

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2005

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, 2005

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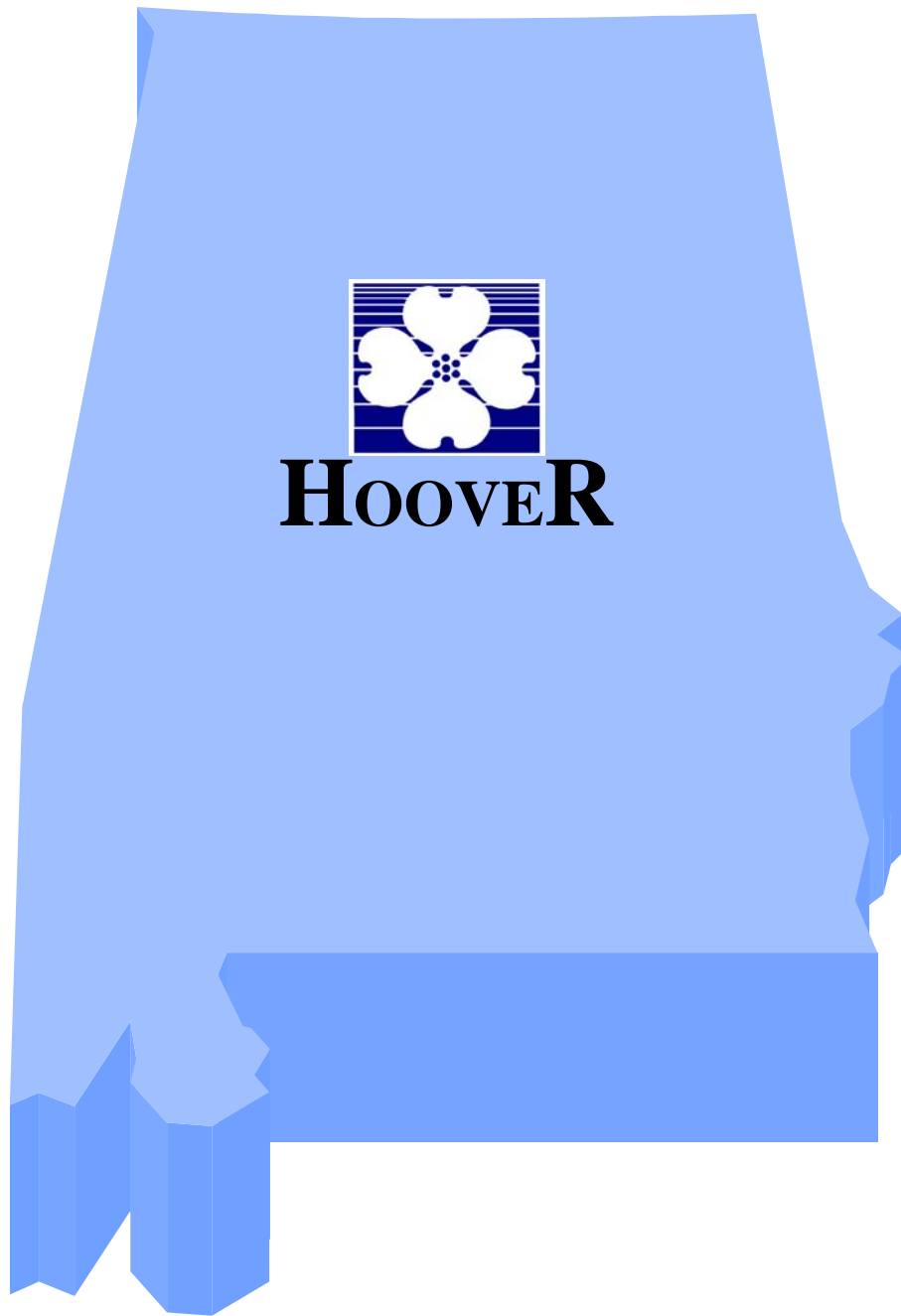
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INTRODUCTORY SECTION

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The City of Hoover has a population of 71,151 and is located in north-central Alabama within the Birmingham/Hoover metropolitan statistical area. Hoover occupies approximately 41.24 square miles within Jefferson and Shelby counties.

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**Mayor's Office
City of Hoover**

Tony Petelos
Mayor

March 30, 2006

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, 2005, 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 Hullett, Kellum, & McKinney, P.C. 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 Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical.

The INTRODUCTORY section includes the table of contents, this letter of transmittal, an organizational chart and a list of the elected officials.

The FINANCIAL section includes the independent auditor's report, the Management Discussion and Analysis, the Basic Financial Statements, including both Government-wide and Fund financial statements and accompanying Notes to the Financial Statements, Other Required Supplementary Information, and Combining Financial Statements.

The STATISTICAL section includes selected financial and demographic information generally presented on a multi-year comparative basis.

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.

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 five "at large" council members. Beginning with fiscal year 2005, the number of "at large" council members was raised to seven. 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 October 1 in the election year. An election was conducted in the summer of 2004.

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 71,151 today, making it the sixth largest city in the state based on population. Along with this continued population growth, the City now comprises approximately 41.24 square miles. One reason for this growth is that the City's excellent school system continues to draw new residents to the area.

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 the retail hub for the State of Alabama. The Riverchase Galleria is one of the finest mixed-use shopping centers in the Southeast. It is home to more than 200 specialty stores and is anchored by Macy's, Belk's, Parisian, JC Penney, and Sears. The Galleria includes restaurants, a branch of the U.S. Post Office, a five-star hotel, and a 17-story office tower. The City receives about 23% of its sales and use tax revenue from the Galleria.

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

Budget Process and Controls

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

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

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Cash Management

The City utilizes a bank "lock box" system under which the majority of its revenue is sent by the taxpayers directly to its depository. The City also utilizes a "zero balance" checking account under which all deposits go directly into an interest bearing bank public funds investment account. Cash is transferred from the investment account to the checking account on a daily basis to cover issued checks presented for payment. Using this method the City is assured that all funds are invested. The bank public funds investment account interest rate is set at 40 percent of the current prime lending rate. All pooled cash is either insured by the FDIC or collateralized. Collateral is held in the City's name by a third party, usually the Federal Reserve Bank.

Debt Administration

As of September 30, 2005, the City had a number of debt issues outstanding. These issues included general obligation warrants totaling \$108,500,000 for the General Fund, as well as \$15,090,000 in general obligation warrants for the Sewer Enterprise Fund.

Currently, the City's credit rating from Standard and Poor's Corporation and Moody's Investors Service are AA and Aa3, respectively.

ECONOMIC CONDITION

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

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

Local Economy

The Government's financial condition continues to be strong. Overall, the City's total revenue for All Governmental Funds for the fiscal year ending September 30, 2005 increased by 7.42% over the fiscal year ending September 30, 2004.

The following schedule presents a summary of revenues for all Governmental Funds for the fiscal year ended September 30, 2005, with the amount and percentage of increase (decrease) in relation to the fiscal year ended September 30, 2004.

Below revenues are broken down by major categories. Although some individual categories decreased, overall revenues increased by \$6,403,113 or 7.42% over the previous year. The two largest sources of revenue by major category are taxes and licenses and permits, which comprise 85.97% of total revenues. The former increased 7.63% while the latter decreased by 2.88% in FY 2005

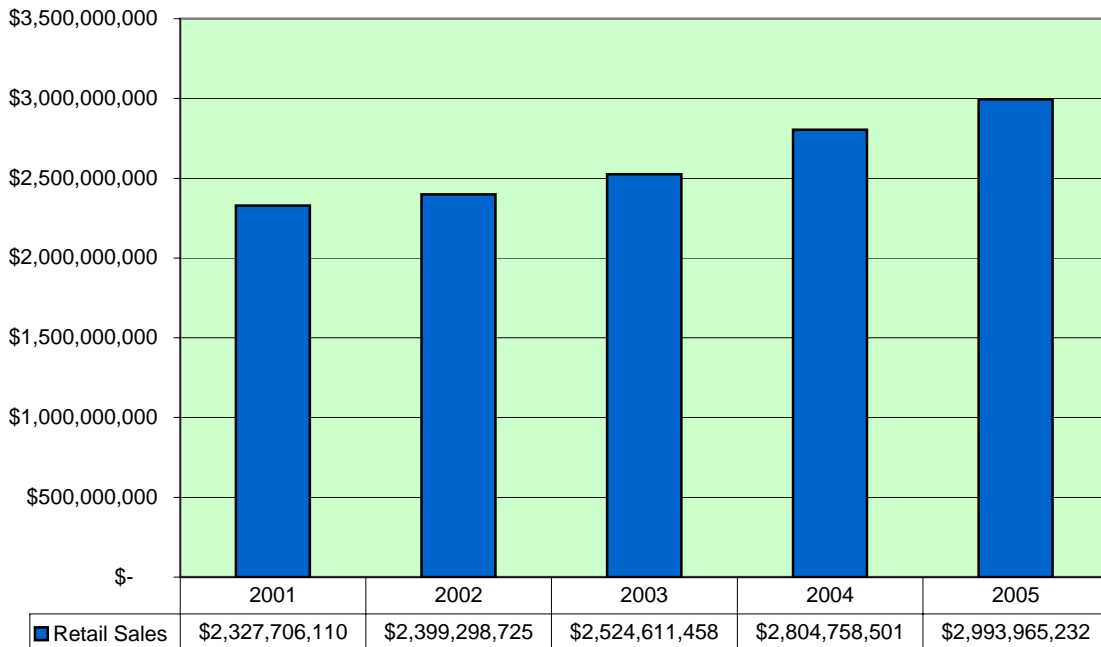
Revenues	FY 2005 Amount	Percent of Total	FY 2004 Amount	Increase (Decrease) From FY 2004	Percent of Increase (Decrease)
Taxes	\$ 71,144,371	76.80 %	\$ 66,101,452	\$ 5,042,920	7.63 %
Licenses and permits	8,498,490	9.17	8,750,751	(252,261)	(2.88)
Intergovernmental	5,474,758	5.91	4,095,296	1,379,462	33.68
Fines and forfeits	2,084,735	2.25	1,881,578	203,157	10.80
Investment income	1,980,059	2.14	1,795,771	184,288	10.26
Charges for services	2,185,504	2.36	2,269,281	(83,777)	(3.69)
Rents and royalties	442,924	0.48	375,860	67,064	17.84
Contributions and reimbursements	397,747	0.43	758,743	(360,996)	(47.58)
Other	432,568	0.47	209,312	223,256	106.66
Total revenues	<u>\$ 92,641,156</u>	<u>100.00 %</u>	<u>\$ 86,238,043</u>	<u>\$ 6,403,113</u>	<u>7.42 %</u>

As shown above, the contributions and reimbursements category had the most decrease in revenue by dollar amount over the previous year. The decrease was 47.58% or \$360,996. Most of this (\$341,105) is attributed to a one time reimbursement of two capital projects from the State of Alabama.

The two largest sources of tax revenue are sales and use tax revenue and property tax revenue. As illustrated below and on the following two pages, both of these sources continue their growth trend as they have over the past ten years. Thus, the local economy for the City of Hoover continues to flourish and remain strong.

Related to sales and use taxes, the City's total retail sales itself increased by \$189,206,731 over the previous year for a total of \$2,993,965,232. This represented a 6.75% increase. Much of this can be attributed to the strength of existing businesses as well as an expansion of the business tax base. The chart below depicts the retail sales growth for the last five years.

**RETAIL SALES
LAST FIVE YEARS**

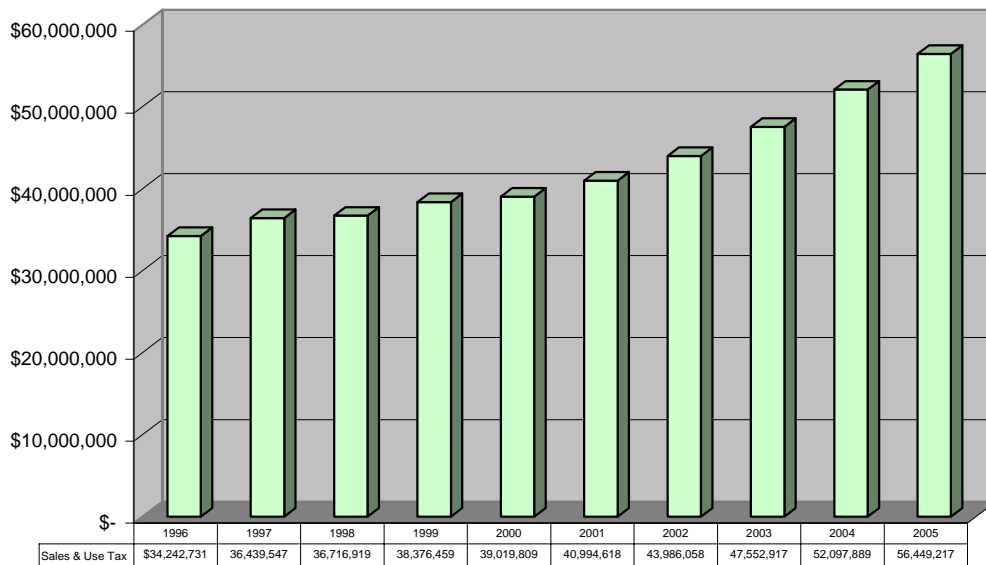


Continued commercial expansion has resulted in greater sales and use tax revenues in each of the past 10 years. The chart and table below depict the past ten years of sales and use tax revenue collected by the City. Because GASB 34 has created a change in financial reporting, numbers for previous years have been adjusted to compare the same sales and use tax revenue as a percentage of All Governmental Fund Types.

<u>Fiscal Year</u>	<u>Sales and Use Tax Revenue</u>	<u>Percent of Increase (Decrease) from Previous Year</u>	<u>Total All Revenue Governmental Fund Types</u>	<u>Percent of Total Revenue</u>
1996	\$ 34,242,731	3.86 %	\$ 51,391,823	66.63 %
1997	36,439,547	6.42	56,008,649	65.06
1998	36,716,919	0.76	57,435,223	63.93
1999	38,376,459	4.52	61,318,205	62.59
2000	39,019,809	1.68	66,801,814	58.41
2001	40,994,618	5.06	68,738,820	59.64
2002	43,986,058	7.30	73,947,095	59.48
2003	47,552,917	8.11	82,072,193	57.94
2004	52,097,889	9.56	86,238,043	60.41
2005	56,449,217	8.35	92,641,156	60.93

City management expects continued steady sales and use tax growth in the future.

**SALES AND USE TAX REVENUE
FY 1996 TO FY 2005**



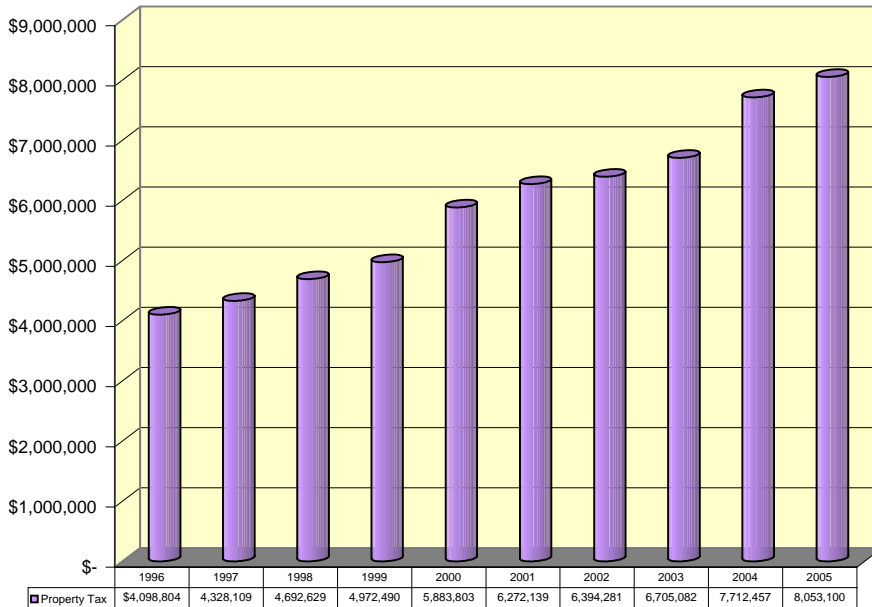
The second largest revenue source for the City is property tax, which comprises 8.69% of total revenues for governmental fund types. A 10 year summary of property tax is as follows:

<u>Fiscal Year</u>	<u>Property Tax Revenue</u>	<u>Percent of Increase (Decrease) from Previous Year</u>	<u>Total All Governmental Fund Types</u>	<u>Percent of Total Revenue</u>
1996	\$ 4,098,804	13.67 %	\$ 51,391,823	7.98 %
1997	4,328,109	5.59	56,008,649	7.73
1998	4,692,629	8.42	57,435,223	8.17
1999	4,972,490	5.96	61,318,205	8.11
2000	5,883,803	18.33	66,801,814	8.81
2001	6,272,139	6.60	68,738,820	9.12
2002 *	6,394,281	1.95	73,947,095	8.65
2003	6,705,082	4.86	82,072,193	8.17
2004	7,712,457	15.02	86,238,043	8.94
2005	8,053,100	4.42	92,641,156	8.69

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

The City's property tax is 6 1/2 mills for general governmental use. Property tax revenue increased 4.42% over FY 2004.

**PROPERTY TAX REVENUE
FY 1996 TO FY 2005**



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.

OTHER INFORMATION

Awards

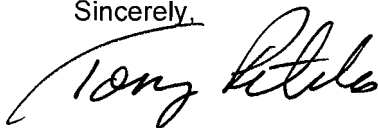
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2004. This was the twenty-third consecutive year that the City has received this 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.

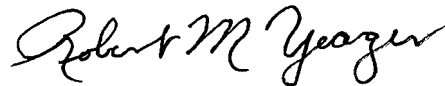
Acknowledgements

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

Sincerely,



Tony Petelos
Mayor



Robert M. Yeager
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Hoover,
Alabama

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2004

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



Nancy L. Zelle

President

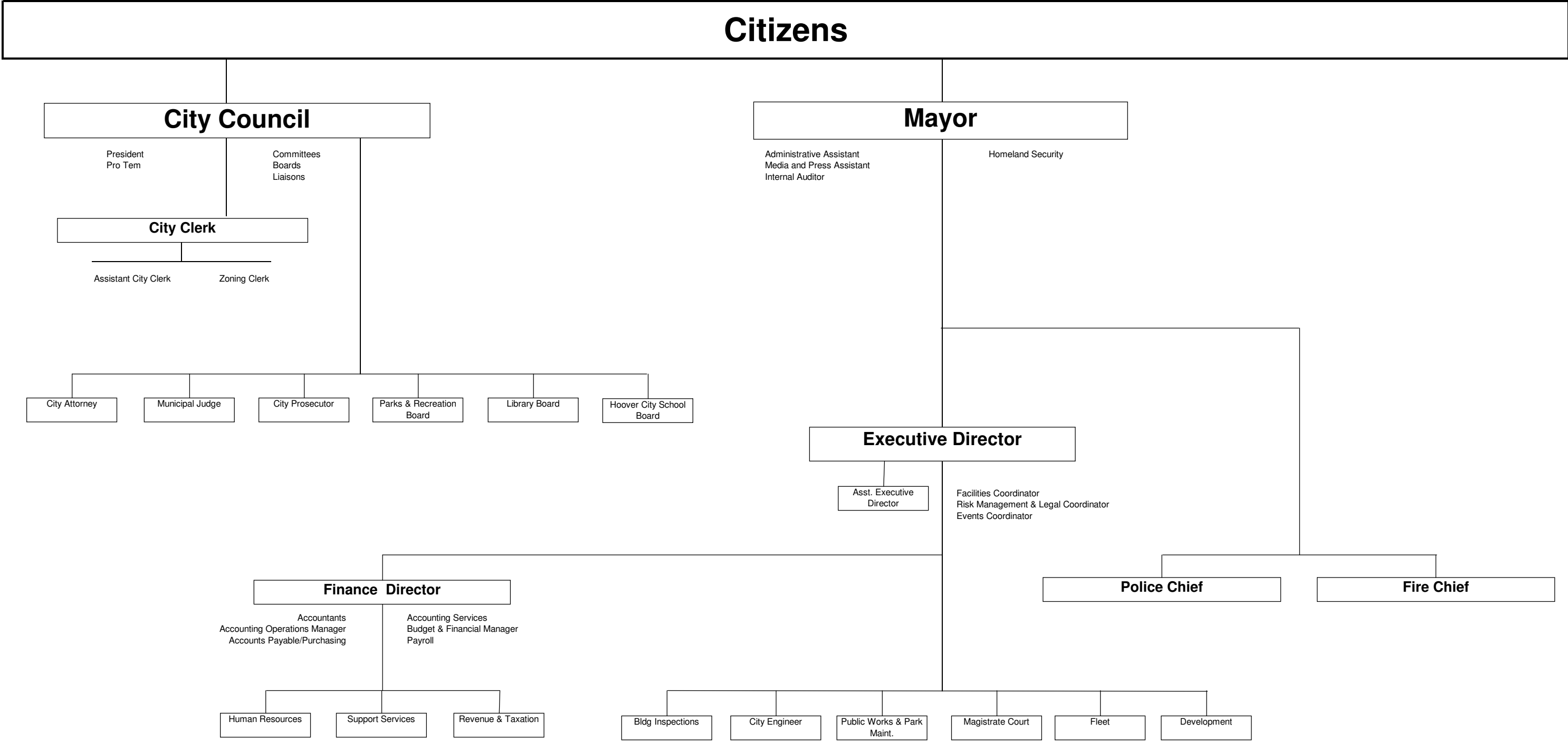
Jeffrey R. Emmer

Executive Director

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THE CITY OF HOOVER, ALABAMA

Organization Chart



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OFFICIALS FOR THE CITY OF HOOVER, ALABAMA

ELECTED OFFICIALS

Mayor	Tony Petelos
Council President	Gary Ivey
Council President Pro Tempore	Jack Wright
Council Member	Trey D. Lott
Council Member	Mari Morrison
Council Member	Mike Natter
Council Member	Brian Skelton
Council Member	Gene Smith

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the City Council
The City of Hoover, Alabama

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hoover, Alabama, (the "City") as of and for the year ended September 30, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of September 30, 2005, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2006 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of the laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

MEMBERS OF

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS - ALABAMA STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

The management's discussion and analysis, schedules for the modified approach, and the budgetary comparison information on pages 19 through 38, 67 through 82, and 89 through 108 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Hullett, Kellum & McKinney PC". The signature is written in a cursive, flowing style.

Hullett, Kellum & McKinney, P.C.

March 2, 2006

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 ending September 30, 2005. 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 39). Since this is the third year for implementation of GASB 34, comparative data is shown.

FINANCIAL HIGHLIGHTS

- The assets of the City of Hoover exceeded its liabilities at the close of the fiscal year ending September 30, 2005, by \$328,284,401. Of this amount, \$31,654,643 is restricted for capital projects and \$29,506,980 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$17,373,980 or 5.59%. A detailed explanation of this increase can be viewed on page 26 of this MD&A.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$66,520,082, an increase of \$6,005,146 in comparison with the prior year. Approximately \$65,811,298 of this total amount is available for spending at the government's discretion (unreserved fund balance).
- Total net assets for governmental activities increased by \$16,257,887, bringing the total to \$304,413,180 for fiscal year 2005. However, \$3,014,418 of this amount resulted from a prior period adjustment to capital assets. Thus, the change in net assets for fiscal year 2005 was \$13,243,469.

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 40-41) are designed to provide readers with an overview of the City's finances in a manner that resembles that of private sector businesses. In these statements, governmental activities and business activities are consolidated into two columns, which are added together for a total for the City as a whole. In order to consolidate the two types of activities, they must both utilize the same measurement focus. Thus, the government-wide statements measure and report all assets (both financial and capital), liabilities, revenues, expenses, gains, and losses using the economic resources

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

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

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

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

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

Fund Financial Statements

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

Governmental Funds

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

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

balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (see page 42 and page 44, respectively). In addition, a more detailed explanation of the balance sheet reconciliation is given in the notes to the financial statement on page 66.

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, the capital projects fund, and the GOW capital projects fund, which are considered to be major funds. Data from the remaining seventeen non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual budgetary comparison schedules later in this report (beginning on page 83).

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 45).

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 one proprietary fund, the Sewer Enterprise Fund. The City of Hoover adopts an annual appropriated budget for this fund 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 49-66).

Other information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information that details the implementation of the modified approach to accounting for its streets and bridges infrastructure assets. With the implementation of GASB Statement No. 34, the City must now report its infrastructure assets. The City opted to adopt the modified approach for its streets and bridges. By using this approach, the City will not depreciate these assets. Thus, for the fiscal year ending 2003, the City conducted a comprehensive inventory and valuation on all of its streets and bridges for the first time. A comprehensive inventory will be done every three years. More detailed information on this approach is available in the Notes to Required Supplementary Information, which begins on page 73.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Assets

The City's total assets on its Statement of Net Assets for fiscal year 2005 totaled \$461,863,113, of which \$422,585,235 or 91.50% was from governmental activities. While there was an increase of \$8,628,759 for assets in governmental activities, the percentage represented was relatively the same in comparison with fiscal year 2004, which was 91.45%.

Business-type activities made up \$39,277,878 or 8.50% of total assets for fiscal year 2005. While there was an increase of \$558,715, likewise, the percentage represented was relatively the same in comparison with fiscal year 2004, which was 8.55%.

As shown in the summary below, noncurrent or capital assets (net of depreciation) comprise 84.01% of total assets, which is a decrease from fiscal year 2004 where the percentage was 84.67%. For fiscal 2005, current assets comprised 15.64% of all assets, an increase from fiscal year 2004 where the percentage was 14.99%. Other assets and long-term receivables make up a small percentage of total assets, .23% and .12%, respectively.

Breakdown of Assets - Statement of Net Assets - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
Current assets	\$ 68,148,067	\$ 70,757,458	\$ (301,577)	\$ 1,483,296	\$ 67,846,490	\$ 72,240,754
Noncurrent assets (capital assets, net of depreciation)	344,478,335	350,413,149	38,800,983	37,588,464	383,279,318	388,001,613
Other assets	649,405	864,647	219,757	206,118	869,162	1,070,765
Long-term receivables	<u>680,670</u>	<u>549,980</u>	<u>-</u>	<u>-</u>	<u>680,670</u>	<u>549,980</u>
Total Assets	<u>\$ 413,956,475</u>	<u>\$ 422,585,235</u>	<u>\$ 38,719,163</u>	<u>\$ 39,277,878</u>	<u>\$ 452,675,638</u>	<u>\$ 461,863,113</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
Current assets	16.46%	16.74%	-0.78%	3.78%	14.99%	15.64%
Noncurrent assets (capital assets, net of depreciation)	83.22%	82.92%	100.21%	95.70%	84.67%	84.01%
Other assets	0.16%	0.20%	0.57%	0.52%	0.19%	0.23%
Long-term receivables	<u>0.16%</u>	<u>0.13%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.15%</u>	<u>0.12%</u>
Total Assets	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
Current assets	100.44%	97.95%	-0.44%	2.05%	100.00%	100.00%
Noncurrent assets (capital assets, net of depreciation)	89.88%	90.31%	10.12%	9.69%	100.00%	100.00%
Other assets	74.72%	80.75%	25.28%	19.25%	100.00%	100.00%
Long-term receivables	<u>100.00%</u>	<u>100.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Total Assets	<u>91.45%</u>	<u>91.50%</u>	<u>8.55%</u>	<u>8.50%</u>	<u>100.00%</u>	<u>100.00%</u>

Liabilities

The City's total liabilities on its Statement of Net Assets totaled \$133,578,712 of which \$118,172,055 or 88.47% was from governmental activities. While there was a decrease of \$7,629,127 for liabilities in governmental activities, the percentage represented was relatively the same in comparison with fiscal year 2004, which was 88.74%.

Business-type activities made up \$15,406,657, or 11.53% of total liabilities for fiscal year 2005. While there was a decrease of \$557,378, likewise, the percentage represented was relatively the same in comparison with fiscal year 2004, which was 11.26%.

As shown in the summary below, long-term liabilities consisting of compensated absences, net bonds/warrants payable, and claims payable comprise 88.89% of total liabilities, with current liabilities comprising 11.11%. The percentage represented was a change from fiscal year 2004, which was 87.63% and 12.37% respectively.

Breakdown of Liabilities - Statement of Net Assets - Actual

Category	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
Current liabilities:						
Accounts payable and accrued liabilities	\$ 8,078,408	\$ 4,785,616	\$ 150,490	\$ 303,467	\$ 8,228,898	\$ 5,089,083
Interest payable	666,429	387,816	-	-	666,429	387,816
Deferred revenue and refundable deposits	235,392	1,740	-	-	235,392	1,740
Bonds and warrants payable	4,220,000	4,585,000	710,000	730,000	4,930,000	5,315,000
Compensated absences	3,463,483	4,032,819	8,692	10,438	3,472,175	4,043,257
Long-term liabilities:						
Compensated absences	2,532,463	2,203,776	4,853	2,752	2,537,316	2,206,528
Bonds and warrants payable, net	105,883,669	101,203,835	15,090,000	14,360,000	120,973,669	115,563,835
Claims payable	721,339	971,453	-	-	721,339	971,453
Total Liabilities	<u>\$ 125,801,182</u>	<u>\$ 118,172,055</u>	<u>\$ 15,964,035</u>	<u>\$ 15,406,657</u>	<u>\$ 141,765,217</u>	<u>\$ 133,578,712</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
Current liabilities:						
Accounts payable and accrued liabilities	6.42%	4.05%	0.94%	1.97%	5.80%	3.81%
Interest payable	0.53%	0.33%	0.00%	0.00%	0.47%	0.29%
Deferred revenue and refundable deposits	0.19%	0.00%	0.00%	0.00%	0.17%	0.00%
Bonds and warrants payable	3.35%	3.88%	4.45%	4.74%	3.48%	3.98%
Compensated absences	2.75%	3.41%	0.05%	0.07%	2.45%	3.03%
Long-term liabilities:						
Compensated absences	2.01%	1.86%	0.03%	0.02%	1.79%	1.65%
Bonds and warrants payable, net	84.17%	85.64%	94.52%	93.21%	85.33%	86.51%
Claims payable	0.57%	0.82%	0.00%	0.00%	0.51%	0.73%
Total Liabilities	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

Category	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
Current liabilities:						
Accounts payable and accrued liabilities	98.17%	94.04%	1.83%	5.96%	100.00%	100.00%
Interest payable	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Deferred revenue and refundable deposits	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%
Bonds and warrants payable	85.60%	86.27%	14.40%	13.73%	100.00%	100.00%
Compensated absences	99.75%	99.74%	0.25%	0.26%	100.00%	100.00%
Long-term liabilities:						
Compensated absences	99.81%	99.88%	0.19%	0.12%	100.00%	100.00%
Bonds and warrants payable, net	87.53%	87.57%	12.47%	12.43%	100.00%	100.00%
Claims payable	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Total Liabilities	<u>88.74%</u>	<u>88.47%</u>	<u>11.26%</u>	<u>11.53%</u>	<u>100.00%</u>	<u>100.00%</u>

Net Assets

The City's entity-wide net assets totaled \$328,284,401. Governmental activities comprised \$304,413,180 or 92.73% of the total net assets for fiscal year 2005. While there was an increase of \$16,257,887 (of which \$3,014,418 was a prior period adjustment) for net assets in governmental activities, the percentage represented was relatively the same in comparison with fiscal year 2004, which was 92.68%.

Business-type activities made up \$23,871,222, or 7.27% of total net assets for fiscal year 2005. While there was an increase of \$1,116,094, likewise, the percentage represented was relatively the same in comparison with fiscal year 2004, which was 7.32%.

The largest portion of the City's assets is restricted. In particular, \$31,654,643, or 9.64% of net assets is restricted for capital projects and \$267,122,778, or 81.37% is invested in capital assets such as buildings, roads, and bridges, less any related debt used to acquire those assets that is still outstanding. Thus, the total percentage of restricted assets totaled 91.01% for fiscal year 2005, as compared with fiscal year 2004 at 91.42%.

At the same time, the City has \$29,506,980 or 8.99% of assets available in unrestricted net assets, which may be used to meet the government's ongoing obligations to citizens and creditors. This increased by \$2,831,918 from fiscal year 2004 to fiscal year 2005.

Summary of Net Assets - Primary Government - Actual

	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
Invested in capital assets, net of related debt	\$ 234,374,666	\$ 244,624,314	\$ 23,000,983	\$ 22,498,465	\$ 257,375,649	\$ 267,122,778
Restricted for capital projects	26,859,710	31,654,643	-	-	26,859,710	31,654,643
Unrestricted	<u>26,920,917</u>	<u>28,134,223</u>	<u>(245,855)</u>	<u>1,372,757</u>	<u>26,675,062</u>	<u>29,506,980</u>
Total net assets	<u>\$ 288,155,293</u>	<u>\$ 304,413,180</u>	<u>\$ 22,755,128</u>	<u>\$ 23,871,222</u>	<u>\$ 310,910,421</u>	<u>\$ 328,284,401</u>

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

	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
Invested in capital assets, net of related debt	81.34%	80.36%	101.08%	94.25%	82.78%	81.37%
Restricted for capital projects	9.32%	10.40%	0.00%	0.00%	8.64%	9.64%
Unrestricted	<u>9.34%</u>	<u>9.24%</u>	<u>-1.08%</u>	<u>5.75%</u>	<u>8.58%</u>	<u>8.99%</u>
Total net assets	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

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

	Governmental Activities		Business-Type Activities		Total	
	2004	2005	2004	2005	2004	2005
Invested in capital assets, net of related debt	91.06%	91.58%	8.94%	8.42%	100.00%	100.00%
Restricted for capital projects	100.00%	100.00%	0.00%	0.00%	100.00%	100.00%
Unrestricted	<u>100.92%</u>	<u>95.35%</u>	<u>-0.92%</u>	<u>4.65%</u>	<u>100.00%</u>	<u>100.00%</u>
Total net assets	<u>92.68%</u>	<u>92.73%</u>	<u>7.32%</u>	<u>7.27%</u>	<u>100.00%</u>	<u>100.00%</u>

As mentioned above, the largest portion of the City's net assets (81.37%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens. Thus, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Statement of Activities

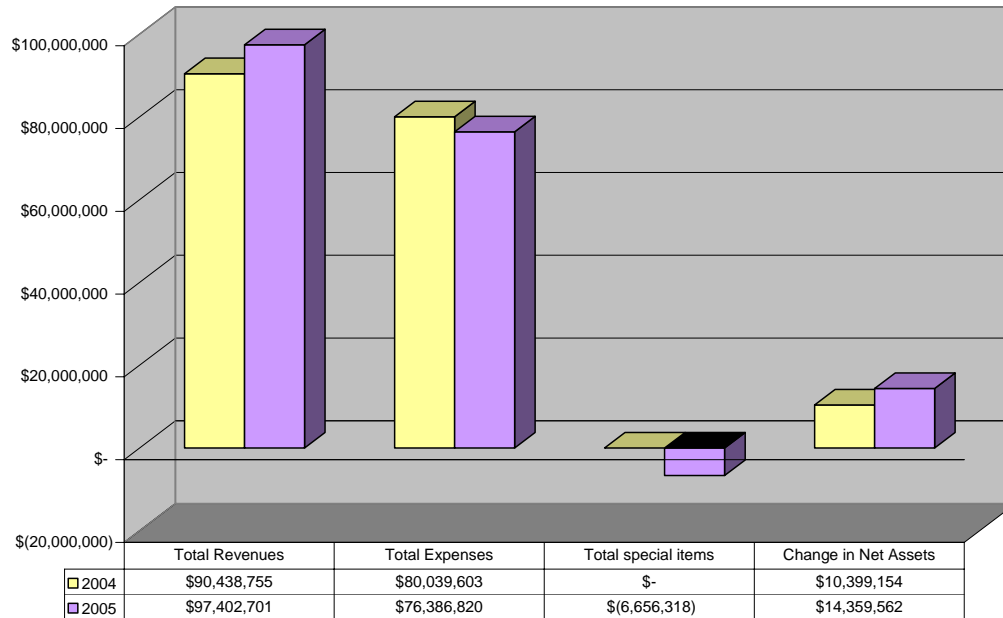
The Statement of Activities includes governmental activities and business-type activities. The total change in net assets for the fiscal year ending 2005 was \$14,359,562 compared with the fiscal year ending 2004 change in net assets of \$10,399,154.

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

Category	CHANGE IN NET ASSETS AS OF SEPTEMBER 30					
	Governmental Activities		Business-type Activities		Total	
	2004	2005	2004	2005	2004	2005
REVENUES						
Program Revenues:						
Charges for services	\$ 13,282,887	\$ 13,220,401	\$ 4,059,598	\$ 4,336,371	\$ 17,342,485	\$ 17,556,772
Operating grants and contributions	2,254,587	3,238,564	-	-	2,254,587	3,238,564
Capital grants and contributions	384,234	234,974	-	5,200	384,234	240,174
General Revenues:						
Sales and use taxes	52,097,889	56,449,217	-	-	52,097,889	56,449,217
Property taxes	7,712,457	8,053,100	-	-	7,712,457	8,053,100
Other taxes	6,291,105	6,642,054	-	-	6,291,105	6,642,054
Intergovernmental revenue not restricted	2,215,218	2,398,968	-	-	2,215,218	2,398,968
Unrestricted Investment income	1,790,353	1,971,416	-	-	1,790,353	1,971,416
Contribution of capital assets	141,094	525,535	-	-	141,094	525,535
Gain on sale of disposed equipment	-	4,986	-	-	-	4,986
Other revenue	209,333	321,894	-	21	209,333	321,915
Total Revenues	<u>\$ 86,379,157</u>	<u>\$ 93,061,109</u>	<u>\$ 4,059,598</u>	<u>\$ 4,341,592</u>	<u>\$ 90,438,755</u>	<u>\$ 97,402,701</u>
EXPENSES						
Program Activities:						
General government	\$ 10,372,215	\$ 9,805,408	\$ -	\$ -	\$ 10,372,215	\$ 9,805,408
Public safety	32,635,142	35,433,552	-	-	32,635,142	35,433,552
Library	4,295,061	4,615,218	-	-	4,295,061	4,615,218
Municipal court	756,248	930,830	-	-	756,248	930,830
Sanitation	4,210,995	4,530,331	-	-	4,210,995	4,530,331
Education	8,335,662	1,895,404	-	-	8,335,662	1,895,404
Highway and roadway improvements	4,610,589	5,175,085	-	-	4,610,589	5,175,085
Recreation services	6,131,735	6,321,075	-	-	6,131,735	6,321,075
Health	238,379	227,382	-	-	238,379	227,382
Interest and fiscal charges	5,264,484	4,227,036	-	-	5,264,484	4,227,036
Sewer services	-	-	3,189,092	3,225,498	3,189,092	3,225,498
Total Expenses	<u>\$ 76,850,511</u>	<u>\$ 73,161,322</u>	<u>\$ 3,189,092</u>	<u>\$ 3,225,498</u>	<u>\$ 80,039,603</u>	<u>\$ 76,386,820</u>
Excess (deficiency) before special items	9,528,646	19,899,787	870,506	1,116,094	10,399,152	21,015,881
SPECIAL ITEMS						
Gain on sale of park land	\$ -	\$ 290,728	\$ -	\$ -	\$ -	\$ 290,728
Conference center construction grant	-	(6,000,000)	-	-	-	(6,000,000)
Revenue rebate to developer	-	(947,046)	-	-	-	(947,046)
Total special items	<u>\$ -</u>	<u>\$ (6,656,318)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,656,318)</u>
CHANGE IN NET ASSETS	<u>\$ 9,528,646</u>	<u>\$ 13,243,468</u>	<u>\$ 870,506</u>	<u>\$ 1,116,093</u>	<u>\$ 10,399,154</u>	<u>\$ 14,359,562</u>

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

**COMPARISON OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FY 2004 AND FY 2005**



As shown below, overall, from fiscal 2004 to fiscal 2005 there was only a slight change in the breakdown by type of revenue. For fiscal 2004, program revenues comprised 22.09% of all revenues, while general revenues represented 77.91%. Likewise, for fiscal 2005, program revenues comprised 21.60% of all revenues, while general revenues represented 78.40%.

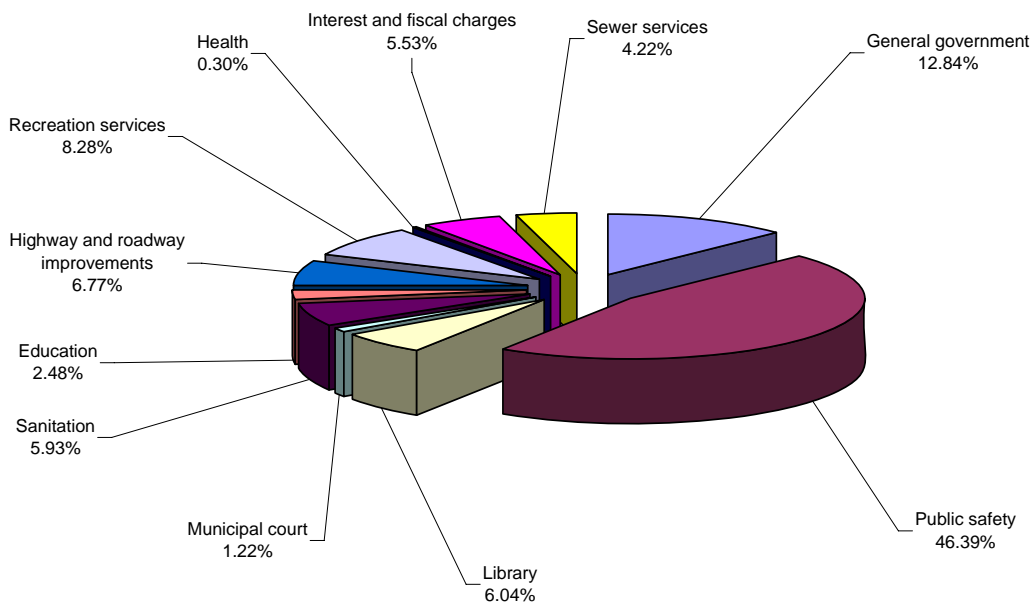
**CHANGE IN NET ASSETS - PERCENTAGE BY CATEGORY
AS OF SEPTEMBER 30**

Category	Governmental Activities		Business-type Activities		Total	
	2004	2005	2004	2005	2004	2005
REVENUES						
Program Revenues:						
Charges for services	15.38%	14.21%	100.00%	99.88%	19.18%	18.02%
Operating grants and contributions	2.61%	3.48%	0.00%	0.00%	2.49%	3.32%
Capital grants and contributions	0.44%	0.25%	0.00%	0.12%	0.42%	0.25%
General Revenues:						
Sales and use taxes	60.31%	60.66%	0.00%	0.00%	57.61%	57.95%
Property taxes	8.93%	8.65%	0.00%	0.00%	8.53%	8.27%
Other taxes	7.28%	7.14%	0.00%	0.00%	6.96%	6.82%
Intergovernmental revenue not restricted	2.56%	2.58%	0.00%	0.00%	2.45%	2.46%
Unrestricted investment income	2.07%	2.12%	0.00%	0.00%	1.98%	2.02%
Contribution of capital assets	0.16%	0.56%	0.00%	0.00%	0.16%	0.54%
Gain on sale of disposed equipment	0.00%	0.01%	0.00%	0.00%	0.00%	0.01%
Other revenue	0.24%	0.35%	0.00%	0.00%	0.23%	0.33%
Total Revenues	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
EXPENSES						
Program Activities:						
General government	13.50%	13.40%	0.00%	0.00%	12.96%	12.84%
Public safety	42.47%	48.43%	0.00%	0.00%	40.77%	46.39%
Library	5.59%	6.31%	0.00%	0.00%	5.37%	6.04%
Municipal court	0.98%	1.27%	0.00%	0.00%	0.94%	1.22%
Sanitation	5.48%	6.19%	0.00%	0.00%	5.26%	5.93%
Education	10.85%	2.59%	0.00%	0.00%	10.41%	2.48%
Highway and roadway improvements	6.00%	7.07%	0.00%	0.00%	5.76%	6.77%
Recreation services	7.98%	8.64%	0.00%	0.00%	7.66%	8.28%
Health	0.31%	0.31%	0.00%	0.00%	0.30%	0.30%
Interest and fiscal charges	6.85%	5.78%	0.00%	0.00%	6.58%	5.53%
Sewer services	0.00%	0.00%	100.00%	100.00%	3.98%	4.22%
Total Expenses	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
SPECIAL ITEMS						
Gain on sale of park land	0.00%	-4.37%	0.00%	0.00%	0.00%	-4.37%
Conference center construction grant	0.00%	90.14%	0.00%	0.00%	0.00%	90.14%
Revenue rebate to developer	0.00%	14.23%	0.00%	0.00%	0.00%	14.23%
Total special items	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%
CHANGE IN NET ASSETS	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Expenses

Public safety activities, which include Dispatch, Police, Fire, and Inspections, accounted for 46.39% of the total expenses on the Statement of Activities. After the general government category that represented 12.84% of expenses, recreation services, which consist of park maintenance and the parks and recreation department, comprised 8.28% of expenses. After that, highway and roadway expenses at 6.77%, library at 6.04%, sanitation at 5.93%, and interest and fiscal charges at 5.53% followed. The chart below illustrates the entire expense breakdown by function and corresponding percentage for fiscal year 2005.

Functions as a Percentage of Total Expenses - All Activities
FY 2005

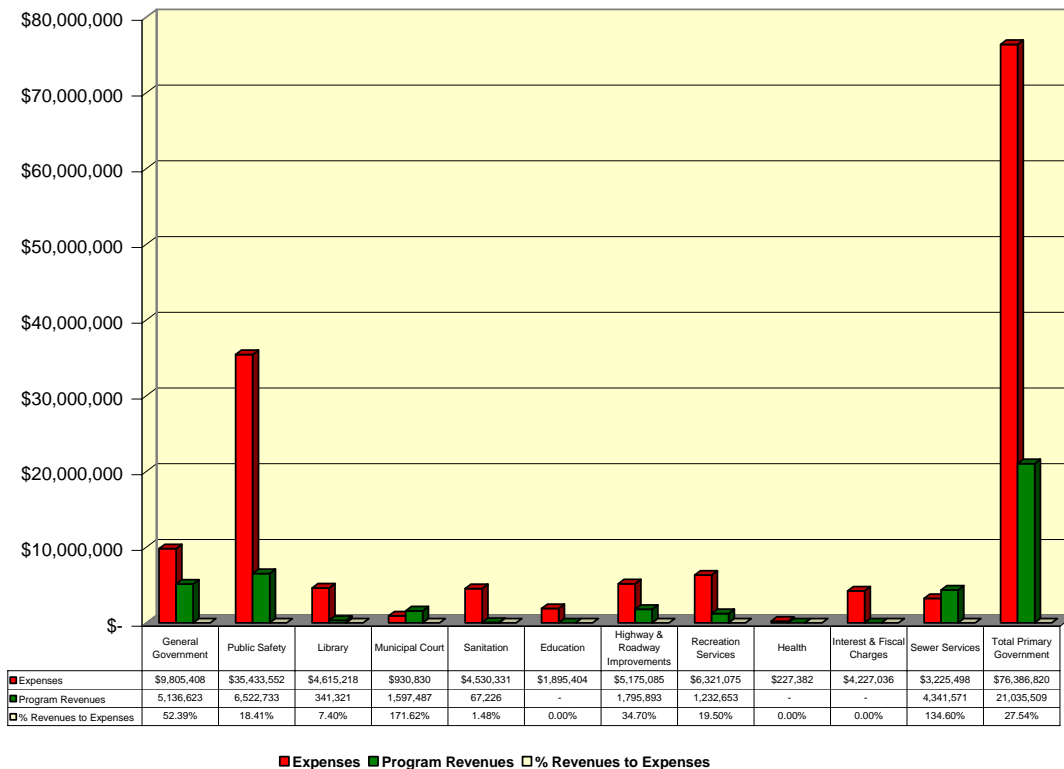


Program Revenues

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

The chart below depicts the amount of program expenses and the offsetting program revenue by function. As illustrated, in addition to accounting for the largest expense category, public safety also makes up the largest program revenue category in the amount of \$6,522,733. The majority of this program revenue comes from inspections, which comprises \$4,006,480 of the total public safety program revenue and comes mainly from various charges for service, in particular permit fees.

Expenses and Program Revenues - All Activities
FY 2005



In addition, Municipal Court and Sewer Services are the only programs that take in more revenue than they had expenses. For fiscal year 2005, Municipal Court had expenses totaling \$930,830 and program revenues totaling \$1,597,487, which represented 171.62% of revenues to expenses. It is important to note that the Municipal Court department is classified as a special revenue fund. However, \$1,074,161 of the revenue, fines and bond forfeitures, does go into the General Fund to help defray the cost of operating the jail. The balance, \$523,326, is accounted for in four special revenue funds as required by state law: 1) Court Correction Fund, 2) Court Training Fund, 3) Traffic Safety, and 4) Court Referral Officer Fund.

Sewer Service expenses for fiscal year 2005 totaled \$3,225,498 and program revenues totaled \$4,341,571, which represented 134.60% of revenues to expenses. However, some major capital initiatives are in the planning process for the sewer system in the future.

General Revenues

As a whole, primary government programs offset 27.54% of their total expenses (\$76,386,820) from program revenue (\$21,035,509). The balance of these programs is funded through general revenues that totaled \$76,367,191, before special items. Sales and use tax encompass the overwhelming percentage of general revenues, making up \$56,449,217 of them, which is 57.95% of total revenues. The second largest category that contributes to general revenues is property tax, which comprises \$8,053,100 or 8.27% of total revenues.

Special Items

The City had three special items during the fiscal year ending 2005. One, the City received \$831,000 from proceeds on the sale of park land that was sold to Jefferson State Community College. As shown on the statement of activities, this resulted in a gain on the sale of park land of \$290,728. Two, the City provided a grant toward the construction of a conference center in the amount of \$6,000,000 to a subsidiary of the Retirement Systems of Alabama. Three, the City entered into an agreement with a developer to annex its proposed shopping center in exchange for a limited time rebate of the sales tax generated by the properties. For fiscal year 2005, the amount rebated was \$947,046. These three items were netted with the general revenues on the statement of activities for a reduction of \$6,656,318.

In summary, after taking into account total expenses, total program revenues, total general revenues, and total special items for governmental activities in the Statement of Activities, net assets increased by \$14,359,562 for the primary government. As a result, the net assets at the end of the year totaled \$328,284,401 for all activities. Thus, this increase in net assets demonstrates the strong economic condition of the City and its overall improvement for the fiscal year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information not only provides more detail, but is also useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. The graph below illustrates the breakdown of governmental funds for fiscal year 2005.

Governmental Funds					
	General Fund	Capital Projects Fund	GOW Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Total revenues	\$ 87,652,941	\$ 11,856	\$ 272,617	\$ 4,703,742	\$ 92,641,156
Total expenditures	69,839,732	4,613,974	506,566	5,872,444	80,832,716
Total other financing sources (uses)	(9,702,323)	8,800,000	-	1,215,075	312,751
Total special items	<u>(6,947,046)</u>	<u>831,000</u>	<u>-</u>	<u>-</u>	<u>(6,116,046)</u>
Net change in fund balances	1,163,840	5,028,882	(233,949)	46,372	6,005,145
Fund balances, beginning of year	<u>29,267,296</u>	<u>17,581,502</u>	<u>9,278,209</u>	<u>4,387,930</u>	<u>60,514,937</u>
Fund balances, end of year	<u>\$ 30,431,136</u>	<u>\$ 22,610,384</u>	<u>\$ 9,044,259</u>	<u>\$ 4,434,302</u>	<u>\$ 66,520,082</u>
Percent of fund balance to expenditures	43.57%	490.04%	1785.41%	75.51%	82.29%

Other than the general fund, the City only has two other major funds. They are the capital projects fund and the GOW capital projects fund. All other funds, which consist of special revenues funds and other capital project funds, are lumped into the other governmental funds column.

As of September 30, 2005, the City of Hoover's governmental funds reported combined ending fund balances of \$66,520,082. Approximately \$65,811,298 or 98.93% constitutes unreserved fund balance and is available for spending at the government's discretion. The remainder of the fund balance is reserved for a non-current receivable, inventories, and prepaid items in the amount of \$708,783.

In fiscal year 2004, the combined governmental ending fund balances were \$60,514,937. The total end of the year fund balances increased by \$6,005,937 from fiscal 2004 to fiscal 2005. Most of this increase, \$5,028,882, was to the Capital Projects Fund via an operating transfer of \$8,800,000.

General Fund

The general fund is the chief operating fund for the City of Hoover. As of September 30, 2005, the total fund balance of the general fund was \$30,431,137 as compared with September 30, 2004 where it was \$29,267,296, an increase of \$1,163,840, or 3.98%. The end of the year fund balance for fiscal year 2005 represents approximately 43.57% of total general fund expenditures.

Capital Projects Fund/GOW 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, 2005, the total ending fund balance for the capital projects fund and the GOW capital projects fund was \$22,610,384 and \$9,044,259, respectively. Although none of this is reserved, the City does have several commitments that are to be funded from this fund, and the GOW capital projects fund. These commitments represent projects that have been approved and have been started, but not completed. The total city portion of commitments is estimated at \$15,009,653 for both of these funds. Together, these two funds have a combined 2005 fiscal year end fund balance of \$31,654,643. Generally, the City budgets transfers from the General Fund to cover new approved capital projects.

Other Governmental Funds

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

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget of the general fund resulted in a net reduction of budgetary fund balance in the amount of \$6,601,814. As shown below, budgeted revenues increased by \$6,155,012, or 7.58% of the original budget. The major reason for the amendments to revenue was to allow for an additional transfer to the capital projects funds for future projects with the increase in revenue that actually occurred in the fiscal year. The original budgeted transfer to the capital projects fund was \$0, while the final budgeted transfer was \$8,800,000.

In addition, the total expenditure budget decreased by \$855,609, or 1.40%. Again, the major reason for this was to allow an additional transfer to the capital projects funds for future projects with the surplus in the expenditure account at the end of the fiscal year.

Other changes from the original budget adopted in the general fund to the amended budget adopted in the general fund dealt with a bond refunding and two special items. The bond refunding was not budgeted originally, but the City took advantage of savings when it presented itself. The revenue rebate to developer increased by \$163,106 due to higher sales tax returns than initially budgeted. Finally, the conference center construction grant special item was amended from the gow capital projects fund budget because of its nature, since the City would not hold an effective ownership interest in the completed project for ninety years.

General Fund Original Budget to Amended Budget

	Original Budget	Amended Budget	Actual Difference Between Original Budget and Amended Budget	% Difference Between Original Budget and Amended Budget
Revenues				
Taxes	\$ 67,397,347	\$ 71,052,366	\$ 3,655,019	5.42 %
Licenses and permits	7,205,200	8,555,200	1,350,000	18.74
Intergovernmental	1,971,170	2,277,170	306,000	15.52
Fines and forfeits	1,025,000	1,175,000	150,000	14.63
Investment income	1,400,500	1,690,500	290,000	20.71
Rents and royalties	350,600	405,600	55,000	15.69
Contributions and reimbursements	348,550	353,543	4,993	1.43
Charges for services	1,345,600	1,345,600	-	0.00
Other	120,000	464,000	344,000	286.67
Total revenues	81,163,967	87,318,979	6,155,012	7.58 %
Expenditures				
Current operations				
General government	10,772,363	8,544,485	(2,227,878)	-20.68 %
Public safety	30,562,361	32,032,216	1,469,855	4.81
Library	4,480,049	4,357,919	(122,130)	-2.73
Municipal court	84,740	92,616	7,876	9.29
Sanitation	4,572,890	4,496,690	(76,200)	-1.67
Education	2,000,000	2,000,000	-	0.00
Highway and roadway improvements	3,194,584	3,314,981	120,397	3.77
Recreation services	5,223,320	5,200,460	(22,860)	-0.44
Health	226,621	221,952	(4,669)	-2.06
Total	61,116,928	60,261,319	(855,609)	-1.40 %
Capital outlays	1,758,616	807,934	(950,682)	-54.06 %
Debt service				
Principal	4,220,000	4,760,000	540,000	12.80 %
Interest	5,048,274	4,366,422	(681,852)	-13.51
Fiscal agent fees	4,800	10,000	5,200	108.33
Bond issuance costs	-	312,752	312,752	
Total expenditures	72,148,618	70,518,427	(1,630,191)	-2.26 %

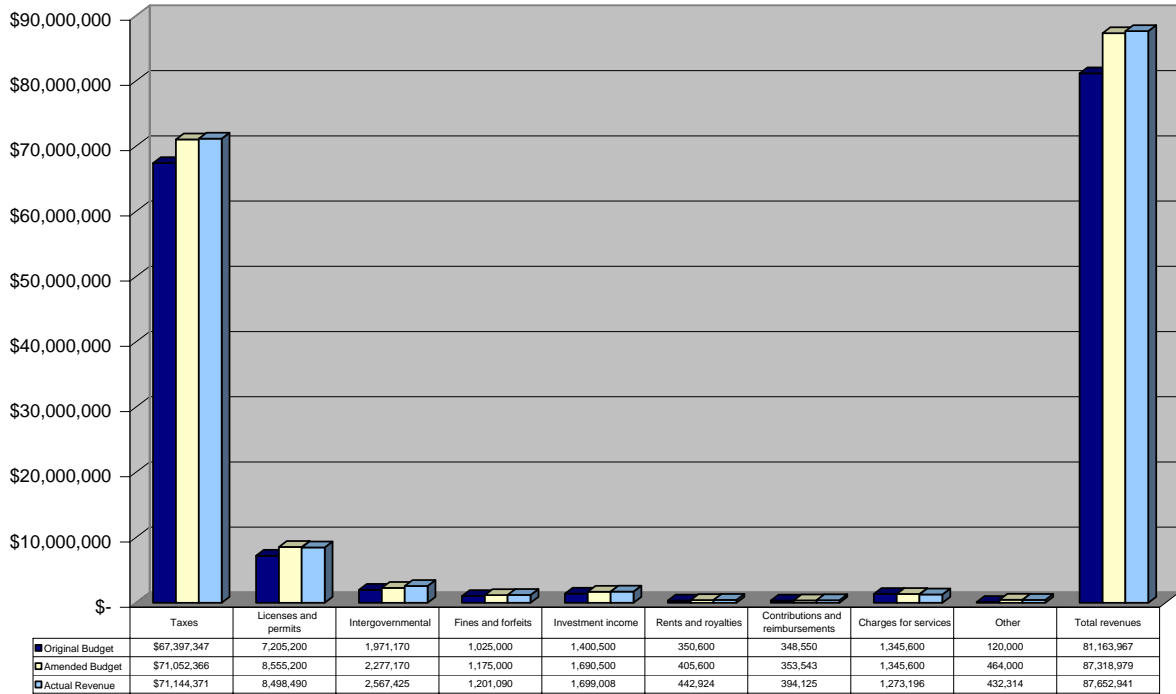
In terms of budget to actual, the graph below shows the percentage difference by function for each category. Revenues came in at \$333,962 more than projected. The reason this is such a small amount is because the City Council approved an amendment at the end of the year to move surplus funds to the capital projects fund. This required amending the budget for all revenue and expenditures accounts. The excess of \$333,962 was mainly as a result of some receivables recorded after year end due to the Hurricane Katrina disaster relief from the Federal Emergency Management Agency (FEMA).

For expenditures, the total expenditures were only \$419,734 less than the amended budget. As mentioned previously, an amendment was done that moved a great deal of surplus to the capital projects fund to finance future capital projects. In addition to revenue surplus, part of this surplus came from the balance in expenditure accounts at the end of fiscal year.

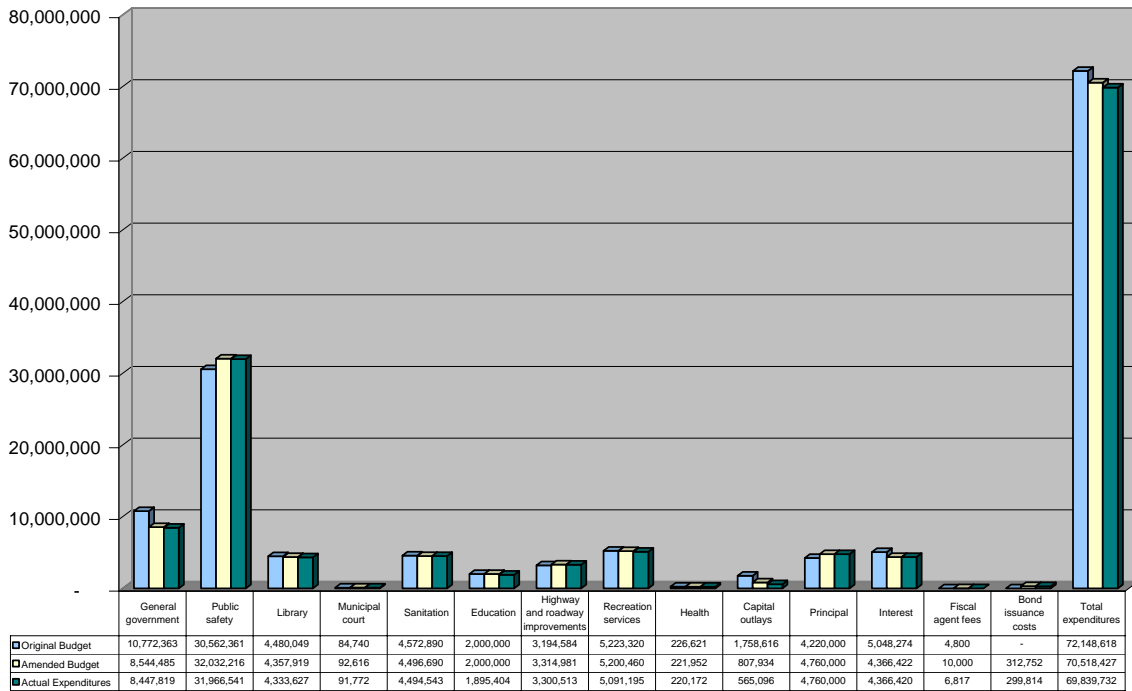
General Fund Original Budget to Amended Budget					
	Original Budget	Amended Budget	Actual	Variance Positive (Negative)	% Difference Between Amended Budget and Actual Expenditure
Revenues					
Taxes	\$ 67,397,347	\$ 71,052,366	\$ 71,144,371	\$ 92,005	0.13 %
Licenses and permits	7,205,200	8,555,200	8,498,490	(56,710)	-0.66
Intergovernmental	1,971,170	2,277,170	2,567,425	290,255	12.75
Fines and forfeits	1,025,000	1,175,000	1,201,090	26,090	2.22
Investment income	1,400,500	1,690,500	1,699,008	8,508	0.50
Rents and royalties	350,600	405,600	442,924	37,324	9.20
Contributions and reimbursements	348,550	353,543	394,125	40,582	11.48
Charges for services	1,345,600	1,345,600	1,273,196	(72,404)	-5.38
Other	120,000	464,000	432,314	(31,687)	-6.83
Total revenues	81,163,967	87,318,979	87,652,941	333,962	0.38 %
Expenditures					
Current operations					
General government	10,772,363	8,544,485	8,447,819	96,666	1.13 %
Public safety	30,562,361	32,032,216	31,966,541	65,675	0.21
Library	4,480,049	4,357,919	4,333,627	24,292	0.56
Municipal court	84,740	92,616	91,772	844	0.91
Sanitation	4,572,890	4,496,690	4,494,543	2,147	0.05
Education	2,000,000	2,000,000	1,895,404	104,596	5.23
Highway and roadway improvements	3,194,584	3,314,981	3,300,513	14,468	0.44
Recreation services	5,223,320	5,200,460	5,091,195	109,265	2.10
Health	226,621	221,952	220,172	1,780	0.80
Total	61,116,928	60,261,319	59,841,586	419,734	0.70 %
Capital outlays	1,758,616	807,934	565,096	242,838	30.06 %
Debt service					
Principal	4,220,000	4,760,000	4,760,000	-	0.00 %
Interest	5,048,274	4,366,422	4,366,420	2	0.00
Fiscal agent fees	4,800	10,000	6,817	3,183	31.83
Bond issuance costs	-	312,752	299,814	12,938	4.14
Total expenditures	72,148,618	70,518,427	69,839,732	678,695	0.96 %

The charts on the next page summarize the comparison of total revenue and total expenditures by original budget, amended budget, and actual received for fiscal year 2005.

GENERAL FUND BUDGET - REVENUES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL REVENUE
FY 2005



GENERAL FUND BUDGET - EXPENDITURES
COMPARISON OF ORIGINAL BUDGET, AMENDED BUDGET, AND ACTUAL EXPENDITURES
FY 2005



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, 2005, amounts to \$388,001,613 (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.

At September 30, 2004, the City's investment in capital assets was \$383,279,318. A prior period adjustment (net of accumulated depreciation) of \$3,014,418 increased this amount and the adjusted balance beginning fiscal year 2005 was \$386,293,736. The City had \$2,390,455 in additions net of accumulated depreciation. The majority of these new additions were related to increases in construction in progress. Two of the major projects included a police technology project and park improvements. Both of these should be completed in the fiscal year ending 2006.

Please refer to the Notes to the Financial Statements section on pages 56-58 for more detail on capital asset activity.

The City added streets and bridges infrastructure to its capital assets by using the modified approach as allowed by GASB and defined in Statement No. 34. The City hired an outside consultant to inventory, rate, and value its streets and bridges for the first time. All streets were given a ranking of 1 – 5 with 5 being the best. The minimum threshold established by the City was a rating of 3. Of 307.44 miles of street initially inventoried, only 5.3 miles fell below the minimum threshold. With the annual review, the total miles with a rating below 3 now stand at 5.93 that need to be rehabilitated. These roads have been identified to be addressed in the fiscal year 2006 budget.

For bridges, the ratings were from 1 – 10, with 10 being the best. The minimum threshold established for bridges was a rating of 5. No bridges had an overall rating below 5 in the current year assessment. Using this approach, the City capitalizes the estimated cost of its street and bridge systems, but does not report depreciation expense for those assets. Bridges are re-evaluated every two years. The ratings in this report reflect the 2004 evaluation.

Please refer to the Other Required Supplementary Information section, which begins on page 67, for more detail on this modified approach to infrastructure reporting.

Business-type activities had only two small additions to its assets for a total of \$65,477. Most of this was related to construction in progress for engineering on future improvements to the Riverchase sewer system. The net change with accumulated depreciation for the sewer system assets was (\$1,212,519).

Debt Administration

As of the fiscal year end, the City of Hoover had \$108,500,000 of governmental debt and \$15,090,000 of business-type debt outstanding. The City maintains an AA credit rating from Standard and Poor's Corporation and an Aa3 from Moody's Investors Services.

State statutes limit the amount of general obligation debt a governmental entity may issue to twenty percent (20%) of its total assessed valuation. The current constitutional debt limitation for the City of Hoover is \$264,412,200, which is significantly in excess of the City of Hoover's outstanding general obligation debt by \$155,912,200. Business-type debt is not calculated against this ratio.

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

ECONOMIC FACTORS

The Government's financial condition continues to be strong. 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 taxes. In the business-type activities, the sewer, the user pays a fee or charge associated with the service.

The unemployment rate for the City of Hoover for 2005 was 2.4%, which is favorable compared to the State of Alabama and nationally.

Overall, the City is vibrant and growing. The City has been fortunate to be able to maintain steady growth, while much of the nation has not been so fortunate. Fiscal year 2005 was a great year for the City's finances. Much was accomplished and much was just begun. Similar expectations are felt for 2006. This new reporting format will help in future years to measure year by year just how well the City is doing compared to previous years.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Statement of Net Assets
September 30, 2005

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets			
Pooled cash and investments	\$ 62,494,518	\$ 1,096,790	\$ 63,591,308
Receivables			
Taxes	6,130,461	-	6,130,461
Accounts	1,816,653	386,506	2,203,159
Due from other governments	157,023	-	157,023
Internal balances	-	-	-
Inventories	100,316	-	100,316
Prepaid items	58,487	-	58,487
Noncurrent assets			
Capital assets			
Depreciable			
Building and capital facilities	73,070,584	54,022,027	127,092,611
Equipment and vehicles	22,536,960	590,512	23,127,473
Improvements	16,308,755	-	16,308,755
Other infrastructure	3,797,919	-	3,797,919
Accumulated depreciation	(29,947,148)	(18,754,352)	(48,701,500)
Non-depreciable			
Land	26,790,970	1,670,000	28,460,970
Streets and bridges	223,229,978	-	223,229,978
Construction in progress - city paid roads	5,127,487	-	5,127,487
Construction in progress - other	9,497,643	60,277	9,557,920
Total capital assets, net of depreciation	350,413,149	37,588,464	388,001,613
Other assets	864,647	206,118	1,070,765
Long-term receivables	549,980	-	549,980
Total assets	\$ 422,585,235	\$ 39,277,878	\$ 461,863,113
Liabilities			
Current liabilities payable from current assets			
Accounts payable and accrued liabilities	\$ 4,785,616	\$ 303,467	\$ 5,089,083
Interest payable	387,816	-	387,816
Deferred revenue	-	-	-
Refundable deposits	1,740	-	1,740
Current maturities of long-term liabilities:			
Bonds and warrants payable	4,585,000	730,000	5,315,000
Compensated absences	4,032,819	10,438	4,043,257
Long-term liabilities			
Compensated absences	2,203,776	2,752	2,206,528
Bonds and warrants payable, net	101,203,835	14,360,000	115,563,835
Claims payable	971,453	-	971,453
Total liabilities	118,172,055	15,406,657	133,578,712
Net assets			
Invested in capital assets, net of related debt	244,624,314	22,498,465	267,122,778
Restricted for capital projects	31,654,643	-	31,654,643
Unrestricted	28,134,223	1,372,757	29,506,980
Total net assets	\$ 304,413,180	\$ 23,871,222	\$ 328,284,401

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, 2005

Functions	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	\$ 9,805,408	\$ 4,685,921	\$ 450,702	\$ -	\$ (4,668,785)	\$ -	\$ (4,668,785)
Public safety	35,433,552	5,517,548	1,005,185	-	(28,910,819)	-	(28,910,819)
Library	4,615,218	243,539	97,782	-	(4,273,896)	-	(4,273,896)
Municipal court	930,830	1,572,652	24,834	-	666,657	-	666,657
Sanitation	4,530,331	6,450	60,776	-	(4,463,105)	-	(4,463,105)
Education	1,895,404	-	-	-	(1,895,404)	-	(1,895,404)
Highway and roadway improvements	5,175,085	-	1,560,920	234,974	(3,379,192)	-	(3,379,192)
Recreation services	6,321,075	1,194,290	38,364	-	(5,088,422)	-	(5,088,422)
Health	227,382	-	-	-	(227,382)	-	(227,382)
Interest and fiscal charges	4,227,036	-	-	-	(4,227,036)	-	(4,227,036)
Total governmental activities	<u>73,161,322</u>	<u>13,220,401</u>	<u>3,238,564</u>	<u>234,974</u>	<u>(56,467,384)</u>	<u>-</u>	<u>(56,467,384)</u>
Business-type activities							
Sewer services	3,225,498	4,336,371	-	5,200	-	1,116,073	1,116,073
Total business-type activities	<u>3,225,498</u>	<u>4,336,371</u>	<u>-</u>	<u>5,200</u>	<u>-</u>	<u>1,116,073</u>	<u>1,116,073</u>
Total primary government	<u>\$ 76,386,820</u>	<u>\$ 17,556,772</u>	<u>\$ 3,238,564</u>	<u>\$ 240,174</u>	<u>(56,467,384)</u>	<u>1,116,073</u>	<u>(55,351,311)</u>
General revenues							
Property tax					8,053,100	-	8,053,100
In lieu of property tax					8,847	-	8,847
Rental tax					661,148	-	661,148
Gross receipts tax					3,026,932	-	3,026,932
Sales and use tax					56,449,217	-	56,449,217
Other municipal tax					2,279,347	-	2,279,347
Franchise tax					665,780	-	665,780
Intergovernmental shared revenues without restrictions					2,398,968	-	2,398,968
Unrestricted investment income					1,971,416	-	1,971,416
Other revenue					321,894	21	321,915
Contribution of capital assets					525,535	-	525,535
Gain on sale of disposed equipment					4,986	-	4,986
Special - gain on sale of park land					290,728	-	290,728
Special - conference center construction grant					(6,000,000)	-	(6,000,000)
Special - revenue rebate to developer					(947,046)	-	(947,046)
Total general revenues					<u>69,710,852</u>	<u>21</u>	<u>69,710,873</u>
Change in net assets					13,243,468	1,116,093	14,359,562
Net assets at beginning of year					288,155,293	22,755,128	310,910,421
Prior period adjustment (Note #10)					3,014,418	-	3,014,418
Net assets at end of year					<u>\$ 304,413,180</u>	<u>\$ 23,871,222</u>	<u>\$ 328,284,401</u>

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

THE CITY OF HOOVER, ALABAMA
Balance Sheet
Governmental Funds
September 30, 2005

	General Fund	Capital Projects Fund	GOW Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Pooled cash and investments	\$ 25,991,634	\$ 22,891,265	\$ 9,078,216	\$ 4,533,403	\$ 62,494,518
Receivables					
Taxes	6,130,461	-	-	-	6,130,461
Accounts	1,106,906	7,766	-	701,981	1,816,653
Due from other governments	41,210	-	-	115,814	157,023
Internal balances	545,879	-	-	-	545,879
Inventories	100,316	-	-	-	100,316
Prepaid items	58,487	-	-	-	58,487
Non-current receivable	549,980	-	-	-	549,980
	<u>\$ 34,524,873</u>	<u>\$ 22,899,031</u>	<u>\$ 9,078,216</u>	<u>\$ 5,351,197</u>	<u>\$ 71,853,318</u>
Liabilities and fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ 4,091,996	\$ 288,648	\$ 33,956	\$ 371,016	\$ 4,785,616
Deferred revenue	-	-	-	-	-
Internal balances	-	-	-	545,879	545,879
Refundable deposits	1,740	-	-	-	1,740
	<u>4,093,737</u>	<u>288,648</u>	<u>33,956</u>	<u>916,895</u>	<u>5,333,235</u>
Fund balances					
Reserved for non-current receivable	549,980	-	-	-	549,980
Reserved for inventory	100,316	-	-	-	100,316
Reserved for prepaid items	58,487	-	-	-	58,487
Unreserved					
General fund	29,722,353	-	-	-	29,722,353
Capital projects funds	-	22,610,384	9,044,259	-	31,654,643
Special revenue funds	-	-	-	4,434,302	4,434,302
	<u>30,431,137</u>	<u>22,610,384</u>	<u>9,044,259</u>	<u>4,434,302</u>	<u>66,520,082</u>
Total liabilities and fund balances	<u>\$ 34,524,873</u>	<u>\$ 22,899,031</u>	<u>\$ 9,078,216</u>	<u>\$ 5,351,197</u>	

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

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

350,413,149

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

(112,520,052)

Net assets of governmental activities

\$ 304,413,180

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, 2005

	General Fund	Capital Projects Fund	GOW Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 71,144,371	\$ -	\$ -	\$ -	\$ 71,144,371
Licenses and permits	8,498,490	-	-	-	8,498,490
Intergovernmental	2,567,425	8,234	-	2,899,099	5,474,758
Fines and forfeits	1,201,090	-	-	883,645	2,084,735
Investment income	1,699,008	-	272,617	8,434	1,980,059
Rents and royalties	442,924	-	-	-	442,924
Contributions and reimbursements	394,125	3,623	-	-	397,747
Charges for services	1,273,196	-	-	912,309	2,185,504
Other	432,314	-	-	255	432,568
Total revenues	87,652,941	11,856	272,617	4,703,742	92,641,156
Expenditures					
Current operations					
General government	8,447,819	163,118	105,936	54,532	8,771,404
Public safety	31,966,541	214,653	-	2,126,177	34,307,370
Library	4,333,627	-	-	-	4,333,627
Municipal court	91,772	-	-	839,222	930,994
Sanitation	4,494,543	-	-	-	4,494,543
Education	1,895,404	-	-	-	1,895,404
Highway and roadway improvements	3,300,513	41,206	-	788,953	4,130,672
Recreation services	5,091,195	335,458	-	-	5,426,654
Health	220,172	-	-	-	220,172
Total	59,841,585	754,435	105,936	3,808,884	64,510,839
Capital outlays	565,096	3,859,540	400,631	2,063,560	6,888,827
Debt service:					
Principal	4,760,000	-	-	-	4,760,000
Interest	4,366,420	-	-	-	4,366,420
Fiscal agent fees	6,817	-	-	-	6,817
Bond issuance costs	299,814	-	-	-	299,814
Total expenditures	69,839,732	4,613,974	506,566	5,872,444	80,832,716
Excess (deficiency) of revenues over (under) expenditures	17,813,209	(4,602,118)	(233,949)	(1,168,703)	11,808,439
Other financing sources (uses)					
Transfers in	15,575,192	8,800,000	-	1,228,614	25,603,806
Transfers out	(25,590,267)	-	-	(13,539)	(25,603,806)
Capital portion of refunding bonds issued	-	-	-	-	-
Refunding bonds issued	29,165,000	-	-	-	29,165,000
Premium on bonds issued	1,934,793	-	-	-	1,934,793
Payment to bond refunding escrow agent	(30,787,042)	-	-	-	(30,787,042)
Discount on refunding bonds issued	-	-	-	-	-
Total other financing sources (uses)	(9,702,323)	8,800,000	-	1,215,075	312,751
Special Items					
Proceeds from the sale of park land	-	831,000	-	-	831,000
Conference center construction grant	(6,000,000)	-	-	-	(6,000,000)
Revenue rebate to developer	(947,046)	-	-	-	(947,046)
Total special items	(6,947,046)	831,000	-	-	(6,116,046)
Net change in fund balances	1,163,840	5,028,882	(233,949)	46,372	6,005,145
Fund balances, beginning of year	29,267,296	17,581,502	9,278,209	4,387,930	60,514,937
Fund balances, end of year	\$ 30,431,137	\$ 22,610,384	\$ 9,044,259	\$ 4,434,302	\$ 66,520,082

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, 2005

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 6,005,145

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

Principal payments	4,760,000
Proceeds from refunding bonds	(29,165,000)
Payment to refund bond escrow	30,787,042
Bond issue cost	299,814
Bond premium	(1,934,793)
Amortization bond issuance costs	(84,573)
Amortization of debt premium on 2004 issue	155,101
Amortization of debt discount on 2003 issue	(8,667)
Amortization of deferred loss 2003 and 2004 issues	(278,850)

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

Capital outlays capitalized	6,193,176
Depreciation	(3,152,461)

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

525,535

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

Cost of assets disposed	(1,260,006)
Accumulated depreciation of assets disposed	614,151

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

278,617

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.

Claims and judgments payable	(250,114)
Accrued compensated leave	(240,649)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 13,243,468

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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ 67,397,347	\$ 71,052,366	\$ 71,144,371	\$ 92,005
Licenses and permits	7,205,200	8,555,200	8,498,490	(56,710)
Intergovernmental	1,971,170	2,277,170	2,567,425	290,255
Fines and forfeits	1,025,000	1,175,000	1,201,090	26,090
Investment income	1,400,500	1,690,500	1,699,008	8,508
Rents and royalties	350,600	405,600	442,924	37,324
Contributions and reimbursements	348,550	353,543	394,125	40,582
Charges for services	1,345,600	1,345,600	1,273,196	(72,404)
Other	120,000	464,000	432,314	(31,687)
Total revenues	<u>81,163,967</u>	<u>87,318,979</u>	<u>87,652,941</u>	<u>333,962</u>
Expenditures				
Current operations				
General government	10,772,363	8,544,485	8,447,819	96,666
Public safety	30,562,361	32,032,216	31,966,541	65,675
Library	4,480,049	4,357,919	4,333,627	24,292
Municipal court	84,740	92,616	91,772	844
Sanitation	4,572,890	4,496,690	4,494,543	2,147
Education	2,000,000	2,000,000	1,895,404	104,596
Highway and roadway improvements	3,194,584	3,314,981	3,300,513	14,468
Recreation services	5,223,320	5,200,460	5,091,195	109,265
Health	226,621	221,952	220,172	1,780
Total	<u>61,116,928</u>	<u>60,261,319</u>	<u>59,841,585</u>	<u>419,734</u>
Capital outlays	1,758,616	807,934	565,096	242,838
Debt service:				
Principal	4,220,000	4,760,000	4,760,000	-
Interest	5,048,274	4,366,422	4,366,420	2
Fiscal agent fees	4,800	10,000	6,817	3,183
Bond issuance costs	-	312,752	299,814	12,938
Total expenditures	<u>72,148,618</u>	<u>70,518,427</u>	<u>69,839,732</u>	<u>678,695</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,015,349</u>	<u>16,800,552</u>	<u>17,813,209</u>	<u>1,012,657</u>
Other financing sources (uses)				
Transfers in	17,461,821	15,973,527	15,575,192	(398,335)
Transfers out	(19,089,659)	(26,138,026)	(25,590,267)	547,759
Capital portion of refunding bonds issued	-	-	-	-
Refunding bonds issued	-	29,165,000	29,165,000	-
Premium on bonds issued	-	1,934,794	1,934,793	(1)
Payment to bond refunding escrow agent	-	(30,787,044)	(30,787,042)	2
Discount on refunding bonds issued	-	-	-	-
Total other financing sources (uses)	<u>(1,627,838)</u>	<u>(9,851,749)</u>	<u>(9,702,323)</u>	<u>149,426</u>
Special items				
Proceeds from the sale of park land	-	-	-	-
Conference center construction grant	-	(6,000,000)	(6,000,000)	-
Revenue rebate to developer	(783,997)	(947,103)	(947,046)	57
Total special items	<u>(783,997)</u>	<u>(6,947,103)</u>	<u>(6,947,046)</u>	<u>57</u>
Net change in fund balances	6,603,514	1,700	1,163,840	1,162,140
Fund balances, beginning of year	<u>29,267,296</u>	<u>29,267,296</u>	<u>29,267,296</u>	<u>-</u>
Fund balances, end of year	<u>\$ 35,870,810</u>	<u>\$ 29,268,996</u>	<u>\$ 30,431,137</u>	<u>\$ 1,162,140</u>

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

THE CITY OF HOOVER, ALABAMA
Statement of Fund Net Assets
Proprietary Fund - Sewer
September 30, 2005

Assets

Current assets:	
Pooled cash and investments	\$ 1,096,790
Accounts receivable	386,506
Total current assets	<u>1,483,296</u>
Noncurrent assets:	
Capital assets	
Land	1,670,000
Construction in progress	60,277
Buildings and capital facilities	54,022,027
Equipment and vehicles	590,512
Less accumulated depreciation	<u>(18,754,352)</u>
Total capital assets (net of accumulated depreciation)	37,588,464
Other assets	206,118
Total noncurrent assets	<u>37,794,582</u>
Total assets	<u><u>\$ 39,277,878</u></u>

Liabilities

Current liabilities:	
General obligation warrants payable	\$ 730,000
Accounts payable	230,961
Accrued expenses	72,506
Compensated absences	10,438
Interfund balances	-
Total current liabilities	<u>1,043,905</u>
Noncurrent liabilities:	
Compensated absences	2,752
General obligation warrants payable	14,360,000
Total noncurrent liabilities	<u>14,362,752</u>
Total liabilities	<u>15,406,657</u>
Net assets	
Investment in capital assets, net of related debt	22,498,465
Unrestricted	<u>1,372,757</u>
Total net assets	<u><u>\$ 23,871,222</u></u>

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

THE CITY OF HOOVER, ALABAMA
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund - Sewer
For the year ended September 30, 2005

Operating revenues	
Charges for services	\$ 4,336,371
Other revenue	21
Total operating revenue	<u>4,336,391</u>
Operating expenses	
Collection fees	150,872
Depreciation	1,277,996
Management fees	566,420
Personal services	94,850
Repairs and maintenance	173,993
Supplies	129,762
Telephone	15,441
Utilities	232,646
Total operating expenses	<u>2,641,980</u>
Operating income (loss)	1,694,412
Non-operating revenues (expenses)	
Contributions and reimbursements	5,200
Interest and fiscal charges	(583,519)
Total non-operating revenues (expenses)	<u>(578,319)</u>
Change in net assets	1,116,093
Net assets, beginning of year	<u>22,755,128</u>
Net assets, end of year	<u><u>\$ 23,871,222</u></u>

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

THE CITY OF HOOVER, ALABAMA
Statement of Cash Flows
Proprietary Fund
For the year ended September 30, 2005

Cash flows from operating activities

Cash received from customers	\$ 4,235,322
Cash payments to suppliers	(546,564)
Cash payments to management companies	(566,420)
Cash payments to employees	(98,378)
Net cash provided (used) by operating activities	3,023,961

Cash flows from noncapital financing activities

Transfer to other funds	(587,014)
Transfer from other funds	-
Net cash provided (used) by noncapital financing activities	(587,014)

Cash flows from capital and related financing activities

Acquisition and construction of capital assets	(60,277)
Payments of warrants	(710,000)
Cash paid for interest on debt	(569,879)
Net cash provided (used) by capital and related financing activities	(1,340,156)

Net increase (decrease) in pooled cash and investments	1,096,790
Pooled cash and investments, beginning of year	-
Pooled cash and investments, end of year	\$ 1,096,790

Reconciliation of operating income to net cash provided by operating activities

Operating income	\$ 1,694,412
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	1,277,996
(Increase) decrease in accounts receivable	(101,069)
Increase (decrease) in accounts payable and accrued expenses	152,977
Increase (decrease) in compensated absences payable	(355)
Total adjustments	1,329,549
Net cash provided by operating activities	\$ 3,023,961

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

NOTES TO THE FINANCIAL STATEMENTS

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THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General Statement

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

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

B. Financial Reporting Entity

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

C. Basis of Presentation

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

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the City. The effect of interfund activity within the governmental and business-type activities columns, has been removed from these statements, if applicable. 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, 2005

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

C. Basis of Presentation (Continued)

Major Governmental Funds:

General Fund -

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

Capital Projects Fund -

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

GOW Capital Projects Fund -

The GOW Capital Projects Fund is used to account for the net proceeds from the Series 2003 general obligation warrants. These funds will be used for the acquisition and construction of major capital projects.

Non-Major Governmental Fund Types:

Special Revenue Funds -

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

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

Other Capital Projects Fund -

This fund accounts for engineering costs that are related to capital expenditures that are reimbursed by other governmental agencies.

Enterprise Fund:

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

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.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

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

C. Basis of Presentation (Continued)

Sewer Fund -

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

D. Measurement Focus/Basis of Accounting

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., 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. The City considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are 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 revenues susceptible to accrual are 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.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

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

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

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(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 General Fund, GOW Capital Projects Fund, and the Drug Enforcement Fund based on the investments 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 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, 2005, all of the City's depositories are participating in the SAFE program, with a bank balance of \$8,418,910 and a carrying balance of \$6,837,134.

All investments with a remaining maturity of more than one year at the time of purchase are reported at fair value in accordance with GASB Statement No. 31.

As of September 30, 2005, the City had the following investments and maturities.

	Fair Value	Investment Maturities (in years)			
		Less Than 1	1-3	3-5	6-8
Repurchase agreements	\$ 545,719	\$ 545,719	\$ -	\$ -	\$ -
U.S. Government Agencies:					
Federal Home Loan Bank	19,683,572	-	3,010,789	6,947,753	9,725,030
Federal National Mortgage Association	21,623,104	-	1,974,850	17,645,754	2,002,500
Federal Home Loan Mortgage Corp	8,061,369	-	1,971,320	4,095,909	1,994,140
Federal Farm Credit Bank	<u>6,817,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,817,200</u>
Total	<u>\$ 56,730,964</u>	<u>\$ 545,719</u>	<u>\$ 6,956,959</u>	<u>\$ 28,689,416</u>	<u>\$ 20,538,870</u>

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from the rising interest rates, the City's investment committee, through its operation, has limited the City's investment portfolio to maturities of less than eight 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.

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, 2005

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

G. Prepaid Items

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

H. Inventories

Inventories consist of supplies held for consumption and are recorded at the lower of weighted average cost or market.

I. Reservation of Fund Balance

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

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." 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 Balances."

K. Capital Assets

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

Capitalized assets have an original cost of \$5,000 or more and have a multi-year useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method.

Estimated useful lives are as follows:

Buildings and capital facilities	25 - 50 years
Furniture, equipment, and vehicles	3 - 15 years
Improvements	25 - 50 years
Other infrastructure	25 - 50 years

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

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

K. Capital Assets (Continued)

The City elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting of its streets system. The City commissioned a physical condition re-assessment of its streets in December 2005. Using this approach, the City capitalizes the cost of its street system but does not report depreciation expense for those assets. Instead, the City reports all street system maintenance expenditures as expenses in the period incurred unless those expenditures improve the street's original condition or add to its capacity. These additions or improvements are not expensed but are added to the historical cost of the assets. The City uses an asset management system to provide an up-to-date inventory of its streets and perform condition assessments on the street pavement for all roads at least once every three years, and estimate an annual amount needed to maintain the streets at a specified condition level. The City's asset management system is discussed in Required Supplementary Information, immediately following these notes.

In compliance with GASB Statement No. 34, the City still needs to add an inventory and historical value of its storm sewer systems that include catch basins, storm drains, and inlets. As a phase 2 City, this retroactive reporting must be completed by the end of fiscal year 2007.

L. Accrued Compensated Leave

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

M. Net Assets

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(2) CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2005 was as follows:

	Balance Beginning of Year	Prior Period Adjustments (Note #10)	Classification Reclasses	Adjusted Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental Activities							
Capital assets not being depreciated							
Land	\$ 26,675,991	\$ -	\$ -	\$ 26,675,991	\$ 655,251	\$ (540,272)	\$ 26,790,970
Construction in progress	12,284,467	-	(4,845,617)	7,438,850	2,095,518	(36,724)	9,497,643
Infrastructure:							
Construction in progress - city paid roads	-	-	4,845,617	4,845,617	281,870	-	5,127,487
Street system inventory	219,467,604	2,801,553	-	222,269,157	-	-	222,269,157
Bridges inventory	960,821	-	-	960,821	-	-	960,821
Total capital assets not being depreciated	<u>259,388,882</u>	<u>2,801,553</u>	<u>-</u>	<u>262,190,436</u>	<u>3,032,639</u>	<u>(576,996)</u>	<u>264,646,079</u>
Other capital assets							
Buildings and capital facilities	77,044,658	-	(4,146,343)	72,898,315	172,270	-	73,070,584
Equipment and vehicles	21,448,293	(350,491)	(482,185)	20,615,617	2,641,077	(719,734)	22,536,960
Improvements	8,477,859	-	7,417,246	15,895,105	413,650	-	16,308,755
Other infrastructure	6,090,838	-	(2,788,718)	3,302,120	495,799	-	3,797,919
Total other capital assets at historical cost	<u>113,061,647</u>	<u>(350,491)</u>	<u>-</u>	<u>112,711,156</u>	<u>3,722,796</u>	<u>(719,734)</u>	<u>115,714,218</u>
Less accumulated depreciation for							
Buildings and capital facilities	11,717,981	-	(372,604)	11,345,377	963,877	-	12,309,255
Equipment and vehicles	14,207,183	(563,356)	223,573	13,867,400	1,638,085	(614,151)	14,891,334
Improvements	1,412,770	-	348,512	1,761,282	435,818	-	2,197,100
Other infrastructure	634,260	-	(199,481)	434,779	114,681	-	549,460
Total accumulated depreciation	<u>27,972,194</u>	<u>(563,356)</u>	<u>-</u>	<u>27,408,838</u>	<u>3,152,461</u>	<u>(614,151)</u>	<u>29,947,148</u>
Other capital assets, net	<u>85,089,453</u>	<u>212,865</u>	<u>-</u>	<u>85,302,318</u>	<u>570,335</u>	<u>(105,583)</u>	<u>85,767,070</u>
Governmental activities capital assets, net	<u>\$ 344,478,336</u>	<u>\$ 3,014,418</u>	<u>\$ -</u>	<u>\$ 347,492,754</u>	<u>\$ 3,602,974</u>	<u>\$ (682,579)</u>	<u>\$ 350,413,149</u>
Business Type Activities - Sewer Fund							
Capital assets not being depreciated							
Land	\$ 1,664,800	\$ -	\$ -	\$ 1,664,800	\$ 5,200	\$ -	\$ 1,670,000
Construction in progress	-	-	-	-	60,277	-	60,277
Total capital assets not being depreciated	<u>1,664,800</u>	<u>-</u>	<u>-</u>	<u>1,664,800</u>	<u>65,477</u>	<u>-</u>	<u>1,730,277</u>
Other capital assets							
Buildings and capital facilities	54,022,027	-	-	54,022,027	-	-	54,022,027
Equipment and vehicles	590,512	-	-	590,512	-	-	590,512
Total other capital assets at historical cost	<u>54,612,539</u>	<u>-</u>	<u>-</u>	<u>54,612,539</u>	<u>-</u>	<u>-</u>	<u>54,612,539</u>
Less accumulated depreciation for							
Buildings and capital facilities	17,002,709	-	-	17,002,709	1,243,169	-	18,245,878
Equipment and vehicles	473,647	-	-	473,647	34,827	-	508,473
Total accumulated depreciation	<u>17,476,356</u>	<u>-</u>	<u>-</u>	<u>17,476,356</u>	<u>1,277,996</u>	<u>-</u>	<u>18,754,352</u>
Other capital assets, net	<u>37,136,183</u>	<u>-</u>	<u>-</u>	<u>37,136,183</u>	<u>(1,277,996)</u>	<u>-</u>	<u>35,858,187</u>
Business-type activities capital assets, net	<u>\$ 38,800,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,800,983</u>	<u>\$ (1,212,519)</u>	<u>\$ -</u>	<u>\$ 37,588,465</u>

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

Governmental activities:	
General government and administration	\$ 665,734
Public safety	1,019,270
Library	238,014
Municipal court	483
Highway and roadway improvements	396,968
Recreational services	790,943
Sanitation	35,788
Health	5,261
Total depreciation expense - Governmental activities	<u>\$ 3,152,461</u>
Business-type activities:	
Sewer services	1,277,996
Total depreciation expense - Business-type activities	<u>\$ 1,277,996</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(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.

At September 30, 2005, bonds payable consisted of the following individual issues:

	<u>Governmental</u>	<u>Business-type</u>
\$12,400,000 general obligation warrants dated May 1, 1999; due \$525,000 to \$2,800,000 annually beginning September 1, 1999; interest at 3.20% to 4.45% due semiannually commencing September 1, 1999	\$ 7,815,000	\$ -
\$78,330,000 general obligation warrants dated January 1, 2003; due \$2,865,000 to \$8,840,000 annually beginning March 1, 2003; interest at 2.00% to 4.80% due semiannually commencing March 1, 2003	70,300,000	-
\$4,195,000 taxable general obligation warrants dated January 1, 2003; due \$780,000 to \$895,000 annually beginning March 1, 2003; interest at 1.60% to 3.50% due semiannually commencing March 1, 2003	1,760,000	-
\$29,165,000 general obligation warrants dated December 22, 2004; due \$540,000 to \$5,505,000 annually beginning March 1, 2005; interest at 3.00% to 5.00% due semiannually commencing March 1, 2005	28,625,000	-
Series 1999 General Obligation Sewer Warrant; due \$300,000 to \$580,000 annually beginning February 15, 2001; interest at 2.00% due semiannually commencing February 15, 2001	-	6,900,000
Series 2000 General Obligation Sewer Warrant; due \$325,000 to \$675,000 annually beginning February 15, 2002; interest at 2.00% due semiannually commencing August 15, 2001	-	8,190,000
Total Bonds Payable	<u>\$ 108,500,000</u>	<u>\$ 15,090,000</u>
Less deferred amounts:		
For issue discounts (2003)	(84,310)	-
For issue premiums (2004)	1,779,692	-
For deferred loss on refunding (2003)	(1,012,314)	-
For deferred loss on refunding (2004)	<u>(3,394,232)</u>	-
Total Bonds Payable, net	<u>\$ 105,788,837</u>	<u>\$ 15,090,000</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(3) LONG-TERM DEBT (CONTINUED):

Changes in Outstanding Debt:

	Balance October 1, 2004	Additions	Reductions	Balance September 30, 2005	Due within one year
Governmental activities					
Bonds payable	\$ 111,280,000	\$ 29,165,000	\$ 31,945,000	\$ 108,500,000	\$ 4,585,000
Less deferred amounts:					
For issue premiums (2004)	-	1,934,793	155,101	1,779,692	-
For issue discounts (2003)	(92,977)	-	(8,667)	(84,310)	-
For deferred loss on refunding (2003)	(1,083,354)	-	(71,040)	(1,012,314)	-
For deferred loss on refunding (2004)	-	(3,602,042)	(207,810)	(3,394,232)	-
Compensated absences	5,995,946	4,081,429	3,840,780	6,236,595	4,032,819
Claims payable	721,339	1,178,571	928,458	971,453	-
Total governmental fund types	<u>\$ 116,820,954</u>	<u>\$ 32,757,752</u>	<u>\$ 36,581,822</u>	<u>\$ 112,996,884</u>	<u>\$ 8,617,819</u>
Business-type activities					
Bonds payable	\$ 15,800,000	\$ -	\$ 710,000	\$ 15,090,000	\$ 730,000
Compensated absences	13,545	9,585	9,941	13,190	10,438
Total proprietary fund types	<u>\$ 15,813,545</u>	<u>\$ 9,585</u>	<u>\$ 719,941</u>	<u>\$ 15,103,190</u>	<u>\$ 740,438</u>

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

Due within one year includes above FY 2005 Reduction amount plus increase of 5% over previous year due to anticipated merit raises and cola increases

Subsequent Event:

In January 2006, the City adopted a new personnel policy that resulted in a change in the payouts for hours accrued at the time of separation. For the most part the number of hours eligible for compensation at separation increased. This change will take effect in fiscal year 2006.

The summary below depicts the estimated change that will occur for future years with this change:

	Current Policy	New Policy	Increase (Decrease)
Governmental activities	\$ 6,236,595	\$ 8,698,599	\$ 2,462,004
Business-type activities	13,190	20,578	7,389
	<u>\$ 6,249,784</u>	<u>\$ 8,719,177</u>	<u>\$ 2,469,392</u>

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(3) LONG-TERM DEBT (CONTINUED):

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2005 are as follows:

Year Ending September 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2006	\$ 4,585,000	\$ 4,613,046	\$ 730,000	\$ 543,384	\$ 10,471,430
2007	4,670,000	4,488,630	760,000	515,970	10,434,600
2008	4,805,000	4,331,633	785,000	487,541	10,409,174
2009	5,020,000	4,134,583	820,000	458,001	10,432,584
2010	5,050,000	3,971,986	850,000	427,263	10,299,249
2011	5,305,000	3,719,481	885,000	395,325	10,304,806
2012	5,525,000	3,500,853	915,000	362,189	10,303,041
2013	5,760,000	3,259,350	950,000	327,854	10,297,204
2014	6,015,000	3,003,835	985,000	292,224	10,296,059
2015	6,285,000	2,740,070	1,025,000	255,211	10,305,281
2016	6,565,000	2,457,595	1,060,000	216,816	10,299,411
2017	8,595,000	2,089,228	1,100,000	177,039	11,961,266
2018	7,330,000	1,716,220	1,140,000	135,783	10,322,003
2019	7,670,000	1,378,720	1,185,000	92,951	10,326,671
2020	8,045,000	1,005,020	1,225,000	48,554	10,323,574
2021	8,435,000	614,108	675,000	12,994	9,737,101
2022	8,840,000	212,160	-	-	9,052,160
2023	-	-	-	-	-
2024	-	-	-	-	-
2025	-	-	-	-	-
Total	\$ 108,500,000	\$ 47,236,516	\$ 15,090,000	\$ 4,749,098	\$ 175,575,613

On January 1, 2003, the City issued \$78,330,000 of General Obligation Warrants and \$4,195,000 of Taxable General Obligation Warrants, of which \$40,567,674 was placed in an irrevocable trust for the purpose of generating resources for all future debt service payments through 2020 (\$39,360,000 principal) of two series 1993 bond issues. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This advanced refunding undertaken decreased total debt service payments over the next 20 years by a cash benefit of approximately \$1,140,907 and obtained an estimated economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$353,037. As of September 30, 2005, \$30,465,000 of bonds are considered defeased.

On December 22, 2004, the City issued \$31,099,793 (includes bond proceeds and original issue premium) of General Obligation Warrants, all of which were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments through 2017 (\$27,185,000 principal) of the 1995 Aldridge warrant and the Series 2000A warrant issues. As a result, the refunded bonds are considered to be defeased and the liability has been removed. This advanced refunding undertaken decreased total debt service payments over the next 20 years by a cash benefit of approximately \$1,885,809 and obtained an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of approximately \$1,424,084.68. As of September 30, 2005, \$25,485,000 of bonds are considered defeased.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(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 ten-year stadium lease agreement and an "other events" supplemental agreement. The stadium lease amount is to be adjusted once every five years based upon changes in the cost-of-living index. Total revenue under the lease and management agreement for the fiscal year ended September 30, 2005 was \$224,430. For the remainder of the lease through fiscal year 2006 the rental revenue will also be \$224,430.

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

<u>Cost of Leased Asset</u>	<u>Carrying Value</u>	<u>Depreciation thru 9/30/05</u>
\$ 12,202,880	\$ 8,064,918	\$ 4,137,962

(5) INTERNAL BALANCES:

Internal Balances represent short-term loans to help supplement various funds. At September 30, 2005, the outstanding internal balances were as follows:

<u>Fund</u>	<u>Internal Balances Due To</u>	<u>Internal Balances Due From</u>
General Fund	\$ 545,879	\$ -
Sewer Enterprise Fund	-	-
Non-Major Govt Funds	-	545,879
Total	<u>\$ 545,879</u>	<u>\$ 545,879</u>

(6) INTERFUND TRANSFERS:

Interfund transfers during the year ended September 30, 2005 were as follows:

<u>Transfers out</u>	<u>Transfers in</u>				
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>GOW Capital Projects Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total</u>
General Fund	\$ -	\$ 8,800,000	\$ -	\$ 1,228,614	\$ 10,028,614
Non-Major Govt Funds	<u>(13,539)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,539)</u>
Total	<u>\$ (13,539)</u>	<u>\$ 8,800,000</u>	<u>\$ -</u>	<u>\$ 1,228,614</u>	<u>\$ 10,015,075</u>

Transfers are primarily used to move funds from the General Fund to finance various program accounted for in other funds in accordance with budgetary authorizations.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(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 1-334-832-4140.

Funding Policy:

For the fiscal year 2005, the member contribution rate for state correctional officers, certified full-time firefighters, and certified full-time law enforcement officers remains at 6% of employee's compensation. Regular member contributions remain at 5% of employee compensation. The City is required to contribute at an actuarially determined rate, which is currently 8.57% (fiscal year 2006) of annual covered payroll. This is up from the 8.39% for fiscal year 2005. 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 2005, the City's annual pension cost of \$2,872,689 for the System was equal to the City's required and actual contributions. The required contribution was determined as part of the September 30, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) a rate of return on investments of 8% compounded annually, (b) projected annual salary increases of 4.61% - 7.75% per year compounded annually. Both (a) and (b) include an inflation component of 4.5%.

The actuarial value of the System assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at September 30, 2004 was 20 years.

Three-Year Trend Information for the System

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
9/30/2002	\$ 1,488,106	100.00%	\$ -
9/30/2003	\$ 1,867,096	100.00%	\$ -
9/30/2004	\$ 2,268,782	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]
9/30/2002	\$ 50,364,542	\$ 62,996,230	\$ 12,631,688	79.95%	\$ 27,881,857	45.30%
9/30/2003	\$ 55,363,633	\$ 71,649,694	\$ 16,286,061	77.27%	\$ 29,127,884	55.91%
9/30/2004	\$ 61,208,949	\$ 76,764,919	\$ 15,555,970	79.74%	\$ 30,979,612	50.21%

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(8) POST RETIREMENT BENEFITS:

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

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

As of September 30, 2005 there were fifteen employees receiving benefits under the ordinance. For the year ended September 30, 2005, the City recognized expenditures of \$72,409 for these benefits. This amount decreased from the fiscal year 2004 amount of \$153,511.

(9) OTHER INFORMATION:

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The City manages these risks under a limited risk management program, which is administered by the City through three professional claims-handling firms. The City purchases commercial insurance to cover individual workers' compensation claims in excess of \$400,000 and to cover aggregate annual compensation claims in excess of \$1,480,316. The City's excess workers' compensation coverage provides statutory limits for workers' compensation and \$1,000,000 in employer's liability. The City also purchases commercial insurance to cover individual property, casualty, and liability claims in excess of \$100,000. The City has not significantly reduced any of its insurance coverage from that of the prior year, and the amount of settlements has not exceeded insurance coverage for each of the past three fiscal years. All claims, claim reserves, and administrative costs of the program are paid from the General Fund.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are based on the estimated ultimate cost of settling the claims considering the effects of inflation and recent claim settlement trends including the frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is not expected to be liquidated with current financial resources.

Changes in the balances of claims liabilities during fiscal 2004 and 2005 are as follows:

	2004	2005
Unpaid claims, beginning	\$ 1,036,923	\$ 721,339
Incurred claims, (including IBNRs)	648,326	1,178,571
Claim Payments	(963,910)	(928,458)
Unpaid claims, ending	\$ 721,339	\$ 971,452

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(9) OTHER INFORMATION (CONTINUED):

B. Commitments

Operating Lease:

During fiscal year 2005, the City entered into vehicle leases for most of its fleet inventory. These leases were closed end leases, whereby they will be returned to the lessor at the end of the three year term, which ends in fiscal year 2008.

The following represents the minimum lease payments for the three year commitment as shown:

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 133,811
2006	773,960
2007	773,960
2008	580,470
Total	<u>\$ 2,262,201</u>

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, 2005, the City has executed contracts related to construction projects in the amount of \$66,770,220. Of this amount, \$39,527,095 has been incurred to date creating a total remaining commitment of \$27,243,125. The City is responsible for funding \$15,009,653 of this commitment with the remaining \$12,233,472 to be funded by other governmental units.

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.

D. Special Items

During fiscal year 2005, the City had three special items that occurred. One, the City received \$831,000 from proceeds on the sale of park land that was sold to Jefferson State Community College. Two, the City provided a grant toward the construction of a conference center in the amount of \$6,000,000 to a subsidiary of the Retirement Systems of Alabama. Three, the City entered into an agreement with a developer to annex its proposed shopping center in exchange for a limited time rebate of the sales tax generated by the properties. For fiscal year 2005, the amount rebated was \$947,046.

THE CITY OF HOOVER, ALABAMA
Notes to Financial Statements
For the Year Ended September 30, 2005

(10) PRIOR PERIOD ADJUSTMENT:

For the year ending September 30, 2005, adjustments were made to capital assets for governmental activities. The change consisted of two items. One, equipment and vehicles was adjusted by both the asset and depreciation amounts. This was due to equipment that had been removed in a previous fiscal year but was not removed from our asset management system. These corrections resulted in a \$350,491 reduction in assets and a \$563,356 reduction in accumulated depreciation. Two, our road inventory under the modified approach had previously converted road lengths to miles. Because of how this conversion was done, it caused the initial value to be mis-calculated. As a result, the City now is using the actual length in feet from our GIS (geographic information system) to calculate our roads more accurately. This resulted in an addition of \$2,801,553. As a result, the net prior period adjustment was \$3,014,418.

These adjustments are summarized below:

Equipment and vehicles asset	\$ (350,491)
Equipment and vehicles accumulated depreciation	(563,356)
Road inventory	<u>2,801,553</u>
 Net change	 <u>\$ 3,014,418</u>

(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	\$ 108,500,000
Less: Deferred charge on refundings (to be amortized as interest expense)	(4,406,547)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(864,647)
Less: Issuance discount- 2003 issue (to be amortized as interest expense)	(84,310)
Issuance premium - 2004 issue	1,779,692
Accrued interest payable	387,816
Claims and judgments	971,453
Compensated absences	<u>6,236,595</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	 <u>\$ 112,520,052</u>

OTHER REQUIRED SUPPLEMENTARY INFORMATION

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THE CITY OF HOOVER, ALABAMA
Modified Approach for Infrastructure Assets
Assessed Condition - Streets
For the Fiscal Year Ending September 30, 2005

		Streets		Streets	
		2004		2005	
	Quality Rating Standards	Length (in feet)	%	Length (in feet)	%
Excellent	5	138,194	8.51%	221,280	13.65%
Good	4	1,196,955	73.75%	1,195,803	73.79%
Fair	3	157,914	9.73%	152,916	9.44%
Poor	2	77,781	4.79%	26,834	1.66%
Unsatisfactory	1	686	0.04%	686	0.04%
Under Construction	UC	51,535	3.18%	23,072	1.42%
Total		1,623,065	100.00%	1,620,591	100.00%

		Streets		Streets	
		2004		2005	
	Quality Rating Standards	Value	%	Value	%
Excellent	5	\$ 14,465,693	6.60%	\$ 28,273,463	12.72%
Good	4	166,846,699	76.09%	166,845,471	75.06%
Fair	3	20,631,399	9.41%	19,303,232	8.68%
Poor	2	11,247,331	5.13%	4,798,234	2.16%
Unsatisfactory	1	67,755	0.03%	88,074	0.04%
Under Construction	UC	6,030,195	2.75%	2,960,685	1.33%
Total		\$ 219,289,072	100.00%	\$ 222,269,157	100.00%

		Streets		Streets	
		2004		2005	
	Quality Rating Standards	Length (in miles)	%	Length (in miles)	%
Excellent	5	26.17	8.51%	41.91	13.65%
Good	4	226.70	73.75%	226.48	73.79%
Fair	3	29.91	9.73%	28.96	9.44%
Poor	2	14.73	4.79%	5.08	1.66%
Unsatisfactory	1	0.13	0.04%	0.13	0.04%
Under Construction	UC	9.76	3.18%	4.37	1.42%
Total		307.40	100.00%	306.93	100.00%

*PLEASE NOTE: The difference in total feet was reduced by 2,710.20 feet. 2,580.89 of this was as a result of Braddock Cir (110.13), Mars Hill Cir (718.93), and Mars Hill Ct (1,751.83) being designated as private instead of public roads. The balance was as a result of Woodcrest Ln (114.91) and Remington Ct (14.40) being removed from the road list.

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

Current Estimated Amount to Preserve Condition Level for Streets

Description of Work	Units	Quantity	Unit Price	Amount
Tack Coat	GALLON	2,915	\$ 2.50	\$ 7,288
Bituminous Concrete Waring Surface, Mix 1, (Approximately 220 LBS/SY)	TON	5,344	70.00	374,080.00
Planing Existing Pavement (Approx. 1.10" thru 2.0")	SQ YD	32,385	8.00	259,080.00
Total				<u>\$ 640,448</u>

Note: Roadway totals - 6.9 miles

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

Fund Description	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005
7 Cent Gas Tax Fund	\$ 131,937	\$ 328,717	\$ 400,242	\$ 133,969	\$ 326,303
4 & 5 Cent Gas Tax Fund	<u>348,727</u>	<u>195,270</u>	<u>234,407</u>	-	<u>402,255</u>
Total	<u>\$ 480,663</u>	<u>\$ 523,987</u>	<u>\$ 634,649</u>	<u>\$ 133,969</u>	<u>\$ 728,557</u>

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

	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005
Total	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 559,475</u>	<u>\$ 1,416,907</u>

THE CITY OF HOOVER, ALABAMA
Modified Approach for Infrastructure Assets
Assessed Condition - Bridges
For the Fiscal Year Ending September 30, 2005

	Structure Length	Deck Width	Barrel Length	Overall Rating 2004	Square Footage	Estimated Value with Deflator*	Estimated Age at Time Added to Capital Assets*
CREEKVIEW DR	68.0	29.0		6.8	1,972	\$ 112,681.51	25
KESTWICK DR	102.0	30.0		6.8	3,060	174,850.61	25
SOUTHLAND DR	104.0	33.0		6.8	3,432	196,106.96	25
LOCKHAVEN RD	103.0	33.0		7.2	3,399	194,221.32	25
RIVERCHASE PKWY W	48.0	35.0		6.4	1,680	95,996.41	15
STARLAKE DR	25.0		30.0	6.0	750	42,855.54	25
SOUTHLAKE PKWY	97.0		26.0	5.0	2,522	144,108.90	10
TOTAL/AVERAGE	<u>547.0</u>	<u>160.0</u>	<u>56.0</u>	<u>6.4</u>	<u>16,815</u>	<u>\$ 960,821.26</u>	<u>21</u>

*Bridge values were added to capital assets in FY 2003

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

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THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2005

STREETS AND BRIDGES

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

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

For fiscal year ending 2003, the City inventoried and valued all of its streets and bridges under the modified approach. By using the modified approach, the City will not depreciate expense associated with such assets. In addition, the City will not capitalize any amounts associated with improving the useful life of the assets, unless the improvements also expand the breadth of the asset (i.e. additional road lanes). The following discusses how the City intends to comply with the above criteria for these two facets of our infrastructure network.

A. Streets

1. In order to fulfill the above GASB standards, the City has provided a mechanism to ensure that its infrastructure inventory database is properly maintained. The City identified four situations throughout the year that could arise and cause a need to update the inventory database in order to keep it properly maintained.

i. Complete condition assessment every three years:

1. Year 1 (December 2004) assess all roads with a rating of 3 and under (approximately 20% condition assessment)
2. Year 2 (December 2005) assess all roads with a rating of 3 and under (approximately 20% condition assessment)
3. Year 3 (December 2006) assess all roads with a rating of 5 and under (100% condition assessment)

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

ii. City/county road work, including paving and milling

1. At the time city maintenance work is completed, the road will be re-rated and properly updated in the database with a corresponding rating and year field.

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2005

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

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

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

1. Some new roads or additions will be funded directly by the City. These roads will be taken into account every three years when a re-inventory is done. In this situation historical expenditures will be used when available to value the road.
2. To avoid duplication, those roads that the City pays for and that run through as a city expense will be removed from the fixed asset list maintained by the Accounting Operations Manager and added to the road inventory at the appropriate time in the appropriate classification (ex. Construction in progress, etc.). This will ensure that the modified approach is applied to all roads and thus that they will not be depreciated like other assets.

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2005

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

At the inception of our inventory process, the City hired an outside consulting agency, Gonzalez-Strength & Associates, Inc., to develop roadway quality rating standards by which to conduct an exhaustive inventory rating process. The standards created were as follows:

Rating 5 – Excellent

Resurfaced within the last 24 months. No visible deterioration.

Rating 4 – Good

Resurfaced within a 24 to 60 month time period. Deficiencies include: Slight cracking, edge raveling, slight curb and gutter damage, and (2-25%) minor pothole presence.

Rating 3 – Fair

Resurfaced within a 60 to 120 month time period. Deficiencies include: Noticeable cracking, stone polishing, 50% edge raveling, 50% curb and gutter damage, 25%-50% pothole patching.

Rating 2 – Poor

Resurfaced within a 10 to 20 year time period. 50%-75% major pothole damage, 50%-75% edge raveling, 50%-75% curb and gutter damage, and inlet tops destroyed.

Rating 1 – Unsatisfactory

Severely deteriorated, surface roughness to the point of requiring slower speeds.

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

City – Road is maintained by the City of Hoover

County – Road is maintained by the County

State – Road is maintained by the State

Private – Road is within city limits but in a gated community that is maintained by that community

Other – Usually apartment complexes or shopping centers

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

If a street segment was classified as City, County, or Private, it was subsequently rated according to the Roadway Quality Ratings Standards described above. PLEASE NOTE: For accounting purposes, only City and County maintained value segments within the City have been added. Thus, because Private roads are not officially considered the City's, their value has not been added.

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2005

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

Area 1	5 years
Area 2	10 years
Area 3	15 years
Area 4	25 years
Area 5	10 years
Area 6	5 years
Area 7	9 years
Area 8	2 years
Area 9	8 years
Area 10	25 years
Area 11	1 years

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

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

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

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

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

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

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

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2005

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

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

Due to a conversion issue from miles to feet, for fiscal year 2005, the value of roads was calculated based on the initial feet of the roadway segments from our GIS system. This length of the roadway in feet was utilized in the above formula to come up with the restated value of the roads at fiscal year 2005 of **\$222,269,157**.

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

To estimate a value on elevating ratings of 1 and 2, a list was created of such ratings and submitted to the Public Works Department, which is responsible for paving and maintaining city roads. Funds for such improvements are provided via the 4 & 5 cent gas tax funds and the 7 cent gas tax funds, which are both special revenue funds. The total length of roads that required rehabilitation was approximately **5.21 miles** (although 6.9 miles were included in the estimated costs due to additional roadways desired to be re-paved). The City will prioritize their paving and maintenance of roads based on this list and will address them in fiscal year 2006.

The estimated cost to raise the ratings of 1 and 2 is approximately **\$640,448** for city maintained roads only.

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

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

Fund Description	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005
7 Cent Gas Tax Fund	\$ 131,937	\$ 328,717	\$ 400,242	\$ 133,969	\$ 326,303
4 & 5 Cent Gas Tax Fund	<u>348,727</u>	<u>195,270</u>	<u>234,407</u>	-	<u>402,255</u>
Total	<u>\$ 480,663</u>	<u>\$ 523,987</u>	<u>\$ 634,649</u>	<u>\$ 133,969</u>	<u>\$ 728,557</u>

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

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

Fund Description	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005
Total	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 559,475</u>	<u>\$ 1,416,907</u>

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

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2005

B. Bridges

1. In order to fulfill the above GASB standards, the City needs to provide a mechanism to ensure that our infrastructure inventory database is properly maintained. Because the City only has seven bridges in its inventory, maintenance of the inventory will be a much less extensive task than that of the street inventory.
2. Every two years the State of Alabama conducts inspections for our seven bridges. Thus, all of the bridges were inspected in 2004. As a result, the ratings are from the 2004 inspection.

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

i. Deck

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

ii. Superstructure

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

iii. Substructure

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

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2005

iv. Culverts

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

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

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

This equation does not apply to culvert bridges, which are two out of the seven bridges. Instead, for culvert bridges, the rating is based on the overall rating of the culvert category. As a result, five of the seven bridges were rated 7 and the two culvert bridges are rated 6.

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

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

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

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

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

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

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

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

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

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

THE CITY OF HOOVER, ALABAMA
Notes to Required Supplementary Information
For the Fiscal Year Ended September 30, 2005

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

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

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

C. Conclusion

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

COMBINING FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2005

	Special Revenue								
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	CDBG	Alabama Trust Fund Interest	Drug Enforce- ment	Court and Corrections	Court Training
Assets									
Pooled cash and investments	\$ -	\$ 488,334	\$ 1,442,258	\$ 1,095,010	\$ -	\$ 737,687	\$ 459,602	\$ 11,594	\$ 83,501
Receivables									
Taxes	-	-	-	-	-	-	-	-	-
Accounts	58,384	13,567	-	-	120,537	-	-	84	-
Due from other governments	-	-	72,037	43,777	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	\$ 58,384	\$ 501,901	\$ 1,514,295	\$ 1,138,786	\$ 120,537	\$ 737,687	\$ 459,602	\$ 11,678	\$ 83,501
Liabilities and fund balances									
Accounts payable and accrued liabilities	\$ 31,013	\$ 27,949	\$ 146,769	\$ 45,623	\$ -	\$ -	\$ -	\$ 11,678	\$ 60
Internal balances	27,371	-	-	-	120,537	-	-	-	-
Total liabilities	58,384	27,949	146,769	45,623	120,537	-	-	11,678	60
Fund balances									
Unreserved, undesignated fund balance	-	473,952	1,367,526	1,093,163	-	737,687	459,602	-	83,441
Total fund balances	-	473,952	1,367,526	1,093,163	-	737,687	459,602	-	83,441
Total liabilities and fund balances	\$ 58,384	\$ 501,901	\$ 1,514,295	\$ 1,138,786	\$ 120,537	\$ 737,687	\$ 459,602	\$ 11,678	\$ 83,501

THE CITY OF HOOVER, ALABAMA
Combining Balance Sheet - Continued
Non-Major Governmental Funds
September 30, 2005

	Special Revenue - Continued							Capital Projects	Total Nonmajor Governmental Funds	
	Traffic Safety	Local Law Enforcement Block Grant	General Grants	COPS	Court Referral Officer Program	Bullet Proof Vest Program	DARE	Total		Other Capital Projects Fund
Assets										
Pooled cash and investments	\$ 202,651	\$ -	\$ -	\$ -	\$ 5,034	\$ 1,591	\$ 6,141	\$ 4,533,403	\$ -	\$ 4,533,403
Receivables										
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	368,853	4,890	-	-	-	566,315	135,665	701,980
Due from other governments	-	-	-	-	-	-	-	115,814	-	115,814
Inventories	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 202,651	\$ -	\$ 368,853	\$ 4,890	\$ 5,034	\$ 1,591	\$ 6,141	\$ 5,215,532	\$ 135,665	\$ 5,351,197
Liabilities and fund balances										
Accounts payable and accrued liabilities	\$ 4,367	\$ -	\$ 3,444	\$ -	\$ 5,034	\$ 1,591	\$ -	\$ 277,528	\$ 93,488	\$ 371,016
Internal balances	-	-	350,904	4,890	-	-	-	503,701	42,177	545,879
Total liabilities	4,367	-	354,348	4,890	5,034	1,591	-	781,229	135,665	916,895
Fund balances										
Unreserved, undesignated fund balance	198,284	-	14,506	-	-	-	6,141	4,434,302	-	4,434,302
Total fund balances	198,284	-	14,506	-	-	-	6,141	4,434,302	-	4,434,302
Total liabilities and fund balances	\$ 202,651	\$ -	\$ 368,853	\$ 4,890	\$ 5,034	\$ 1,591	\$ 6,141	\$ 5,215,532	\$ 135,665	\$ 5,351,197

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, 2005

	Special Revenue								
	E-911	Wireless E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax	CDBG	Alabama Trust Fund Interest	Drug Enforce- ment	Court and Corrections	Court Training
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	3,223	-	740,565	489,795	423,764	336,485	-	84	-
Fines and forfeits	-	-	-	-	-	-	395,089	386,994	17,487
Investment income	-	-	-	-	-	-	8,434	-	-
Rents and royalties	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	255	-	-
Charges for services	744,917	155,475	-	-	-	-	-	2,797	-
Total revenues	748,140	155,475	740,565	489,795	423,764	336,485	403,778	389,875	17,487
Expenditures									
Current operations									
General government	-	-	-	-	54,532	-	-	-	-
Public safety	1,849,133	24,709	-	-	-	-	29,810	-	-
Library	-	-	-	-	-	-	-	-	-
Municipal court	-	-	-	-	-	-	-	760,588	8,269
Sanitation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	326,303	402,255	-	42,556	-	-	-
Recreation services	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Total	1,849,133	24,709	326,303	402,255	54,532	42,556	29,810	760,588	8,269
Capital outlays	-	282,183	237,442	-	369,232	160,003	298,519	-	-
Total expenditures	1,849,133	306,892	563,744	402,255	423,764	202,559	328,329	760,588	8,269
Excess of revenues over (under) expenditures	(1,100,993)	(151,417)	176,821	87,540	-	133,926	75,448	(370,713)	9,218
Other financing sources (uses)									
Transfers in	1,100,993	-	-	-	-	-	-	85,504	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,100,993	-	-	-	-	-	-	85,504	-
Net change in fund balances	-	(151,417)	176,821	87,540	-	133,926	75,448	(285,209)	9,218
Fund balances, beginning of year	-	625,369	1,190,705	1,005,623	-	603,761	384,154	285,209	74,223
Fund balances, end of year	\$ -	\$ 473,952	\$ 1,367,526	\$ 1,093,163	\$ -	\$ 737,687	\$ 459,602	\$ -	\$ 83,441

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, 2005

	Special Revenue - Continued							Capital	Total	
	Traffic Safety	Local Law Enforcement Block Grant	General Grants	COPS	Court Referral Officer Program	Bullet Proof Vest Program	DARE	Total		Other Capital Projects Fund
Revenues										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	553,213	78,493	24,750	-	-	2,650,372	248,728	2,899,099
Fines and forfeits	84,075	-	-	-	-	-	-	883,645	-	883,645
Investment income	-	-	-	-	-	-	-	8,434	-	8,434
Rents and royalties	-	-	-	-	-	-	-	-	-	-
Contributions and reimbursements	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	255	-	255
Charges for services	-	-	-	-	9,120	-	-	912,309	-	912,309
Total revenues	84,075	-	553,213	78,493	33,870	-	-	4,455,014	248,728	4,703,742
Expenditures										
Current operations										
General government	-	-	-	-	-	-	-	54,532	-	54,532
Public safety	-	626	121,060	78,493	-	15,212	7,134	2,126,177	-	2,126,177
Library	-	-	-	-	-	-	-	-	-	-
Municipal court	26,271	-	-	-	44,094	-	-	839,222	-	839,222
Sanitation	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Highway and roadway improvements	-	-	-	-	-	-	-	771,113	17,840	788,953
Recreation services	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Total	26,271	626	121,060	78,493	44,094	15,212	7,134	3,791,044	17,840	3,808,884
Capital outlays	-	-	498,833	-	-	-	-	1,846,212	217,349	2,063,560
Total expenditures	26,271	626	619,892	78,493	44,094	15,212	7,134	5,637,256	235,189	5,872,444
Excess of revenues over (under) expenditures	57,804	(626)	(66,679)	-	(10,224)	(15,212)	(7,134)	(1,182,242)	13,539	(1,168,703)
Other financing sources (uses)										
Transfers in	-	-	16,680	-	10,224	15,212	-	1,228,614	-	1,228,614
Transfers out	-	-	-	-	-	-	-	-	(13,539)	(13,539)
Total other financing sources (uses)	-	-	16,680	-	10,224	15,212	-	1,228,614	(13,539)	1,215,075
Net change in fund balances	57,804	(626)	(49,999)	-	-	-	(7,134)	46,372	-	46,372
Fund balances, beginning of year	140,480	626	64,505	-	-	-	13,275	4,387,930	-	4,387,930
Fund balances, end of year	\$ 198,284	\$ -	\$ 14,506	\$ -	\$ -	\$ -	\$ 6,141	\$ 4,434,302	\$ -	\$ 4,434,302

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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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	3,223	3,223
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	750,000	750,000	744,917	(5,083)
Other	-	-	-	-
Total revenues	<u>750,000</u>	<u>750,000</u>	<u>748,140</u>	<u>(1,860)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	1,967,457	1,867,117	1,849,133	17,984
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>1,967,457</u>	<u>1,867,117</u>	<u>1,849,133</u>	<u>17,984</u>
Capital outlays	34,000	28,160	-	28,160
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,001,457</u>	<u>1,895,277</u>	<u>1,849,133</u>	<u>46,144</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,251,457)</u>	<u>(1,145,277)</u>	<u>(1,100,993)</u>	<u>44,284</u>
Other financing sources (uses)				
Transfers in	1,251,457	1,145,277	1,100,993	(44,284)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>1,251,457</u>	<u>1,145,277</u>	<u>1,100,993</u>	<u>(44,284)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Wireless E-911 Fund
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	155,000	155,000	155,475	475
Other	-	-	-	-
Total revenues	<u>155,000</u>	<u>155,000</u>	<u>155,475</u>	<u>475</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	58,500	74,250	24,709	49,541
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>58,500</u>	<u>74,250</u>	<u>24,709</u>	<u>49,541</u>
Capital outlays	-	436,475	282,183	154,292
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>58,500</u>	<u>510,725</u>	<u>306,892</u>	<u>203,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>96,500</u>	<u>(355,725)</u>	<u>(151,417)</u>	<u>204,308</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	96,500	(355,725)	(151,417)	204,308
Fund balances, beginning of year	<u>625,369</u>	<u>625,369</u>	<u>625,369</u>	<u>-</u>
Fund balances, end of year	<u>\$ 721,869</u>	<u>\$ 269,644</u>	<u>\$ 473,952</u>	<u>\$ 204,308</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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	716,000	716,000	740,565	24,565
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>716,000</u>	<u>716,000</u>	<u>740,565</u>	<u>24,565</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	400,000	400,000	326,303	73,697
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>400,000</u>	<u>400,000</u>	<u>326,303</u>	<u>73,697</u>
Capital outlays	661,650	661,650	237,442	424,208
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,061,650</u>	<u>1,061,650</u>	<u>563,744</u>	<u>497,906</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(345,650)</u>	<u>(345,650)</u>	<u>176,821</u>	<u>522,471</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	(345,650)	(345,650)	176,821	522,471
Fund balances, beginning of year	<u>1,190,705</u>	<u>1,190,705</u>	<u>1,190,705</u>	<u>-</u>
Fund balances, end of year	<u>\$ 845,055</u>	<u>\$ 845,055</u>	<u>\$ 1,367,526</u>	<u>\$ 522,471</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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	475,000	475,000	489,795	14,795
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>475,000</u>	<u>475,000</u>	<u>489,795</u>	<u>14,795</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	450,000	450,000	402,255	47,745
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>450,000</u>	<u>450,000</u>	<u>402,255</u>	<u>47,745</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>450,000</u>	<u>450,000</u>	<u>402,255</u>	<u>47,745</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,000</u>	<u>25,000</u>	<u>87,540</u>	<u>62,540</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	25,000	25,000	87,540	62,540
Fund balances, beginning of year	<u>1,005,623</u>	<u>1,005,623</u>	<u>1,005,623</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,030,623</u>	<u>\$ 1,030,623</u>	<u>\$ 1,093,163</u>	<u>\$ 62,540</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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	655,864	655,964	423,764	(232,200)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>655,864</u>	<u>655,964</u>	<u>423,764</u>	<u>(232,200)</u>
Expenditures				
Current operations				
General government	98,650	102,150	54,532	47,618
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>98,650</u>	<u>102,150</u>	<u>54,532</u>	<u>47,618</u>
Capital outlays	557,214	553,814	369,232	184,582
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>655,864</u>	<u>655,964</u>	<u>423,764</u>	<u>232,200</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
Alabama Trust Fund Interest
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	270,000	270,000	336,485	66,485
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>270,000</u>	<u>270,000</u>	<u>336,485</u>	<u>66,485</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	60,000	42,556	17,444
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>-</u>	<u>60,000</u>	<u>42,556</u>	<u>17,444</u>
Capital outlays	420,000	365,000	160,003	204,997
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>420,000</u>	<u>425,000</u>	<u>202,559</u>	<u>222,441</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(150,000)</u>	<u>(155,000)</u>	<u>133,926</u>	<u>288,926</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	(150,000)	(155,000)	133,926	288,926
Fund balances, beginning of year	<u>603,761</u>	<u>603,761</u>	<u>603,761</u>	<u>-</u>
Fund balances, end of year	<u>\$ 453,761</u>	<u>\$ 448,761</u>	<u>\$ 737,687</u>	<u>\$ 288,926</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Drug Enforcement
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	395,089	395,089
Investment income	-	-	8,434	8,434
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	255	255
Total revenues	<u>-</u>	<u>-</u>	<u>403,778</u>	<u>403,778</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	78,000	30,409	29,810	599
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>78,000</u>	<u>30,409</u>	<u>29,810</u>	<u>599</u>
Capital outlays	258,799	314,900	298,519	16,381
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>336,799</u>	<u>345,309</u>	<u>328,329</u>	<u>16,980</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(336,799)</u>	<u>(345,309)</u>	<u>75,448</u>	<u>420,757</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	(336,799)	(345,309)	75,448	420,757
Fund balances, beginning of year	<u>384,154</u>	<u>384,154</u>	<u>384,154</u>	<u>-</u>
Fund balances, end of year	<u>\$ 47,355</u>	<u>\$ 38,845</u>	<u>\$ 459,602</u>	<u>\$ 420,757</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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	84	84
Fines and forfeits	250,000	353,000	386,994	33,994
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	2,797	2,797
Other	-	-	-	-
Total revenues	<u>250,000</u>	<u>353,000</u>	<u>389,875</u>	<u>36,875</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	16,755	-	-	-
Library	-	-	-	-
Municipal court	809,622	770,580	760,588	9,992
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>826,377</u>	<u>770,580</u>	<u>760,588</u>	<u>9,992</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>826,377</u>	<u>770,580</u>	<u>760,588</u>	<u>9,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(576,377)</u>	<u>(417,580)</u>	<u>(370,713)</u>	<u>46,867</u>
Other financing sources (uses)				
Transfers in	283,110	132,371	85,504	(46,867)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>283,110</u>	<u>132,371</u>	<u>85,504</u>	<u>(46,867)</u>
Net change in fund balances	(293,267)	(285,209)	(285,209)	-
Fund balances, beginning of year	<u>285,209</u>	<u>285,209</u>	<u>285,209</u>	<u>-</u>
Fund balances, end of year	<u>\$ (8,058)</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 Training
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	13,000	13,000	17,487	4,487
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>17,487</u>	<u>4,487</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	15,100	15,100	8,269	6,831
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>15,100</u>	<u>15,100</u>	<u>8,269</u>	<u>6,831</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>15,100</u>	<u>15,100</u>	<u>8,269</u>	<u>6,831</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,100)</u>	<u>(2,100)</u>	<u>9,218</u>	<u>11,318</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,100)	(2,100)	9,218	11,318
Fund balances, beginning of year	<u>74,223</u>	<u>74,223</u>	<u>74,223</u>	<u>-</u>
Fund balances, end of year	<u>\$ 72,123</u>	<u>\$ 72,123</u>	<u>\$ 83,441</u>	<u>\$ 11,318</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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	40,000	40,000	84,075	44,075
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>84,075</u>	<u>44,075</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	48,405	48,405	26,271	22,134
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>48,405</u>	<u>48,405</u>	<u>26,271</u>	<u>22,134</u>
Capital outlays	24,000	24,000	-	24,000
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>72,405</u>	<u>72,405</u>	<u>26,271</u>	<u>46,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,405)</u>	<u>(32,405)</u>	<u>57,804</u>	<u>90,209</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(32,405)	(32,405)	57,804	90,209
Fund balances, beginning of year	<u>140,480</u>	<u>140,480</u>	<u>140,480</u>	<u>-</u>
Fund balances, end of year	<u>\$ 108,075</u>	<u>\$ 108,075</u>	<u>\$ 198,284</u>	<u>\$ 90,209</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Local Law Enforcement Block Grant
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	626	626	626	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>626</u>	<u>626</u>	<u>626</u>	<u>-</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>626</u>	<u>626</u>	<u>626</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(626)</u>	<u>(626)</u>	<u>(626)</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	(626)	(626)	(626)	-
Fund balances, beginning of year	<u>626</u>	<u>626</u>	<u>626</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
General Grants
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	499,675	636,433	553,213	(83,220)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>499,675</u>	<u>636,433</u>	<u>553,213</u>	<u>(83,220)</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	105,112	209,100	121,060	88,040
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>105,112</u>	<u>209,100</u>	<u>121,060</u>	<u>88,040</u>
Capital outlays	459,067	508,517	498,833	9,684
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>564,179</u>	<u>717,617</u>	<u>619,892</u>	<u>97,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,504)</u>	<u>(81,184)</u>	<u>(66,679)</u>	<u>14,505</u>
Other financing sources (uses)				
Transfers in	-	16,680	16,680	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>16,680</u>	<u>16,680</u>	<u>-</u>
Net change in fund balances	(64,504)	(64,504)	(49,999)	14,505
Fund balances, beginning of year	<u>64,505</u>	<u>64,505</u>	<u>64,505</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 14,506</u>	<u>\$ 14,505</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
COPS
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	78,493	78,493	78,493	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>78,493</u>	<u>78,493</u>	<u>78,493</u>	<u>-</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	78,493	78,493	78,493	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>78,493</u>	<u>78,493</u>	<u>78,493</u>	<u>-</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>78,493</u>	<u>78,493</u>	<u>78,493</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	16,732	16,732	-	(16,732)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>16,732</u>	<u>16,732</u>	<u>-</u>	<u>(16,732)</u>
Net change in fund balances	16,732	16,732	-	(16,732)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ 16,732</u>	<u>\$ 16,732</u>	<u>\$ -</u>	<u>\$ (16,732)</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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	27,000	24,750	(2,250)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	9,120	9,120
Other	-	-	-	-
Total revenues	<u>-</u>	<u>27,000</u>	<u>33,870</u>	<u>6,870</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	60,039	63,939	44,094	19,845
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>60,039</u>	<u>63,939</u>	<u>44,094</u>	<u>19,845</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>60,039</u>	<u>63,939</u>	<u>44,094</u>	<u>19,845</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,039)</u>	<u>(36,939)</u>	<u>(10,224)</u>	<u>26,715</u>
Other financing sources (uses)				
Transfers in	60,039	36,939	10,224	(26,715)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>60,039</u>	<u>36,939</u>	<u>10,224</u>	<u>(26,715)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
Bullet Proof Vest Program
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	16,500	16,500	15,212	1,288
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>16,500</u>	<u>16,500</u>	<u>15,212</u>	<u>1,288</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>16,500</u>	<u>16,500</u>	<u>15,212</u>	<u>1,288</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,500)</u>	<u>(16,500)</u>	<u>(15,212)</u>	<u>1,288</u>
Other financing sources (uses)				
Transfers in	16,500	16,500	15,212	(1,288)
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>16,500</u>	<u>16,500</u>	<u>15,212</u>	<u>(1,288)</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
DARE
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current operations				
General government	-	-	-	-
Public safety	13,275	13,275	7,134	6,141
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>13,275</u>	<u>13,275</u>	<u>7,134</u>	<u>6,141</u>
Capital outlays	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>13,275</u>	<u>13,275</u>	<u>7,134</u>	<u>6,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,275)</u>	<u>(13,275)</u>	<u>(7,134)</u>	<u>6,141</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	(13,275)	(13,275)	(7,134)	6,141
Fund balances, beginning of year	<u>13,275</u>	<u>13,275</u>	<u>13,275</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,141</u>	<u>\$ 6,141</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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	9,349,815	13,349,815	248,728	(13,101,087)
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>9,349,815</u>	<u>13,349,815</u>	<u>248,728</u>	<u>(13,101,087)</u>
Expenditures				
Current operations				
General government	344,000	344,000	-	344,000
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	20,000	20,000	17,840	2,160
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>364,000</u>	<u>364,000</u>	<u>17,840</u>	<u>346,160</u>
Capital outlays	8,985,815	12,985,815	217,349	12,768,466
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>9,349,815</u>	<u>13,349,815</u>	<u>235,189</u>	<u>13,114,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>13,539</u>	<u>13,539</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(13,539)	(13,539)
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(13,539)</u>	<u>(13,539)</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, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	7,792	7,792	8,234	442
Fines and forfeits	-	-	-	-
Investment income	-	-	-	-
Rents and royalties	-	-	-	-
Contributions and reimbursements	59,870	59,870	3,623	(56,248)
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>67,662</u>	<u>67,662</u>	<u>11,856</u>	<u>(55,806)</u>
Expenditures				
Current operations				
General government	443,474	718,143	163,118	555,025
Public safety	311,696	401,552	214,653	186,899
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	102,265	377,265	41,206	336,059
Recreation services	213,838	382,188	335,458	46,730
Health	-	-	-	-
Total	<u>1,071,273</u>	<u>1,879,148</u>	<u>754,435</u>	<u>1,124,713</u>
Capital outlays	11,031,177	14,940,597	3,859,540	11,081,057
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>12,102,450</u>	<u>16,819,745</u>	<u>4,613,974</u>	<u>12,205,771</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,034,788)</u>	<u>(16,752,083)</u>	<u>(4,602,118)</u>	<u>12,149,965</u>
Other financing sources (uses)				
Transfers in	-	8,800,000	8,800,000	-
Transfers out	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to refund bond escrow agent	-	-	-	-
Warrant issue discount	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>8,800,000</u>	<u>8,800,000</u>	<u>-</u>
Special Items				
Proceeds from the sale of park land	-	850,000	831,000	(19,000)
Net change in fund balances	(12,034,788)	(7,102,083)	5,028,882	12,130,965
Fund balances, beginning of year	<u>17,581,502</u>	<u>17,581,502</u>	<u>17,581,502</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,546,714</u>	<u>\$ 10,479,419</u>	<u>\$ 22,610,384</u>	<u>\$ 12,130,965</u>

THE CITY OF HOOVER, ALABAMA
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
GOW Capital Projects Fund
For the year ended September 30, 2005

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Fines and forfeits	-	-	-	-
Investment income	-	-	272,617	272,617
Rents and royalties	-	-	-	-
Contributions and reimbursements	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>272,617</u>	<u>272,617</u>
Expenditures				
Current operations				
General government	6,129,941	108,978	105,936	3,042
Public safety	-	-	-	-
Library	-	-	-	-
Municipal court	-	-	-	-
Sanitation	-	-	-	-
Education	-	-	-	-
Highway and roadway improvements	-	-	-	-
Recreation services	-	-	-	-
Health	-	-	-	-
Total	<u>6,129,941</u>	<u>108,978</u>	<u>105,936</u>	<u>3,042</u>
Capital outlays	2,200,000	2,483,063	400,631	2,082,432
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>8,329,941</u>	<u>2,592,041</u>	<u>506,566</u>	<u>2,085,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,329,941)</u>	<u>(2,592,041)</u>	<u>(233,949)</u>	<u>2,358,092</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	(8,329,941)	(2,592,041)	(233,949)	2,358,092
Fund balances, beginning of year	<u>9,278,209</u>	<u>9,278,209</u>	<u>9,278,209</u>	<u>-</u>
Fund balances, end of year	<u>\$ 948,268</u>	<u>\$ 6,686,168</u>	<u>\$ 9,044,259</u>	<u>\$ 2,358,092</u>

STATISTICAL SECTION

PRIMARY GOVERNMENT

THE CITY OF HOOVER, ALABAMA
General Governmental Tax Revenues by Source
All Governmental Fund Types
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Sales and Use Taxes</u>	<u>Property Taxes Real/Per/Util</u>	<u>Property Taxes Motor Vehicles</u>	<u>In Lieu of Property Taxes</u>	<u>Rental Taxes</u>	<u>Gross Receipts and Franchise Taxes</u>	<u>Other Municipal Taxes</u>	<u>Total</u>
1996	\$ 34,242,731	\$ 3,781,319	\$ 317,485	\$ 53,062	\$ 150,336	\$ -	\$ 1,056,952	\$ 39,601,885
1997	36,439,547	3,981,320	346,789	47,828	137,318	-	1,108,426	42,061,228
1998	36,716,919	4,253,830	438,799	47,828	173,450	-	1,222,608	42,853,434
1999	38,376,459	4,456,220	516,270	47,828	370,671	-	1,826,526	45,593,974
2000	39,019,809	5,215,400	668,403	47,828	576,455	-	2,089,661	47,617,556
2001	40,994,618	5,485,911	786,228	47,828	633,272	-	1,956,420	49,904,277
2002	43,986,058	5,629,498	764,783	69,211	609,632	-	1,861,619	52,920,801
2003	47,552,917	5,900,922	804,160	8,847	659,009	3,301,523 (A)	1,987,514	60,214,892
2004	52,097,889	6,839,985	872,472	8,847	674,964	3,432,507 (A)	2,174,787	66,101,452
2005	56,449,217	7,086,799	966,301	8,847	661,148	3,692,712 (A)	2,279,347	71,144,371

(A) With the implementation of GASB 34, the City reclassified some accounts to the Taxes category that had not been previously classified as such.

THE CITY OF HOOVER, ALABAMA
General Governmental Expenditures by Functions
All Governmental Fund Types
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety & Court</u>	<u>Streets and Sanitation</u>	<u>Library</u>	<u>Recreation Services</u>	<u>Education</u>	<u>Health</u>	<u>Capital Outlays</u>	<u>Debt Service</u>	<u>Total</u>
1996	\$ 5,573,911	\$ 17,018,226	\$ 5,305,308	\$ -	\$ -	\$ -	\$ 347,259	\$ 7,892,679	\$ 5,327,006	\$ 41,464,389
1997	5,972,878	17,450,403	5,248,576	-	-	-	347,843	9,775,534	4,813,756	43,608,990
1998	5,325,776	19,284,687	6,205,693	-	-	-	365,070	5,329,877	5,661,995	42,173,098
1999	6,512,020	20,712,864	5,926,537	-	-	-	356,631	5,787,340	6,432,052	45,727,444
2000	6,882,945	23,218,922	6,536,354	-	-	-	327,890	16,797,201	6,517,126	60,280,438
2001	7,534,105	24,816,443	6,528,931	-	-	-	211,910	12,107,452	8,026,722	59,225,563
2002 (A)	8,074,561	26,005,419	7,404,459	-	2,431,397	-	418,807	8,129,245	7,446,465	59,910,353
2003 (B)	8,031,148	28,613,293	8,130,535	3,874,224	5,190,949	7,560,622	197,634	17,953,337	9,181,013	88,732,755
2004	9,584,128	31,688,376	7,500,733	4,120,702	5,684,917	8,335,662	205,191	22,739,679	9,285,390	99,144,778
2005	8,771,404	35,238,364	8,625,215	4,333,627	5,426,654	1,895,404	220,172	6,888,827	9,433,051	80,832,716

(A) Park Maintenance was under Public Works in the General Fund

(B) The Parks and Recreation and Library Discretely Presented Component Units were changed to departments within the General Fund

The School Board was removed as a Component Unit

THE CITY OF HOOVER, ALABAMA
General Governmental Revenues by Source
All Governmental Fund Types
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Inter-Governmental	Fines and Forfeits	Investment Income	Charges for Services	Other	Total
1996	\$ 39,601,885	\$ 6,951,010	\$ 2,355,881	\$ 852,158	\$ 558,440	\$ -	\$ 1,072,449	\$ 51,391,823
1997	42,061,228	7,833,276	2,260,279	939,012	925,011	-	1,989,843	56,008,649
1998	42,853,434	8,164,042	2,704,982	1,182,346	1,228,608	-	1,301,811	57,435,223
1999	45,534,524	9,117,729	3,075,793	1,100,142	1,250,397	-	1,239,620	61,318,205
2000	47,617,556	9,002,056	4,246,598	1,455,122	3,053,705	-	1,426,777	66,801,814
2001	49,904,277	9,351,131	3,254,141	1,219,308	3,020,823	-	1,989,140	68,738,820
2002	55,006,564	10,254,746	3,888,795	1,150,399	1,693,602	1,195,571 (A)	757,418	73,947,095
2003	60,214,892 (B)	7,774,194	5,952,367	1,277,982	1,379,526	2,285,998 (A)	3,187,234	82,072,193
2004	66,101,452 (B)	8,750,751	4,095,296	1,881,578	1,795,771	2,269,281 (A)	1,343,915	86,238,043
2005	71,144,371 (B)	8,498,490	5,474,758	2,084,735	1,980,059	2,185,504 (A)	1,273,239	92,641,156

(A) FY 2002 began separating out Charges for Services from the Other Category

(B) Gross Receipts and Franchise revenues were reclassified from Licenses and Permits to Taxes

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

Jefferson County:

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Property Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
1996	\$ 2,568,380	\$ 2,524,918	98.31%	\$ 89,335	\$ 2,614,253	101.79%
1997	2,483,495	2,616,964	105.37	32,944	2,649,908	106.70
1998	2,802,963	2,764,344	98.62	12,696	2,777,040	99.08
1999	2,872,611	2,846,285	99.08	4,694	2,850,979	99.25
2000	3,448,634	3,418,252	99.12	8,958	3,427,210	99.38
2001	3,552,092	3,537,316	99.58	11,118	3,548,434	99.90
2002	3,502,672	3,500,780	99.95	21,629	3,522,409	100.56
2003	3,686,294	3,699,348	100.35	20,445	3,719,793	100.91
2004	4,278,404	4,296,294	100.42	20,186	4,316,480	100.89
2005	4,421,652	4,394,795	99.39	12,703	4,407,498	99.68

Shelby County:

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Property Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
1996	\$ 1,216,615	\$ 1,167,066	95.93%	\$ 2,137	\$ 1,169,203	96.10%
1997	1,350,966	1,329,133	98.38	2,279	1,331,412	98.55
1998	1,531,197	1,476,563	96.43	226	1,476,790	96.45
1999	1,571,374	1,605,034	102.14	207	1,605,241	102.16
2000	1,882,191	1,787,644	94.98	546	1,788,190	95.01
2001	1,941,599	1,936,145	99.72	1,332	1,937,477	99.79
2002	2,087,040	2,097,756	100.51	9,335	2,107,091	100.96
2003	2,199,425	2,180,202	99.13	928	2,181,129	99.17
2004	2,507,879	2,522,883	100.60	622	2,523,505	100.62
2005	2,694,468	2,678,109	99.39	1,193	2,679,302	99.44

(A) Excludes property tax on motor vehicles

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

Jefferson County:

Fiscal Year	Real Property (A)		Personal Property (A)		Public Utility Property (A)		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	
1996	\$ 299,007,442	\$ 2,108,839,188	\$ 36,582,126	\$ 182,910,630	\$ 68,298,740	\$ 227,639,700	\$ 403,888,308	\$ 2,519,389,518	16.03%
1997	311,327,661	2,207,875,277	44,224,575	221,122,875	64,566,900	215,201,478	420,119,136	2,644,199,630	15.89%
1998	328,041,051	2,330,203,943	46,095,817	230,479,085	67,290,000	224,277,570	441,426,868	2,784,960,598	15.85%
1999	337,510,271	2,406,636,475	47,965,463	239,827,315	67,539,220	225,108,220	453,014,954	2,871,572,010	15.78%
2000	417,489,222	2,988,826,100	59,248,321	296,241,605	68,640,060	228,800,177	545,377,603	3,513,867,882	15.52%
2001	429,824,616	3,079,857,720	56,515,655	282,578,275	75,004,250	250,014,142	561,344,521	3,612,450,137	15.54%
2002	444,687,947	3,195,469,305	51,401,597	257,007,985	59,203,660	197,345,514	555,293,204	3,649,822,804	15.21%
2003	460,220,484	3,318,482,231	60,812,830	304,064,150	62,513,240	208,377,467	583,546,554	3,830,923,848	15.23%
2004	531,348,660	3,815,581,059	78,418,828	392,094,140	67,132,840	335,664,200	676,900,328	4,543,339,399	14.90%
2005	575,305,652	4,135,731,086	69,111,960	345,559,800	67,092,040	223,640,133	711,509,652	4,704,931,019	15.12%

Shelby County:

Fiscal Year	Real Property (A)		Personal Property (A)		Public Utility Property (A)		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	
1996	\$ 159,994,480	\$ 1,144,416,000	\$ 16,629,200	\$ 83,146,000	\$ 12,993,360	\$ 43,311,200	\$ 189,617,040	\$ 1,270,873,200	14.92%
1997	182,967,120	1,313,928,500	17,921,460	89,607,300	10,269,280	34,230,933	211,157,860	1,437,766,733	14.69%
1998	198,222,620	1,434,982,400	24,483,800	122,419,000	15,990,180	53,300,600	238,696,600	1,610,702,000	14.82%
1999	208,300,880	1,534,843,200	26,157,500	130,787,500	10,220,900	34,069,667	244,679,280	1,699,700,367	14.40%
2000	255,374,360	1,897,548,300	29,522,540	147,612,700	8,016,160	26,720,533	292,913,060	2,071,881,533	14.14%
2001	267,904,640	1,999,649,200	29,475,340	147,376,700	4,579,560	15,265,200	301,959,540	2,162,291,100	13.96%
2002	287,342,440	2,164,067,900	32,457,980	162,289,900	4,684,980	15,616,600	324,485,400	2,341,974,400	13.86%
2003	305,620,680	2,296,739,700	31,414,080	157,070,400	4,722,920	15,743,067	341,757,680	2,469,553,167	13.84%
2004	353,726,180	2,660,485,300	31,451,580	156,669,200	5,251,300	17,504,333	390,429,060	2,834,658,833	13.77%
2005	381,707,660	2,885,636,500	33,236,740	166,183,700	5,573,200	18,577,333	420,517,600	3,070,397,533	13.70%

(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 Schools	School District	County Total		
1996	0.65	1.40	2.05	1.35	0.82	1.39	3.56	0.65	6.26
1997	0.65	1.40	2.05	1.35	0.82	1.39	3.56	0.65	6.26
1998	0.65	1.40	2.05	1.35	0.82	1.39	3.56	0.65	6.26
1999	(A) 0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2000	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2001	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2002	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2003	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2004	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26
2005	0.65	2.40	3.05	1.35	0.82	1.39	3.56	0.65	7.26

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 Schools	School District	Hospital		
1996	0.65	1.40	2.05	0.75	1.60	0.60		2.95	5.65
1997	0.65	1.40	2.05	0.75	1.60	0.60		2.95	5.65
1998	0.65	1.40	2.05	0.75	1.60	0.60		2.95	5.65
1999	(A) 0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2000	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2001	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2002	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2003	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2004	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65
2004	0.65	2.40	3.05	0.75	1.60	0.60		2.95	6.65

(A) City voters passed a 10 mill property tax for schools at a referendum held on May 12, 1998.
The tax was effective beginning in October, 1998.

Source: Jefferson and Shelby County Tax Collectors

THE CITY OF HOOVER, ALABAMA
Principal Property Taxpayers
For the Fiscal Year Ended September 30, 2005

	City Only Ad Valorem Taxes	Percentage of Total Property Taxes Collected (A)
Bellsouth Telecommunications	\$ 492,956	6.96%
Amsouth Bank & Investment Services	219,384	3.10%
Blue Cross & Blue Shield	204,553	2.89%
Metropolitan Life Insurance Co	192,933	2.72%
Hoover Mall Limited LP	175,247	2.47%
Colonial Realty LTD PTN	120,716	1.70%
Meadowbrook Properties	88,762	1.25%
AIG Baker Hoover LLC	67,232	0.95%
Alabama Power Co	54,828	0.77%
Ridge Crossings Apartments Ltd	47,862	0.68%
Total Ad Valorem Taxes - Principal Property Taxpayers	<u>1,664,473</u>	<u>23.49%</u>
Total Ad Valorem Taxes - All Taxpayers	<u>\$ 7,086,799 (A)</u>	<u>100.00%</u>

(A) Excludes motor vehicles

Source: Jefferson and Shelby County Tax Collectors

THE CITY OF HOOVER, ALABAMA
Computation of Legal Debt Margin
September 30, 2005

Assessed value of property:		
Jefferson County	\$ 823,492,761	
Shelby County	<u>498,568,240</u>	
Total Assessed Value of Property	<u>1,322,061,001</u>	(A) (B)
Debt Limit - 20 percent of total assessed value	264,412,200	
Amount of debt applicable to debt limit:		
General Obligation Warrants	<u>108,500,000</u>	
Legal debt margin	<u>\$ 155,912,200</u>	

(A) Includes assessed value of motor vehicles totaling \$190,033,749 (Jefferson County - \$111,983,109 and Shelby County - \$78,050,640)

(B) Source: Jefferson County and Shelby County Tax Assessors

THE CITY OF HOOVER, ALABAMA
Ratio of Net General Obligation Debt to Assessed Value
and Net General Obligation Debt Per Capita
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>General Obligation Debt</u>	<u>Percentage of Debt To Assessed Value</u>	<u>General Obligation Debt per Capita</u>
1996	56,000 (A)	\$ 642,720,988 (D)	\$ 62,411,015	9.71%	\$ 1,114.48
1997	58,500 (A)	686,350,871 (D)	60,873,278	8.87%	1,040.57
1998	60,000 (A)	748,627,210 (D)	58,379,847	7.80%	973.00
1999	62,000 (A)	773,520,238 (D)	60,858,550	7.87%	981.59
2000	62,742 (B)	945,656,163 (D)	83,160,000	8.79%	1,325.43
2001	64,605 (C)	987,056,921 (D)	79,935,000	8.10%	1,237.29
2002	65,885 (C)	1,001,764,364 (D)	76,565,000	7.64%	1,162.10
2003	67,830 (C)	1,052,540,094 (D)	115,375,000	10.96%	1,700.94
2004	70,060 (C)	1,204,879,108 (D)	111,280,000	9.24%	1,588.35
2005	71,151 (C)	1,322,061,001 (D)	108,500,000	8.21%	1,524.93

(A) Estimate by the City

(B) Federal Census

(C) House Consultants

(D) Jefferson and Shelby County Tax Assessors (includes assessed value of motor vehicles)

THE CITY OF HOOVER, ALABAMA
Ratio of Annual Debt Service Expenditures for
General Obligation Debt to Total General Governmental Expenditures
All Governmental Fund Types
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Percentage of Debt Service to Total General Expenditures</u>
1996	\$ 5,303,730	\$ 41,464,389	12.79%
1997	4,813,460	43,608,990	11.04%
1998	5,819,971	42,173,098	13.80%
1999	6,128,425	45,727,444	13.40%
2000	6,514,513	60,280,438	10.81%
2001	8,026,722	59,225,563	13.55%
2002	7,446,465	59,910,353	12.43%
2003	9,181,013 (A)	88,732,755	10.35%
2004	9,285,390	99,144,778	9.37%
2005	9,433,051	80,832,716	11.67%

(A) Includes \$1,842,632 for the 2003 bond issue expenditures

Source: City annual financial reports

THE CITY OF HOOVER, ALABAMA
Computation of Direct and Overlapping Debt
General Obligation Warrants
September 30, 2005

	<u>Total Debt Outstanding</u>	<u>Percentage Applicable to City of Hoover</u>	<u>Amount Applicable to City of Hoover</u>
Direct Debt:			
City of Hoover	\$ 108,500,000	100.00%	\$ 108,500,000
Total direct debt	<u>108,500,000</u>		<u>108,500,000</u>
Overlapping Debt:			
Hoover City Board of Education	140,860,000	100.00%	140,860,000
Jefferson County	309,650,000	10.65%	32,979,911
Jefferson County Board of Education	94,999,907	10.65%	10,118,161
Shelby County	21,225,000	20.42%	4,333,887
Shelby County Board of Education	<u>115,924,460</u>	20.42%	<u>23,670,366</u>
Total overlapping debt	<u>682,659,367</u>		<u>211,962,325</u>
Total direct and overlapping debt	<u>\$ 791,159,367</u>		<u>\$ 320,462,325</u>

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
Demographic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>		<u>Median Household Income</u>		<u>School Enrollment</u>		<u>Unemployment Rate</u>	
1996	56,000	(C)	\$	59,083 (F)	8,206	(D)	1.3%	(B)
1997	58,500	(E)		60,000 (C)	8,663	(D)	1.3%	(B)
1998	60,000	(E)		61,757 (G)	9,018	(D)	1.1%	(B)
1999	62,000	(E)		61,982 (A)	9,310	(D)	1.2%	(B)
2000	62,742	(A)		62,500 (C)	9,463	(D)	1.2%	(B)
2001	64,605	(E)		74,580 (H)	9,794	(D)	1.4%	(B)
2002	65,885	(E)		78,133 (H)	10,265	(D)	1.8%	(B)
2003	67,830	(E)		71,964 (H)	10,765	(D)	1.8%	(B)
2004	70,060	(E)		70,069 (H)	11,163	(D)	2.6%	(B)
2005	71,151	(E)		73,298 (H)	11,771	(D)	2.4%	(B)

- (A) Federal census
- (B) State Department of Industrial Relations
- (C) Estimate by City
- (D) City Board of Education
- (E) House Consultants
- (F) Porter, White Company, Inc.
- (G) Equifax National Decision Systems
- (H) Claritas

THE CITY OF HOOVER, ALABAMA
Construction, Building Permits, and Retail Sales
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Value of Commercial Construction</u>	<u>Value of Residential Construction</u>	<u>Value of Miscellaneous Construction</u>	<u>Number of Building Permits Issued</u>	<u>Retail Sales*</u>
1996	\$ 47,620,964 (A)	\$ 135,031,130 (A)	\$ 10,994,171 (A)	1,549 (A)	\$ 1,953,375,013 (B)
1997	62,487,614 (A)	135,970,884 (A)	13,982,824 (A)	1,622 (A)	2,113,087,037 (B)
1998	83,402,179 (A)	120,573,214 (A)	13,187,351 (A)	1,633 (A)	2,007,112,202 (B)
1999	109,762,038 (A)	124,288,600 (A)	20,232,976 (A)	1,594 (A)	2,313,391,757 (B)
2000	126,032,253 (A)	110,146,300 (A)	20,071,852 (A)	1,571 (A)	2,260,239,784 (B)
2001	88,476,750 (A)	118,770,857 (A)	35,364,796 (A)	1,470 (A)	2,327,706,110 (B)
2002	192,934,559 (A)	143,179,866 (A)	23,428,792 (A)	1,620 (A)	2,399,298,725 (B)
2003	118,797,011 (A)	187,612,576 (A)	43,979,664 (A)	1,836 (A)	2,524,611,458 (B)
2004	171,911,469 (A)	230,076,637 (A)	54,756,510 (A)	2,060 (A)	2,804,758,501 (B)
2005	61,978,731 (A)	237,863,122 (A)	17,703,914 (A)	1,872 (A)	2,993,965,232 (B)

*Reflects license year, which is on a calendar year

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 2005

Date of Incorporation: May 18, 1967

Area (Square Miles): 41.24 (A)

Public Schools:

Established: August 29, 1988

Form of Government: Mayor-Council (7 members)

Miles of Street:

Paved	302.56 (B)
Under Construction	4.37 (B)
Total	306.93

Enrollment 11,771 (H)

Number of Approved Positions:

Administration (13FT/8EO)	21
Building Services	11
Development	2
Engineering & Horticulture	5
Finance	8
Fleet	7
Police (178FT/12TP)	190
Fire (150FT/12PT)	162
Homeland Security	1
Human Resources	5
Inspection Services	19
Municipal Court (12FT/1PT)	13
Animal Control	2
Park Maintenance (36FT/1PT/5TP)	42
Public Safety Communications/Dispatch	28
Public Works	34
Revenue	9
Sewer	1
Support Services/MIS	8
Parks & Recreation (19 FT/24PT/9TP)	52
Library (42FT/49PT/4TP)	95
Total Approved Positions	715 (G)

(590 FT, 87 PT, 8 EO, 30 TP)

Miles of Sewers:

Sanitary 86.1 (A)

Buildings:

High schools	2
Middle Schools	3
Elementary Schools	10

Recreation:

Number of Parks	21 (C)
Acres of developed parks and lakes	331 (C)
Acres not developed	522 (C)

Population:

1968	410 (D)
1970	1,393 (D)
1980	19,792 (D)
1990	39,788 (D)
2000	62,742 (D)
2002	65,885 (E)
2003	67,830 (E)
2004	70,060 (E)
2005	71,151 (E)

Public Safety:

Number of fire stations	8
Number of police stations	1
Number of police substations	3

Number of housing units:

Owner occupied	21,521 (E)
Renter occupied	10,619 (E)
Total	32,140 (E)

Median Age: 37.54 (F)

Source:

- (A) GIS Department
- (B) Gonzalez-Strength Associates, Inc.
- (C) Parks and Recreation Department
- (D) Federal Census
- (E) House Consultants
- (F) Claritas, Inc.
- (G) Finance Department
- (H) City Board of Education