	-	-	-	42,010	42,010	-
Municipal court	1,191,929	-	12,687	175,134	28,786	4,198	-	1,412,736	-
Sanitation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	-	-	21,563	-
Recreation services	-	-	-	-	-	-	21,288	21,288	-
Health	-	-	-	-	-	-	-	-	-
Total	<u>3,230,753</u>	<u>-</u>	<u>12,687</u>	<u>175,134</u>	<u>28,786</u>	<u>4,198</u>	<u>406,332</u>	<u>6,323,073</u>	<u>-</u>
Capital outlays	-	-	-	-	11,600	-	-	686,205	865,903
Total expenditures	<u>3,230,753</u>	<u>-</u>	<u>12,687</u>	<u>175,134</u>	<u>40,386</u>	<u>4,198</u>	<u>406,332</u>	<u>7,009,278</u>	<u>865,903</u>
Excess of revenues over (under) expenditures	<u>(2,607,003)</u>	<u>24,369</u>	<u>9,698</u>	<u>58,468</u>	<u>111,600</u>	<u>198,556</u>	<u>(243,285)</u>	<u>1,030,825</u>	<u>(406,135)</u>
Other financing sources (uses)									
Transfers in	2,607,003	-	-	-	-	-	334,481	3,449,817	406,135
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,607,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>334,481</u>	<u>3,449,817</u>	<u>406,135</u>
Net change in fund balances	<u>-</u>	<u>24,369</u>	<u>9,698</u>	<u>58,468</u>	<u>111,600</u>	<u>198,556</u>	<u>91,196</u>	<u>4,480,641</u>	<u>-</u>
Fund balances, beginning of year	-	27,356	13,958	118,523	1,335,586	28,340	51,499	11,032,748	-
Fund balances, end of year	<u>\$ -</u>	<u>51,725</u>	<u>\$ 23,656</u>	<u>\$ 176,991</u>	<u>\$ 1,447,186</u>	<u>\$ 226,896</u>	<u>142,695</u>	<u>\$ 15,513,389</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Net Position
Internal Service Funds
September 30, 2013

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Assets					
Current assets:					
Pooled cash and investments	\$ 4,387,964	\$ 830,086	\$ 1,379,756	\$ 1,924,573	\$ 8,522,379
Prepaid items	-	-	31,359	117,585	148,943
Internal balances	-	-	-	-	-
Accounts/stop loss receivable	320	-	6,560	10,262	17,142
Statutory actuarial receivable	-	-	158,541	737,011	895,552
Total current assets	4,388,284	830,086	1,576,216	2,789,430	9,584,016
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	-	-	1,469,890	816,387	2,286,277
Total noncurrent assets	-	-	1,469,890	816,387	2,286,277
Total assets	\$ 4,388,284	\$ 830,086	\$ 3,046,106	\$ 3,605,817	\$ 11,870,293
Liabilities					
Current liabilities:					
General obligation warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	25,177	-	29,160	139,207	193,544
Retainage payable	-	-	-	-	-
Accrued expenses	714,614	20,155	-	-	734,769
Claims payable	-	93,538	300,957	1,068,323	1,462,818
Compensated absences	-	-	-	-	-
Internal balances	-	-	-	-	-
Total current liabilities	739,791	113,693	330,117	1,207,530	2,391,131
Noncurrent liabilities:					
Compensated absences	-	-	-	-	-
Claims payable	-	2,598,480	2,040,173	1,323,138	5,961,791
Total noncurrent liabilities	-	2,598,480	2,040,173	1,323,138	5,961,791
Total liabilities	739,791	2,712,173	2,370,290	2,530,668	8,352,922
Net Position					
Net investment in capital assets	-	-	-	-	-
Unrestricted (deficit)	3,648,493	(1,882,086)	675,816	1,075,150	3,517,372
Total net position	\$ 3,648,493	\$ (1,882,086)	\$ 675,816	\$ 1,075,150	\$ 3,517,372

THE CITY OF HOOVER, ALABAMA
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the year ended September 30, 2013

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property and Casualty	Total
Operating revenues					
Charges for services - internal	\$ 5,495,270	\$ 356,504	\$ 155,198	\$ 685,895	\$ 6,692,867
Participant premiums	1,360,092	125,032	-	-	1,485,124
Late fees	-	3	-	-	3
Stop loss reimbursements	80,388	-	107,314	37,882	225,584
Subrogation recoveries	-	-	2,190	40,198	42,389
Public assistance/school reimbursements	-	-	-	9,808	9,808
Rebates or refunds	166,031	5,422	6,576	426	178,455
Other	-	-	-	-	-
Total operating revenue	<u>7,101,781</u>	<u>486,961</u>	<u>271,278</u>	<u>774,210</u>	<u>8,634,230</u>
Operating expenses					
Costs of services	7,401,349	225,427	374,321	897,058	8,898,156
Administration	-	-	-	-	-
Depreciation	-	-	-	-	-
Total operating expenses	<u>7,401,349</u>	<u>225,427</u>	<u>374,321</u>	<u>897,058</u>	<u>8,898,156</u>
Operating income (loss)	(299,568)	261,534	(103,044)	(122,848)	(263,926)
Non-operating revenues (expenses)					
Actuarial adjustment	-	(579,848)	(67,378)	(116,964)	(764,190)
Investment earnings	-	-	-	-	-
Total non-operating revenues (expenses)	<u>-</u>	<u>(579,848)</u>	<u>(67,378)</u>	<u>(116,964)</u>	<u>(764,190)</u>
Transfers in (out)	-	-	-	-	-
Change in net position	(299,568)	(318,314)	(170,422)	(239,812)	(1,028,116)
Total net position, beginning 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>
Total net position, end of year	<u>\$ 3,648,493</u>	<u>\$ (1,882,086)</u>	<u>\$ 675,816</u>	<u>\$ 1,075,150</u>	<u>\$ 3,517,372</u>

THE CITY OF HOOVER, ALABAMA
Combining Statement of Cash Flows
Internal Service Funds
For the year ended September 30, 2013

	Health Insurance Actives	Health Insurance Retirees	Workers Compensation	Property & Casualty	Total
Cash flows from operating activities					
Cash received from government	\$ 5,495,270	\$ 356,504	\$ 155,198	\$ 685,895	\$ 6,692,867
Cash received from participants	1,360,092	125,035	-	-	1,485,127
Cash received from stop loss reimbursements	80,068	-	123,907	28,340	232,315
Cash received from subrogation	-	-	2,190	40,198	42,389
Cash received from public assistance reimbursements	-	-	-	9,808	9,808
Cash received from rebates/overpayments	166,031	5,422	6,576	426	178,455
Payments to suppliers	(7,057,795)	(218,973)	(355,387)	(862,996)	(8,495,151)
Other cash receipts	-	-	-	-	-
Net cash provided (used) by operating activities	<u>43,666</u>	<u>267,988</u>	<u>(67,516)</u>	<u>(98,328)</u>	<u>145,810</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	43,666	267,988	(67,516)	(98,328)	145,810
Pooled cash and investments, beginning of year	4,344,298	562,098	1,447,273	2,022,901	8,376,570
Pooled cash and investments, end of year	<u>\$ 4,387,964.13</u>	<u>\$ 830,086.41</u>	<u>\$ 1,379,756.31</u>	<u>\$ 1,924,572.50</u>	<u>\$ 8,522,379.35</u>
Reconciliation of operating income to net cash provided by operating activities					
Operating income	\$ (299,568)	\$ 261,534	\$ (103,044)	\$ (122,848)	\$ (263,926)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	-	-	-	-	-
(Increase) decrease in accounts receivable	(320)	-	16,593	(9,542)	6,731
Increase (decrease) in accounts payable and accrued expenses	343,554	6,454	25,907	121,106	497,021
(Increase) decrease in prepaid items	-	-	(6,973)	(87,044)	(94,017)
Total adjustments	<u>343,234</u>	<u>6,454</u>	<u>35,527</u>	<u>24,520</u>	<u>409,736</u>
Net cash provided by operating activities	<u>\$ 43,666</u>	<u>\$ 267,988</u>	<u>\$ (67,516)</u>	<u>\$ (98,328)</u>	<u>\$ 145,810</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, 2013

	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	1,525,601	(24,399)
Other	-	-	-	-
Total revenues	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,525,601</u>	<u>(24,399)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,192,730	2,200,675	2,047,497	153,178
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>2,192,730</u>	<u>2,200,675</u>	<u>2,047,497</u>	<u>153,178</u>
Capital outlays	30,000	22,852	-	22,852
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,222,730</u>	<u>2,223,527</u>	<u>2,047,497</u>	<u>176,030</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(672,730)</u>	<u>(673,527)</u>	<u>(521,896)</u>	<u>151,631</u>
Other financing sources (uses)				
Transfers in	672,730	673,527	508,333	(165,194)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>672,730</u>	<u>673,527</u>	<u>508,333</u>	<u>(165,194)</u>
Net change in fund balances	-	-	(13,563)	(13,563)
Fund balances, beginning of year	<u>13,563</u>	<u>13,563</u>	<u>13,563</u>	<u>-</u>
Fund balances, end of year	<u>\$ 13,563</u>	<u>\$ 13,563</u>	<u>\$ -</u>	<u>\$ (13,563)</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, 2013

	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	400,000	400,000	416,509	16,509
Other	-	-	-	-
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>416,509</u>	<u>16,509</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>400,000</u>	<u>400,000</u>	<u>416,509</u>	<u>16,509</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	400,000	400,000	416,509	16,509
Fund balances, beginning of year	<u>379,922</u>	<u>379,922</u>	<u>379,922</u>	<u>-</u>
Fund balances, end of year	<u>\$ 779,922</u>	<u>\$ 779,922</u>	<u>\$ 796,431</u>	<u>\$ 16,509</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	771,000	771,000	825,506	54,506
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>771,000</u>	<u>771,000</u>	<u>825,506</u>	<u>54,506</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	2,299,737	2,299,737	144,250	2,155,487
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,299,737</u>	<u>2,299,737</u>	<u>144,250</u>	<u>2,155,487</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,528,737)</u>	<u>(1,528,737)</u>	<u>681,256</u>	<u>2,209,993</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	(1,528,737)	(1,528,737)	681,256	2,209,993
Fund balances, beginning of year	<u>1,998,818</u>	<u>1,998,818</u>	<u>1,998,818</u>	<u>-</u>
Fund balances, end of year	<u>\$ 470,081</u>	<u>\$ 470,081</u>	<u>\$ 2,680,073</u>	<u>\$ 2,209,993</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	500,000	500,000	552,251	52,251
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>552,251</u>	<u>52,251</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	435,562	435,562	20,100	415,462
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>435,562</u>	<u>435,562</u>	<u>20,100</u>	<u>415,462</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,438</u>	<u>64,438</u>	<u>532,151</u>	<u>467,713</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	64,438	64,438	532,151	467,713
Fund balances, beginning of year	<u>1,620,611</u>	<u>1,620,611</u>	<u>1,620,611</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,685,049</u>	<u>\$ 1,685,049</u>	<u>\$ 2,152,762</u>	<u>\$ 467,713</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	975,000	975,000	933,016	(41,984)
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>933,016</u>	<u>(41,984)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	82,287	82,287	21,563	60,725
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>82,287</u>	<u>82,287</u>	<u>21,563</u>	<u>60,725</u>
Capital outlays	975,000	975,000	182,387	792,613
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,057,287</u>	<u>1,057,287</u>	<u>203,949</u>	<u>853,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(82,287)</u>	<u>(82,287)</u>	<u>729,067</u>	<u>811,354</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	(82,287)	(82,287)	729,067	811,354
Fund balances, beginning of year	<u>1,642,588</u>	<u>1,642,588</u>	<u>1,642,588</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,560,301</u>	<u>\$ 1,560,301</u>	<u>\$ 2,371,655</u>	<u>\$ 811,354</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	550,000	550,000	1,836,302	1,286,302
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>1,836,302</u>	<u>1,286,302</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	13,404	13,404	-	13,404
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>13,404</u>	<u>13,404</u>	<u>-</u>	<u>13,404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>536,596</u>	<u>536,596</u>	<u>1,836,302</u>	<u>1,299,706</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	536,596	536,596	1,836,302	1,299,706
Fund balances, beginning of year	<u>2,986,243</u>	<u>2,986,243</u>	<u>2,986,243</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,522,839</u>	<u>\$ 3,522,839</u>	<u>\$ 4,822,545</u>	<u>\$ 1,299,706</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
State Forfeiture
For the year ended September 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	13,185	13,185
Investment income	-	-	1,130	1,130
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>14,315</u>	<u>14,315</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	20,000	75,460	72,843	2,617
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>20,000</u>	<u>75,460</u>	<u>72,843</u>	<u>2,617</u>
Capital outlays	-	40	-	40
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>20,000</u>	<u>75,500</u>	<u>72,843</u>	<u>2,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,000)</u>	<u>(75,500)</u>	<u>(58,528)</u>	<u>16,972</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)	(75,500)	(58,528)	16,972
Fund balances, beginning of year	<u>203,357</u>	<u>203,357</u>	<u>203,357</u>	<u>-</u>
Fund balances, end of year	<u>\$ 183,357</u>	<u>\$ 127,857</u>	<u>\$ 144,830</u>	<u>\$ 16,972</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Federal Forfeiture - Department of Justice
For the year ended September 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	193,216	193,216
Investment income	-	-	1,426	1,426
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	45,110	45,111	1
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>45,110</u>	<u>239,753</u>	<u>194,643</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	186,000	267,700	261,517	6,183
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>186,000</u>	<u>267,700</u>	<u>261,517</u>	<u>6,183</u>
Capital outlays	85,800	130,300	120,290	10,010
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>271,800</u>	<u>398,000</u>	<u>381,807</u>	<u>16,193</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(271,800)</u>	<u>(352,890)</u>	<u>(142,054)</u>	<u>210,836</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	(271,800)	(352,890)	(142,054)	210,836
Fund balances, beginning of year	<u>320,958</u>	<u>320,958</u>	<u>320,958</u>	<u>-</u>
Fund balances, end of year	<u>\$ 49,158</u>	<u>\$ (31,932)</u>	<u>\$ 178,904</u>	<u>\$ 210,836</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Federal Forfeiture - Department of Treasury
For the year ended September 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	4,063	4,063
Investment income	-	-	1,553	1,553
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>5,616</u>	<u>5,616</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>5,616</u>	<u>266,616</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)	5,616	266,616
Fund balances, beginning of year	<u>291,426</u>	<u>291,426</u>	<u>291,426</u>	<u>-</u>
Fund balances, end of year	<u>\$ 30,426</u>	<u>\$ 30,426</u>	<u>\$ 297,042</u>	<u>\$ 266,616</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	784,356	784,356	269,340	(515,016)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>784,356</u>	<u>784,356</u>	<u>269,340</u>	<u>(515,016)</u>
Expenditures				
Current operations				
General government	168,044	168,044	61,761	106,283
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>168,044</u>	<u>168,044</u>	<u>61,761</u>	<u>106,283</u>
Capital outlays	616,312	616,312	207,578	408,734
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>784,356</u>	<u>784,356</u>	<u>269,340</u>	<u>515,016</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	882,000	882,000	623,555	(258,445)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	196	196
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>882,000</u>	<u>882,000</u>	<u>623,750</u>	<u>(258,249)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	2,012,139	2,080,259	2,038,824	41,435
Library	-	-	-	-
Municipal court	1,260,727	1,263,844	1,191,929	71,915
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>3,272,866</u>	<u>3,344,103</u>	<u>3,230,753</u>	<u>113,350</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,272,866</u>	<u>3,344,103</u>	<u>3,230,753</u>	<u>113,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,390,866)</u>	<u>(2,462,103)</u>	<u>(2,607,003)</u>	<u>(144,900)</u>
Other financing sources (uses)				
Transfers in	2,390,866	2,462,103	2,607,003	144,900
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>2,390,866</u>	<u>2,462,103</u>	<u>2,607,003</u>	<u>144,900</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
Municipal Court Clerk
For the year ended September 30, 2013

	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	-	-	24,369	24,369
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>24,369</u>	<u>24,369</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>24,369</u>	<u>24,369</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	-	-	24,369	24,369
Fund balances, beginning of year	<u>27,356</u>	<u>27,356</u>	<u>27,356</u>	<u>-</u>
Fund balances, end of year	<u>\$ 27,356</u>	<u>\$ 27,356</u>	<u>\$ 51,725</u>	<u>\$ 24,369</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	38,000	38,000	22,386	(15,615)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>22,386</u>	<u>(15,615)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	30,865	30,865	12,687	18,178
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>30,865</u>	<u>30,865</u>	<u>12,687</u>	<u>18,178</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>30,865</u>	<u>30,865</u>	<u>12,687</u>	<u>18,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,135</u>	<u>7,135</u>	<u>9,698</u>	<u>2,563</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	7,135	7,135	9,698	2,563
Fund balances, beginning of year	<u>13,958</u>	<u>13,958</u>	<u>13,958</u>	<u>-</u>
Fund balances, end of year	<u>\$ 21,093</u>	<u>\$ 21,093</u>	<u>\$ 23,656</u>	<u>\$ 2,563</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	86,074	86,074	93,418	7,344
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	65,000	65,000	140,110	75,110
Other	-	-	75	75
Total revenues	<u>151,074</u>	<u>151,074</u>	<u>233,603</u>	<u>82,529</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	248,498	248,498	175,134	73,364
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>248,498</u>	<u>248,498</u>	<u>175,134</u>	<u>73,364</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>248,498</u>	<u>248,498</u>	<u>175,134</u>	<u>73,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(97,424)</u>	<u>(97,424)</u>	<u>58,468</u>	<u>155,892</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	(97,424)	(97,424)	58,468	155,892
Fund balances, beginning of year	<u>118,523</u>	<u>118,523</u>	<u>118,523</u>	<u>-</u>
Fund balances, end of year	<u>\$ 21,099</u>	<u>\$ 21,099</u>	<u>\$ 176,991</u>	<u>\$ 155,892</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	370,000	370,000	151,936	(218,064)
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	50	50
Total revenues	<u>370,000</u>	<u>370,000</u>	<u>151,986</u>	<u>(218,014)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	329,485	368,905	28,786	340,119
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>329,485</u>	<u>368,905</u>	<u>28,786</u>	<u>340,119</u>
Capital outlays	-	20,580	11,600	8,980
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>329,485</u>	<u>389,485</u>	<u>40,386</u>	<u>349,099</u>
Excess (deficiency) of revenues over (under) expenditures	<u>40,515</u>	<u>(19,485)</u>	<u>111,600</u>	<u>131,085</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	40,515	(19,485)	111,600	131,085
Fund balances, beginning of year	<u>1,335,586</u>	<u>1,335,586</u>	<u>1,335,586</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,376,101</u>	<u>\$ 1,316,101</u>	<u>\$ 1,447,186</u>	<u>\$ 131,085</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	202,754	202,754
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>202,754</u>	<u>202,754</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	6,800	4,198	2,602
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>6,800</u>	<u>4,198</u>	<u>2,602</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>6,800</u>	<u>4,198</u>	<u>2,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(6,800)</u>	<u>198,556</u>	<u>205,356</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	-	(6,800)	198,556	205,356
Fund balances, beginning of year	<u>28,340</u>	<u>28,340</u>	<u>28,340</u>	<u>-</u>
Fund balances, end of year	<u>\$ 28,340</u>	<u>\$ 21,540</u>	<u>\$ 226,896</u>	<u>\$ 205,356</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	23,838	96,255	149,350	53,095
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	21,577	12,937	(8,640)
Charges for services	-	-	761	761
Other	-	-	-	-
Total revenues	<u>23,838</u>	<u>117,832</u>	<u>163,048</u>	<u>45,216</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	485,943	580,120	343,034	237,086
Library	-	42,010	42,010	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	23,542	24,242	21,288	2,954
Health	-	-	-	-
Total	<u>509,485</u>	<u>646,372</u>	<u>406,332</u>	<u>240,040</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>509,485</u>	<u>646,372</u>	<u>406,332</u>	<u>240,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(485,647)</u>	<u>(528,540)</u>	<u>(243,285)</u>	<u>285,255</u>
Other financing sources (uses)				
Transfers in	470,278	511,749	334,481	(177,268)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>470,278</u>	<u>511,749</u>	<u>334,481</u>	<u>(177,268)</u>
Net change in fund balances	(15,369)	(16,791)	91,196	107,987
Fund balances, beginning of year	<u>51,499</u>	<u>51,499</u>	<u>51,499</u>	<u>-</u>
Fund balances, end of year	<u>\$ 36,130</u>	<u>\$ 34,708</u>	<u>\$ 142,695</u>	<u>\$ 107,987</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, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	25,432,665	28,570,665	459,768	(28,110,897)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>25,432,665</u>	<u>28,570,665</u>	<u>459,768</u>	<u>(28,110,897)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	80,000	80,000	-	80,000
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>80,000</u>	<u>80,000</u>	<u>-</u>	<u>80,000</u>
Capital outlays	25,352,665	28,896,801	865,903	28,030,898
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>25,432,665</u>	<u>28,976,801</u>	<u>865,903</u>	<u>28,110,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(406,136)</u>	<u>(406,135)</u>	<u>1</u>
Other financing sources (uses)				
Transfers in	-	406,136	406,135	(1)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>406,136</u>	<u>406,135</u>	<u>(1)</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
Capital Projects Fund
For the year ended September 30, 2013

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	-	-	-	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	20,000	20,000	-	(20,000)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	1,820,000	1,820,000	66,135	(1,753,865)
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>1,840,000</u>	<u>1,840,000</u>	<u>66,135</u>	<u>(1,773,865)</u>
Expenditures				
Current operations				
General government	848,222	1,073,185	239,122	834,063
Public safety	1,102,707	1,164,354	528,431	635,923
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	163,679	113,679	34,084	79,595
Recreation services	138,000	230,700	119,980	110,720
Health	-	-	-	-
Total	<u>2,252,608</u>	<u>2,581,918</u>	<u>921,617</u>	<u>1,660,301</u>
Capital outlays	19,285,915	20,191,108	7,254,608	12,936,500
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>21,538,523</u>	<u>22,773,026</u>	<u>8,176,225</u>	<u>14,596,801</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,698,523)</u>	<u>(20,933,026)</u>	<u>(8,110,090)</u>	<u>12,822,936</u>
Other financing sources (uses)				
Transfers in	900,000	9,060,948	8,659,018	(401,930)
Transfers out	(1,654,695)	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>(754,695)</u>	<u>9,060,948</u>	<u>8,659,018</u>	<u>(401,930)</u>
Special Items				
Proceeds from the sale of land	-	-	-	-
Net change in fund balances	(20,453,218)	(11,872,078)	548,929	12,421,006
Fund balances, beginning of year	<u>24,975,201</u>	<u>24,975,201</u>	<u>24,975,201</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,521,983</u>	<u>\$ 13,103,123</u>	<u>\$ 25,524,130</u>	<u>\$ 12,421,007</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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	¹ \$ 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	\$ 304,515,007
Restricted capital projects	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	15,513,389
Unrestricted (deficit)	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	49,629,314
Total governmental activities net position	\$ 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	\$ 369,657,710
Business-type activities										
Net investment in capital assets	\$ 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	\$ 14,548,454
Restricted capital projects	-	-	-	-	-	-	-	-	-	-
Restricted for enabling legislation	-	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(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	6,962,090
Total business-type activities net position	\$ 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	\$ 21,510,544
Primary government										
Net investment in capital assets	\$ 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	\$ 319,063,461
Restricted capital projects	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	15,513,389
Unrestricted (deficit)	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	56,591,404
Total primary government net position	\$ 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	\$ 391,168,255

¹ Fiscal years 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 Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government	\$ 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	\$ 12,848,852
Public safety	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	45,105,811
Library	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	6,566,225
Municipal court	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	1,612,455
Sanitation	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	6,290,465
Education	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	2,000,000
Highway and roadway improvements	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	24,627,788
Recreation services	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	9,557,624
Health	238,379	227,382	253,155	260,070	287,748	268,116	268,098	282,764	292,368	234,855
Interest and fiscal charges	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	3,379,455
Total governmental activities expenses	<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>	<u>112,223,530</u>
Business-type activities:										
Redevelopment	-	-	-	-	-	-	-	-	75,557	9,124
Sewer services	3,189,092	3,225,498	3,613,950	3,297,871	3,637,809	5,259,834	5,779,443	5,870,227	5,668,850	5,728,105
Total business-type activities expenses	<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>	<u>5,737,229</u>
Total primary government expenses	<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>	<u>\$ 117,960,759</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 5,818,193
Public safety	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	4,847,602
Library	217,273	243,539	273,053	311,405	328,096	334,370	378,425	380,718	411,500	363,621
Municipal court	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	2,280,864
Sanitation	5,700	6,450	6,300	6,450	7,200	7,350	7,050	6,825	7,556	7,800
Highway and roadway improvements	12,170	-	40,095	-	170,904	118,153	150,419	195,188	144,167	120,796
Recreation services	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	1,571,631
Health	-	-	-	-	150	-	1,000	1,000	4,095	3,550
Operating grants and contributions	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	3,620,721
Capital grants and contributions	384,234	234,974	103,719	3,170,596	2,720,341	1,447,809	15,333,481	11,347,086	2,814,007	499,703
Total governmental activities program revenues	<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>	<u>19,134,481</u>
Business-type activities:										
Charges for services:										
Sewer services	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	3,729,376
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	5,200	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<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>	<u>3,729,376</u>
Total primary government program revenues	<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>	<u>\$ 22,863,857</u>

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Continued										
Net (expense)/revenue										
Governmental activities	\$ (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)	\$ (93,089,048)
Business-type activities	870,506	1,116,073	1,653,495	585,227	985,802	(1,335,323)	(1,728,757)	(1,674,241)	(1,983,973)	(2,007,853)
Total primary government net expense	<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>	<u>\$ (95,096,901)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Sales and use taxes	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	61,607,730
Property taxes	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	10,022,691
Franchise taxes	669,243	665,780	704,528	759,067	799,548	845,086	905,611	956,823	1,049,546	1,130,533
Gross receipts taxes	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	5,601,293
Other taxes	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	4,332,999
Intergovernmental shared revenues	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	3,923,181
Investment earnings	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	(1,254,273)
Other revenue	209,333	321,894	311,014	394,835	195,698	145,068	175,059	573,346	306,235	205,346
Gain (loss) on sale of assets	¹ -	4,986	282,527	(128,757)	89,151	(85,987)	-	-	121,729	149,871
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>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>	<u>85,719,373</u>
Business-type activities:										
Investment earnings	-	-	-	196,707	159,212	24,335	8,352	11,650	24,387	35,234
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	(123,095)
Other revenues	-	21	-	-	10	-	-	6,789	751	-
Total business-type activities	<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>	<u>(87,861)</u>
Transfers:										
Governmental activities	-	-	-	-	-	-	-	(2,999,952)	-	-
Business-type activities	-	-	-	-	-	-	-	2,999,952	-	-
Total transfers	<u>-</u>									
Total primary government	<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>	<u>\$ 85,631,513</u>
Change in Net Position										
Governmental activities	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	(7,369,675)
Business-type activities	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)	(2,095,714)
Total primary government	<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>	<u>(9,465,389)</u>

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Pre GASB Statement No. 54:										
General fund										
Reserved for non-current receivable	\$ 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 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>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	4,387,930	4,434,302	4,190,334	4,408,972	3,995,447	5,587,016	8,016,726			
Capital projects funds	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>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>\$ 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	\$ 282,003
Assigned								833,837	649,938	1,048,088
Unassigned								<u>30,335,830</u>	<u>30,615,882</u>	<u>30,369,909</u>
Total general fund								<u>31,500,000</u>	<u>31,600,000</u>	<u>31,700,000</u>
All other governmental funds										
Restricted								\$ 9,999,397	\$ 11,032,748	\$ 15,513,389
Committed								¹ 20,705,474	24,975,201	25,524,130
Total general fund								<u>30,704,871</u>	<u>36,007,949</u>	<u>41,037,519</u>
Total all governmental funds								<u>\$ 62,204,871</u>	<u>\$ 67,607,950</u>	<u>\$ 72,737,519</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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 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	\$ 82,695,247
Licenses and permits	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	7,736,743
Intergovernmental	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	6,683,614
Fines and forfeits	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	2,520,752
Investment income	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	(1,250,044)
Rents and royalties	375,860	442,924	517,281	700,954	867,877	815,932	879,945	915,600	1,004,765	974,756
Contributions and reimbursements	758,743	397,747	874,490	978,704	1,518,762	3,702,758	1,061,255	1,078,960	1,283,304	1,331,676
Charges for services	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	3,776,945
Other	209,312	432,568	692,757	410,956	320,355	212,088	216,739	713,180	812,835	549,904
Total revenues	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	105,019,593
Expenditures										
General government	\$ 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	\$ 11,341,615
Public safety	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	42,276,810
Library	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	6,225,160
Municipal court	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	1,593,864
Sanitation	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	6,290,465
Education	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	2,000,000
Highway and roadway improvements	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	4,259,678
Recreation services	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	8,012,244
Health	205,191	220,172	239,925	252,973	281,702	256,706	262,444	279,050	288,451	272,476
Capital outlays	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	9,216,373
Debt service										
Principal	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	5,970,000
Interest	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	3,087,983
Issuance costs	-	299,814	-	-	-	-	-	538,697	-	134,710
Fiscal agent fees	4,800	6,817	3,899	5,010	4,900	4,900	3,950	2,200	2,447	2,200
Total expenditures	99,144,778	80,832,716	96,917,512	106,833,852	113,275,882	99,253,477	92,281,706	98,209,812	100,751,870	100,683,579
Excess of revenues over (under) expenditures	(12,906,735)	11,808,439	2,584,321	(2,611,596)	(11,281,324)	(1,263,021)	5,602,492	1,810,616	4,403,079	4,336,014
Other financing sources (uses)										
Transfers in	-	25,603,806	27,902,907	31,159,272	27,599,752	25,383,211	28,097,325	32,356,880	33,666,195	33,684,255
Transfers out	-	(25,603,806)	(27,902,907)	(31,159,272)	(27,599,752)	(25,383,211)	(28,097,325)	(35,356,832)	(33,666,195)	(33,684,255)
Refunding bonds issued	-	29,165,000	-	-	-	-	-	58,510,000	-	11,280,000
Premium on bonds issued	-	1,934,793	-	-	-	-	-	6,276,046	-	70,801
Payment to bond refunding escrow agent	-	(30,787,042)	-	-	-	-	-	(60,620,613)	-	(10,557,245)
Discount on refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	312,751	-	-	-	-	-	1,165,481	-	793,556
Special items	-	(6,116,046)	(249,303)	(72,877)	-	-	-	-	1,000,000	-
Net changes in fund balances	\$ (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	\$ 5,129,570
Debt service as a percentage of noncapital expenditures	12.05%	12.24%	10.73%	9.97%	9.32%	9.64%	9.89%	9.82%	9.93%	9.58%

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
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
2013	61,607,730	9,030,123	992,568	-	881,328	6,731,826	3,451,671	82,695,247

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Merchandise Retail ¹	\$ 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	\$ 44,037,206
Auto Dealers and Supplies ¹	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	5,033,352
Grocery Stores ¹	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	3,351,461
Restaurants ¹	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	5,267,461
Home Furnishings & Appliances ¹	573,077	620,941	650,690	652,320	622,272	585,003	602,310	621,536	665,752	677,685
Pharmacy ¹	364,685	395,145	414,075	415,113	395,991	372,274	383,288	395,523	423,661	431,254
Other Sales ¹	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	2,809,312
Total	\$ 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	\$ 61,607,730

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>
	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%
	2013	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>
	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%
	2013	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>
	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%
	2013	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>
	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%
	2013	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	
	2013	2004
	Rank	Rank
Costco	1	6
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	
Home Depot (Galleria)	10	8
Best Buy		10
Macy's (Galleria/Rich's)		5
Long Lewis Ford		7
Lowe's (Valleydale)		9
Total Sales and Use Taxes - Principal Payers	26.52%	29.15%

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	
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%
2013	852,887,416	6,496,990,359	72,467,760	346,693,235	38,091,900	94,076,603	963,447,076	6,937,760,197	13.89%

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	
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%
2013	516,839,960	3,948,931,600	38,322,240	191,011,200	6,346,240	21,154,133	561,508,440	4,161,096,933	13.49%

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		
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
2013	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 Total		
2004	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	6.65
2005	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	6.65
2006	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	6.65
2007	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	6.65
2008	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	6.65
2009	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	6.65
2010	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	6.65
2011	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	6.65
2012	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	6.65
2013	0.65	2.40	3.05	0.75	1.60	0.60	2.95	0.65	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>Estimated 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>
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
2013	5,716,167	5,657,085	98.97	6,584	5,663,669	99.08

Shelby County:

<u>Fiscal Year</u>	<u>Estimated 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>
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
2013	* 3,352,729	3,362,990	100.31	3,464	3,366,454	100.41

* 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>
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
2013	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>						
2004	\$ 111,280,000	\$ 15,800,000	\$ 127,080,000	\$ 2,425,547,260	5.24%	70,060	²	1,814
2005	108,500,000	15,090,000	123,590,000	2,577,231,522	4.80%	71,151	²	1,737
2006	103,915,000	14,360,000	118,275,000	2,795,909,685	4.23%	73,505	²	1,609
2007	99,245,000	13,600,000	112,845,000	3,088,210,911	3.65%	79,041	²	1,428
2008	94,440,000	30,815,000	125,255,000	3,224,451,653	3.88%	80,933	²	1,548
2009	89,420,000	29,995,000	119,415,000	3,082,881,168	3.87%	81,616	²	1,463
2010	84,370,000	29,145,000	113,515,000	3,159,063,395	3.59%	81,619	¹	1,391
2011	80,265,000	28,260,000	108,525,000	3,370,134,561	3.22%	83,649	¹	1,297
2012	74,505,000	27,345,000	101,850,000	3,537,580,500	2.88%	84,530	¹	1,205
2013	69,705,000	26,915,000	96,620,000	3,567,670,650	2.71%	85,249	¹	1,133

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>
2004	\$ 111,280,000	\$ 7,377,998,232	1.51%	70,060	1,588
2005	108,500,000	7,775,328,552	1.40%	71,151	1,525
2006	103,915,000	8,742,721,222	1.19%	73,505	1,414
2007	99,245,000	9,519,857,668	1.04%	79,401	1,250
2008	94,440,000	10,825,824,525	0.87%	80,933	1,167
2009	89,420,000	11,149,757,113	0.80%	81,616	1,096
2010	84,370,000	11,400,225,463	0.74%	81,619	1,034
2011	80,265,000	11,280,780,989	0.71%	83,649	960
2012	74,505,000	11,241,325,159	0.66%	84,530	881
2013	69,705,000	11,098,857,130	0.63%	85,249	818

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, 2013

	<u>Total Debt Outstanding</u>	<u>Estimated Percentage Applicable to City of Hoover</u> ¹	<u>Amount Applicable to City of Hoover</u>
Direct Debt:			
City of Hoover	\$ 69,705,000	100.00%	\$ 69,705,000
Total direct debt	<u>69,705,000</u>		<u>69,705,000</u>
Overlapping Debt:			
Hoover City Board of Education	184,415,000	100.00%	184,415,000
Jefferson County	200,520,000	9.75%	19,553,576
Jefferson County Board of Education	89,149,790	9.75%	8,693,383
Shelby County	-	19.00%	-
Shelby County Board of Education	<u>212,429,854</u>	19.00%	<u>40,351,117</u>
Total overlapping debt	<u>686,514,644</u>		<u>253,013,077</u>
Total direct and overlapping debt	<u>\$ 756,219,644</u>		<u>\$ 322,718,077</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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 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	\$ 337,471,663
Total net debt applicable to limit	<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>	<u>69,705,000</u>
Legal debt margin	<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>	<u>\$ 267,766,663</u>
Total net debt applicable to the limit as a percentage of debt limit	46.18%	42.59%	37.24%	32.19%	28.19%	25.76%	24.63%	23.66%	21.87%	20.66%

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed value of property:	1	
Jefferson County		\$ 1,061,192,836
Shelby County		<u>626,165,480</u>
Total assessed value of property		1,687,358,316
Debt limit - 20 percent of total assessed value		337,471,663
Debt applicable to limit:		
General obligation warrants		<u>69,705,000</u>
Legal debt margin		<u>\$ 267,766,663</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 \$162,402,800 (Jefferson County - \$97,745,760 and Shelby County - \$64,657,040).
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
2004	70,060 ²	2,425,547,260	34,621	11,163	2.3%
2005	71,151 ²	2,577,231,522	36,222	11,771	2.3%
2006	73,505 ²	2,795,909,685	38,037	12,036	2.1%
2007	79,041 ²	3,088,210,911	39,071	12,400	2.1%
2008	80,933 ²	3,224,451,653	39,841	12,538	2.9%
2009	81,616 ¹	3,082,881,168	37,773	12,875	5.8%
2010	81,619 ²	3,159,063,395	38,705	13,099	5.6%
2011	83,649 ²	3,370,134,561	40,289	13,384	5.1%
2012	84,530 ²	3,537,580,500	41,850	13,718	4.2%
2013	85,249 ²	3,567,670,650	41,850	13,884	3.8%

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 2013)

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

Employer	2013			2004		
	Employees ¹	Rank	Percentage of Total City Employment	Employees ¹	Rank	Percentage of Total City Employment
Regions Bank	3,431	1	na	na		
Blue Cross Blue Shield of Alabama	2,858	2				
Hoover Board of Education	1,900	3				
Bellsouth Telecommunications	1,603	4				
Southern Company Services/Southern Nuclear	1,595	5				
B E & K Construction/Engineering	1,178	6				
Wal-mart - 2 locations/Sam's Club - 1 location	970	7				
City of Hoover	735	8				
Cahaba Government Benefit	601	9				
Publix - 4 locations	517	10				
Total top 10	15,388					
Total all employees in the City	¹ na			¹ 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																			
	2004		2005		2006		2007		2008		2009		2010		2011		2012		2013	
	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO	FT	PT TP EO
General government																				
Administration	13	6	13	8	16	8	16	8	16	8	15	8	14	8	14	8	14	8	15	8
Building services	10	0	11	0	12	0	12	0	14	0	16	0	15	0	15	0	15	0	14	0
Development	2	0	2	0	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0
Finance	8	0	8	0	8	0	8	0	8	0	8	0	8	0	8	0	9	0	6	0
Information & Reporting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5	0
Fleet	7	0	7	0	7	0	7	0	7	0	6	0	6	0	6	0	6	0	6	0
Human resources	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0	5	0
Purchasing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	2	0
Revenue	7	0	9	0	10	0	10	0	10	0	10	0	9	0	9	0	8	0	8	0
Technology	8	0	8	0	8	0	8	0	8	0	8	0	8	0	8	0	8	0	6	0
Total general government	60	6	63	8	68	8	68	8	68	8	68	8	65	8	65	8	66	8	67	8
Public safety																				
Police																				
Officers	139	0	143	0	154	0	155	0	157	0	157	0	157	0	157	0	157	0	157	8
Civilians	29	10	35	12	33	12	33	12	33	3	33	2	33	2	35	2	35	2	37	2
Fire																				
Firefighters and officers	149	12	149	12	152	12	152	12	158	12	159	12	160	9	160	9	160	9	160	9
Civilians	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Homeland security (officer)	0	0	1	0	1	0	1	0	1	0	0	0	0	0	0	0	0	0	0	0
Communications/dispatch																				
Officers	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Civilians	26	0	27	0	27	1	27	0	27	0	27	0	27	0	27	0	27	0	27	0
Inspection services	19	0	19	0	21	0	21	0	21	0	21	0	18	0	18	0	18	0	18	0
Total public safety	364	22	376	24	390	25	391	24	399	15	399	14	397	11	399	11	399	11	401	19
Library	41	49	42	53	44	56	43	60	44	59	44	59	44	59	44	59	44	59	43	64
Municipal court	10	1	12	1	14	0	14	0	14	0	14	0	14	0	14	0	14	0	15	1
Highway and roadway																				
Engineering and horticulture	5	0	5	0	5	0	5	0	5	0	6	0	5	0	5	0	6	0	6	0
Public works	33	0	34	0	35	0	35	0	33	0	31	0	30	0	30	0	30	0	30	0
Total highway and roadway	38	0	39	0	40	0	40	0	38	0	37	0	35	0	35	0	36	0	36	0
Recreation services																				
Recreation & Senior center	18	35	19	33	21	34	23	33	23	32	24	32	24	32	20	32	20	32	20	33
Park maintenance	36	6	36	6	36	6	36	6	36	6	36	6	37	6	37	6	37	6	39	6
Total recreation services	54	41	55	39	57	40	59	39	59	38	60	38	61	38	57	38	57	38	59	39
Health																				
Animal control	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0	0	0
Total health	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0	2	0	0	0
Sewer	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0	1	0
Total approved positions	570	119	590	125	616	129	618	131	625	120	625	119	619	116	617	116	619	116	622	131

Note: FT = full-time, PT = part-time, TP = temporary/seasonal, and EO = elected official

¹ Changes from FY 2012 to FY 2013 are as follows:

General gov: Added Admin Asst Sr (0355), Move Purchasing Spec from Finance to Purchasing, Deleted Custodian FT, Added GIS Tech FT, Created new Info & Reporting Dept (moved 2 from Finance, 2 from Technology)

Public safety: Added 8 TP Police Officer Reserves, Moved 2 Animal Control Officers from Health to Police

Municipal court: Added Admin Clerk PT, Added 1 Court Referral Officer FT

Library: Deleted Lib Specialist FT, Added 2 Lib Asst PT, Added 2 Lib Asst PT - Hub, Added 1 Lib Asst PT - Plaza, Deleted 1 Lib Page PT, Deleted Lib Oper Sup FT, Added 1 Admin Asst FT, Added 1 Theatre Prod Tech Sr PT

Recreation services: Added 1 Admin Asst PT, Added 2 Stad Oper Spec FT

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

		Fiscal Year									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function											
General Government											
Employees hired	⁷	79	122	116	80	96	79	86	74	77	108
Business licenses issued	⁸	8,736	8,970	9,168	9,469	9,461	9,246	9,252	9,329	9,401	9,488
Public safety:											
Police											
Arrests (adults only)	³	2,625	3,058	3,118	3,205	3,507	4,241	3,976	3,625	3,329	3,621
Fire											
Number of calls:	⁶										
Emergency medical services		na	5,019	5,605	5,786	5,716	5,955	6,146	6,171	6,296	6,309
Fire		na	1,513	1,436	1,397	1,527	1,296	1,480	1,355	1,407	1,262
Service/other		na	1,251	1,226	1,397	1,450	1,715	2,034	2,047	1,690	1,530
Total fire calls			7,783	8,267	8,580	8,693	8,966	9,660	9,573	9,393	9,101
Inspections											
Building permits issued		2,062	1,873	1,951	1,754	1,611	1,368	1,748	1,832	1,976	1,698
Library											
Materials checked out	⁹	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	1,537,483
Municipal court											
Non-traffic court cases	⁵	2,471	2,826	3,086	3,404	3,533	3,911	3,544	3,072	2,788	3,213
Traffic cases	⁵	7,935	12,692	17,566	16,992	19,429	25,063	17,583	13,800	16,995	13,142
Adjudicated cases	⁵	9,359	12,805	18,577	19,526	21,075	28,143	21,508	15,827	16,341	15,679
Failure to appear warrants	⁵	2,273	3,399	5,096	5,338	5,191	5,856	4,609	3,507	3,456	3,494
Other warrants	⁵	3,252	4,264	5,959	6,198	3,304	2,036	1,413	939	679	1,156
Sanitation											
Single homes:											
Regular garbage service	⁴	na	20,448	21,279	21,883	22,400	22,680	23,074	23,434	23,757	23,992
Backdoor garbage service		na	50	50	50	50	50	50	58	65	84
Recreation services											
Average daily recreation center visits	²	484	441	494	527	579	634	666	682	600	613
Sewer											
Average daily flow (gallons per day):											
Inverness	¹⁰	852,000	795,000	963,000	872,000	920,000	926,000	802,000	946,000	995,000	990,000
Riverchase	¹⁰	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	1,278,000

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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General government										
Vehicles	na	na	33	38	38	38	38	38	39	38
Public safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	3	3	3	4	4	4	4	4	4	4
Vehicles	na	na	196	211	211	211	211	215	256	260
Fire:										
Fire stations	8	8	8	8	8	9	9	9	9	9
Vehicles	na	na	50	49	49	51	52	53	65	61
Other public safety:										
Vehicles	na	na	18	21	21	19	15	15	13	13
Library										
Vehicles	na	na	2	2	2	2	2	2	2	2
Municipal Court										
Vehicles	na	na	4	4	4	4	4	4	4	4
Highway and roadways										
Streets (miles) ¹	307	307	334	323	293	293	306	306	306	306
Streetlights	na	na	495	490	490	490	492	492	504	504
Traffic signals & flashers:										
Jefferson County	na	66	66	69	69	74	75	75	78	78
Shelby County	na	30	30	30	30	30	30	30	30	30
Vehicles	na	na	49	55	55	56	56	57	61	56
Recreation services										
Lakes ²	na	na	6	6	6	6	6	6	6	8
Acres ²	na	na	na	na	24	24	24	24	24.25	34.65
Parks ²	na	21	22	22	23	23	23	23	25	28
Acres ²	na	na	na	na	837	837	837	837	1,012.50	1,054.50
Vehicles	na	na	36	39	39	39	40	40	46	43
Health										
Vehicles	na	na	3	3	3	3	3	3	3	0
Sewer										
Sanitary sewer miles		86	86	86	86	89	89	95	95	95
Vehicles	na	na	1	1	1	1	1	3	1	1

na - not available

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

² Source: Risk management

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 2013

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)
2013	85,249	(B)

Estimated number of housing units:

Owner occupied (townhomes or single family detached)	24,724	(B)
Renter occupied (multi-family or group quarters)	<u>11,530</u>	(B)
Total	<u><u>36,254</u></u>	(B)

Public Schools (Established August 29, 1988):

Buildings:		
High Schools	2	(C)
Intermediate 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