THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 2000

THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report
For the Fiscal Year Ended
September 30, 2000

Office of the Finance Director

Richard K. Smith, CPA, CGFM, CGFO
Finance Director and Treasurer

(This page intentionally left blank)

Betty D. McLendon
"Jeannie"
1949 - 2000

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2000

TABLE OF CONTENTS

	PAGE NUMBER
INTRODUCTORY SECTION	
Letter of Transmittal	1-16
GFOA Certificate of Achievement	17
Organization Chart	18
List of Principal Officials	19
Charts of Revenues and Expenditures	20
FINANCIAL SECTION	
Independent Auditors' Report	21-22
General Purpose Financial Statements	
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units	23-24
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Units	25-26
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Special Revenue Funds	27-28
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	29
Combined Statement of Cash Flows - All Proprietary Fund Types	30-31
Notes to the Financial Statements	32-57
Supplemental Information	
Schedule of Funding Progress for the Pension Plan	58
Combining, Individual Fund and Account Group Statements and Schedules	
General Fund	
Comparative Balance Sheets	59
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	60
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	61-62
Schedule of Current Operations Expenditures - Budget and Actual	63

	PAGE NUMBER
Special Revenue Funds	
Combining Balance Sheet	64-65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	66-67
E-911 Special Revenue Fund	
Comparative Balance Sheets	68
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	69
Comparative Statements of Revenues, Expenditure and Changes in Fund Balances - Budget and Actual	70
State Seven Cent Gasoline Tax Special Revenue Fund	
Comparative Balance Sheets	71
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	72
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	73
State Four and Five Cent Gasoline Tax Special Revenue Fund	
Comparative Balance Sheets	74
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	75
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	76
Drug Enforcement Special Revenue Fund	
Comparative Balance Sheets	77
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	78
Court and Corrections Special Revenue Fund	
Comparative Balance Sheets	79
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	80
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	81
Capital Projects Funds	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	83

	PAGE NUMBER
Capital Projects Fund	
Comparative Balance Sheets	84
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	85
GOW Capital Projects Fund	
Comparative Balance Sheets	86
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	87
Library Capital Projects Fund	
Comparative Balance Sheets	88
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	89
Enterprise Fund	
Sewer Enterprise Fund	
Comparative Balance Sheets	90
Comparative Statements of Revenues, Expenses and Changes in Retained Earnings	91
Comparative Statements of Cash Flows	92-93
Internal Service Fund	
Fleet Service Fund	
Comparative Balance Sheets	94
Comparative Statements of Revenues, Expenses and Changes in Retained Earnings	95
Comparative Statements of Cash Flows	96
General Fixed Assets Account Group	
Comparative Schedules of General Fixed Assets by Source	97
Schedule of General Fixed Assets by Function and Activity	98
Schedule of Changes in General Fixed Assets by Function and Activity	99
General Long-Term Debt Account Group	
Comparative Schedules of General Long-Term Debt	100
Discretely Presented Component Units	
Combining Balance Sheet	101-102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	103-104
Public Park and Recreation Board of the City of Hoover	
Combined Balance Sheets - All Fund Types and Account Groups	105

	PAGE NUMBER
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	106
Comparative Schedules of General Fixed Assets by Source	107
Schedule of General Fixed Assets by Function and Activity	108
Schedule of Changes in General Fixed Assets by Function and Activity	109
The City of Hoover Public Library Board	
Combined Balance Sheets - All Fund Types and Account Groups	110
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	111
Comparative Schedules of General Fixed Assets by Source	112
Schedule of General Fixed Assets by Function and Activity	113
Schedule of Changes in General Fixed Assets by Function and Activity	114
STATISTICAL SECTION	
General Governmental Tax Revenues by Source	115
General Governmental Expenditures by Functions - All Governmental Fund Types	116-117
General Governmental Revenues by Source - All Governmental Fund Types	118-119
Property Tax Levies and Collections	120
Assessed and Estimated Actual Value of Taxable Property	121-122
Property Tax Rates - Direct and Overlapping Governments	123
Principal Property Taxpayers	124
Computation of Legal Debt Margin	125
Ratio of Net General Obligation Debt to Assessed Value and Net General Obligation Debt Per Capita	126
Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures	127
Computation of Direct and Overlapping Debt - General Obligation Warrants	128
Demographic Statistics	129
Construction, Bank Deposits and Retail Sales	130
Miscellaneous Statistics	131

INTRODUCTORY SECTION

(This page intentionally left blank)

HOOVER

The City of Hoover has a population of 62,742 and is located in north-central Alabama within the Birmingham metropolitan area. Hoover occupies approximately 37 square miles within Jefferson and Shelby counties.

(This page intentionally left blank)

City of Hoover

100 MUNICIPAL DRIVE
POST OFFICE BOX 360628
HOOVER, AL 35236-0628
TELEPHONE (205) 444-7500
FAX (205) 444-7577

February 28, 2001

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

The comprehensive annual financial report of the City of Hoover, Alabama (the City) for the fiscal year ended September 30, 2000, is hereby submitted as mandated by state statutes. These statutes require that the City issue annually a report on its financial position and activity, and that this report be audited by an independent firm of certified public accountants or the State Department of Examiners of Public Accounts. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's activities have been included.

The City's comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section, which is unaudited, includes this letter of transmittal, an organizational chart and a list of the elected officials. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditor's report on these financial statements and schedules. The statistical section, which is unaudited, includes selected financial and demographic information generally presented on a multi-year 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 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 and questioned costs are included in a separately issued single audit report.

The financial reporting entity (the Government) includes all the funds and account groups of the primary government (i.e., the City of Hoover, Alabama as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The Government provides a full range of services. These services include public safety (police, fire and inspection), infrastructure maintenance, sanitation, recreation, public library, primary and secondary education, cultural events, public improvements, planning and zoning, and general administration.

Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations and cash flows from those of the primary government. The School Board, Parks and Recreation Board and Library Board are reported as discretely presented component units.

Governmental Structure, Local Economic Condition Outlook

The Government, incorporated in 1967, is located in Jefferson and Shelby Counties in north central Alabama. Shelby County is the fastest growing county in Alabama increasing 44% in population since 1990. The population within the corporate limits of the Government increased from 39,788 in 1990 to 62,742 in 2000, a 58% increase. The Government 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's excellent school system continues to draw new residents to the area.

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. The City Council is responsible, among other things, for passing resolutions and ordinances, adopting the budget and appointing boards and committees. The Mayor is responsible for carrying out the policies and ordinances of the Government. The Mayor and City Council are elected on a nonpartisan basis to concurrent four year terms which begin October 1 in the election year. An election was conducted in the summer of 2000.

The Government's financial condition continues to be strong. The City of Hoover is the retail hub of the State of Alabama. The Riverchase Galleria is the largest mixed-use shopping center in the Southeast. It is home to more than two hundred specialty stores and is anchored by Macy's, Rich's, McRae's, Parisian, J. C. Penney and Sears. The Galleria includes restaurants, a branch of the U. S. Post Office, a five star hotel, and a 250,000 square foot office tower. The City receives about 25% of its revenue from the Galleria. The estimated annual 12,000,000 Galleria visitors/shoppers have spurred other retail and commercial growth in the US Highway 31, Lorna Road and Alabama Highway 150 corridors making Hoover a shopping mecca for both Alabama and the Southeast. The Inverness Corners development, as well as other retail centers, in the US Highway 280 corridor offer many shopping options for people who live and work in that area and beyond.

The Government is substantially dependent on sales and use tax revenue which comprised 59.96% of total revenue in fiscal 2000. However, the Government enjoys a

broad retail sales and use tax base and is not dependent on any one particular company or industry for its sales and use tax revenue. In addition to sales and use tax, other major revenue sources (i.e. business licenses and property taxes) are broad based and continue to grow each year.

New construction of all types has remained steady for the past several years. The City as a whole is experiencing continued growth in all areas and is the sixth largest city in the state based on population.

Major Initiatives for 2000

The Development Office completed the following tasks to accomplish its mission to balance economic prosperity with environmental quality and community well-being:

- Fiscal Impact Study
- Conference Center Feasibility Study
- Hoover-on-the-Cahaba Phase II
- Lorna Road Sidewalk Improvements Phase I
- Visioning activities
- Pedestrian Greenway Bikeway Masterplan
- Economic Development Plan
- Promotional ads in various community publications

The Director of Development, Virginia Williams, was honored by the Cahaba River Society as "Cahaba Conservationist of the Year" in appreciation for her work toward the protection and preservation of the Cahaba River, twenty miles of which winds through the City.

Further, the City of Hoover Development Office received the "Cahaba Vision Award" in the fiscal year for innovative planning in the Hoover-on-the-Cahaba strategic development concept. The development concepts that were developed as part of the plan will be incorporated into the Comprehensive Land Use Plan to be completed early in 2002.

During the year, Fleet Management reached their goal of providing ninety-eight percent of all repairs to city vehicles and equipment. The addition of a new employee to manage the parts inventory and pick up parts as they are needed helped to fulfill their goal. They also have several pool cars to loan to departments for daily use and short trips.

The Public Works Department resurfaced 34 residential streets, completed an eight hundred car parking lot addition at the Hoover Metropolitan Stadium, and paved a large portion of Deer Valley Parkway with the base coat of asphalt for the benefit of the Hoover Board of Education. During the year the department responded to over two thousand work orders from citizens as well as other city departments. These work orders consisted of installing rip-rap, cleaning ditches, installing pipe, striping, paving and general building maintenance.

Between January and December the new "litter patrol" picked up in excess of thirty thousand pounds of trash throughout the city. In addition to major cleanup after March storms, the department assisted with parking and shuttle service at the Southeastern Conference Baseball Tournament which was held at Hoover's Metropolitan Stadium.

Construction continued on the new wastewater treatment plant and holding pond servicing the Inverness area. The completion is scheduled for August 2001. Several construction projects at the Riverchase wastewater treatment plant were completed during the year. These included installation of an ultraviolet disinfection system, installation of new laboratory cabinets, the rehabilitation and construction of covers for half of the sludge drying beds, installation of several new flow meters, and the upgrade of two pumping stations.

In February, 2000, the Hoover Public Library held its eighth annual Southern Voices conference. Mystery writers such as Nora DeLoach took the stage Friday night. Saturday's authors' conference featured Tom Franklin, among others. The Sunday theatre performance featured Tom Key's *Cottonpatch Gospel*.

The Engineering Department continued to work in the area of designing and constructing new roads, improving and upgrading existing roads and traffic control through traffic signals and signage. During the year they completed the installation and implementation of a network of cameras on Highway 31. The traffic can now be monitored from the engineering building.

The workload of Building Inspections remained steady. This was due to large, on-going projects such as the new Spain Park High School, several major apartment complex renovations and new office buildings.

Risk Management continued to inspect and identify potential liability exposure to the City and recommend corrective action.

Solid Waste Management sponsored hazardous material collection day collecting over 36,000 pounds of waste from almost 400 residents.

Hoover's municipal government did not experience any adverse "Y2K" effects thanks to a successful remediation project led by the city's Support Services staff. The new year also rang in Census 2000. Hoover was very active in the U.S. Census Bureau's Partnership Program and the Support Services staff led the city's efforts to ensure a reasonably complete and accurate census within Hoover.

The Information Technology Division of the Support Services Department acquired and installed a new PBX telephone system and completed a multi-year project to deploy local area network and wide area network technology to all departments of the City.

The City's website, www.ci.hoover.al.us, received a major facelift in fiscal year 2000. It is now updated regularly and includes a wealth of information about Hoover and its municipal services. The Geographic Information Systems (GIS) Division made tremendous strides in bringing geographic data to city leaders and employees.

For the Future

The City of Hoover continues to strive for excellence. To increase its attractiveness to future and sustained development, Hoover continues to enhance its services and amenities for the public. The Administration has created a committee of employees and citizens to develop a comprehensive land use plan to map out the City's growth. Citizens of Hoover expect not only continued services, but expanded services. All of these services and amenities improve the quality of life in Hoover for its citizens and visitors. The City's goal is to create a city that sets a standard for others to emulate.

Subsequent to the fiscal year end, the City purchased a huge building situated on over 37 acres on Valleydale Road in Hoover. The two hundred eighty thousand square foot building will house Fleet Management, Public Works, Park Maintenance, Police, Court, Animal Control, Inspection Services, Engineering, Building Services, Fire Administration and the City Jail.

The City anticipates that several new businesses will begin construction during fiscal year 2001. These include three giant retailers, two auto dealerships, a large grocery market, and a major drug chain. Several other significant businesses are already under construction.

The focus of the Development Office in fiscal year 2001 will continue to be facilitating access to Hoover businesses and easing traffic congestion for residents; expanding potential markets for Hoover businesses through efforts such as increasing the tourism market; targeting the attraction, retention, and expansion of businesses that are most beneficial to the City's economic base; and identifying policies that manage growth in a cost-effective manner.

Cooperative efforts with other local governments in the region will be continued through participation in the Metropolitan Planning Organization, the Regional Planning Commission of Greater Birmingham, and Region 2020. The City will continue to identify ways to leverage city funds with grants and to monitor that activity.

Fleet management is planning a new and larger shop area in their move to the new building on Valleydale Road. Plans also include a body shop and paint booth for minor repairs.

Public Works is also planning a move to the new building and anticipates having an expanded storage area with indoor parking for some of their vehicles.

Once completed, the expanded Library will have a number of new services, such as a computer training center and hub, a Friends of the Library bookstore, a youth programming room, a snack area for patrons and an expanded parking lot. The grand reopening is planned for April, 2001.

The City anticipates the completion of the new Inverness Waste Water Treatment Plant in fiscal year 2001. Other projects anticipated for the coming year include: construction of a new main pumping station at the Inverness plant, repair of the recently acquired force main at Caldwell Mill Road, the construction of a sewer main extension across the Spain Park property, the construction of a new pumping station and force main to serve the Altadena Woods subdivision, and the completion of the rehabilitation of the second half of the sludge drying beds at the Riverchase plant.

Departmental Focus – Fire

The Hoover Fire Department provides fire and emergency medical protection within the City of Hoover and in those areas which are not in the City but that are in the police jurisdiction and not covered by another fire district.

The Fire Department has 145 employees operating out of eight fire stations. In addition to providing fire protection and emergency medical service, the Department provides fire prevention, public safety education, wildland fire fighting, hazardous materials response, high angle rescue, tunnel and confined space rescue, swift water rescue, recovery and mitigation activities resulting from flooding, tornadoes, winter storms and other natural and man made disasters.

In order to provide these services the department has acquired special training and equipment and will continue to develop all the necessary skills and knowledge required to deliver those services. The Fire Prevention Division inspects and maintains fire safety systems in existing buildings and becomes involved in all construction from it's beginning at planning and zoning to assure the adequacy of water supplies and access for fire and rescue apparatus.

Financial Information

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, 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.

As a recipient of federal, state and local financial assistance, the Government is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

The Government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function and activity within an individual fund. However, the City Council may authorize expenditures from time to time during the year without legally amending the previously adopted budget. The budget was amended several times during the year. Encumbrance accounting is employed during the year but appropriations automatically lapse at year end.

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.

General Government Functions

The following schedules present a summary of General Fund and Special Revenue Funds revenues for the fiscal year ended September 30, 2000, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) From 1999	Percent of Increase (Decrease)
Taxes	$ 47,617,556	72.52 %	$ 2,083,032	4.57 %
Licenses and permits	9,002,056	13.70	(115,673)	(1.27)
Intergovernmental	4,246,598	6.46	1,170,805	38.07
Fines and forfeits	1,455,122	2.21	354,980	32.27
Interest earned	1,904,651	2.95	871,314	84.32
Other	1,426,777	2.16	187,157	15.10
Total	$ 65,652,760	100.00 %	$ 4,551,615	7.45 %

Intergovernmental revenues consist primarily of various state and county taxes shared with the City on a pro-rata basis. As the City has grown, these revenues have increased.

An analysis of revenue sources in descending order of amount is set forth below:

Revenues	Amount	Percent of Total	Increase (Decrease) From 1999	Percent of Increase (Decrease)
Sales and use taxes	$ 39,039,317	59.46 %	$ 673,526	1.76 %
Property taxes	5,883,803 (A)	8.94	970,763	19.74
Business licenses	5,459,851 (B)	8.32	280,714	5.42
Intergovernmental	4,246,598	6.48	1,170,805	38.06
Building Permits	2,847,326 (B)	4.34	(427,389)	(13.05)
Interest earned	1,904,651	2.90	871,314	84.32
Fines and forfeits	1,455,122	2.22	354,980	32.27
E-911	916,544 (C)	1.40	59,733	6.97
All other revenue	3,899,548 (D)	5.94	597,169	18.08
Total revenues	$ 65,652,760	100.00 %	$ 4,551,615	7.45 %

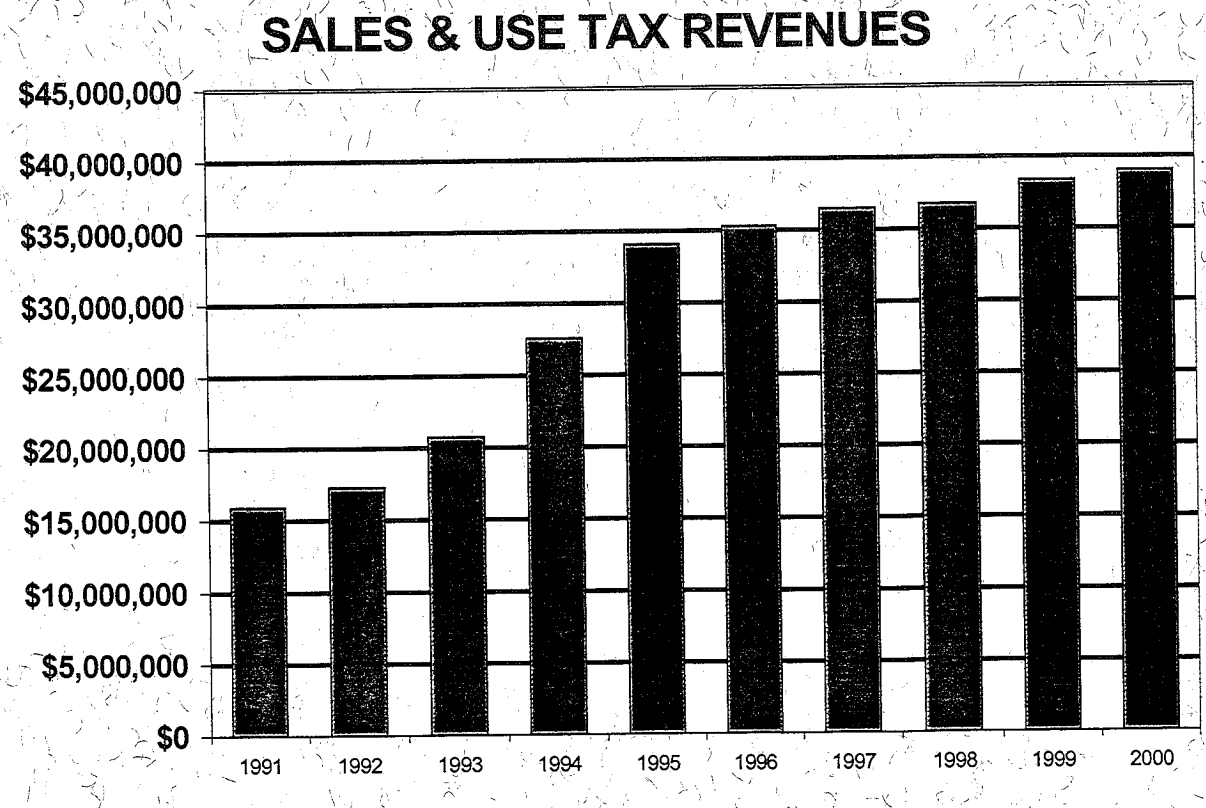
(A) Included in taxes above
(B) Included in licenses and permits above
(C) Included in other revenue above
(D) Included in the following:

Taxes	$ 2,694,436
Licenses and permits	694,879
Other	510,233
	$ 3,899,548

Sales and use taxes are the greatest sources of revenue to the City. Continued commercial expansion has resulted in greater sales and use tax revenues in each of the past ten years. Set forth below is sales and use tax information for the past ten years:

Fiscal Year	Sales and Use Tax Revenues	Percent of Total Revenues	Percent of Increase from Previous Year
1991	$ 15,911,832	57.70 %	6.10 %
1992	17,278,328	59.00	8.60
1993	20,728,713	59.20	20.00
1994	27,568,637	66.20	33.00
1995	34,085,710	68.60	23.60
1996	35,299,684	68.80	3.60
1997	36,490,195	65.20	6.50
1998	36,758,134	64.10	0.70
1999	38,365,791	62.80	4.40
2000	$ 39,039,317	59.96 %	1.76 %

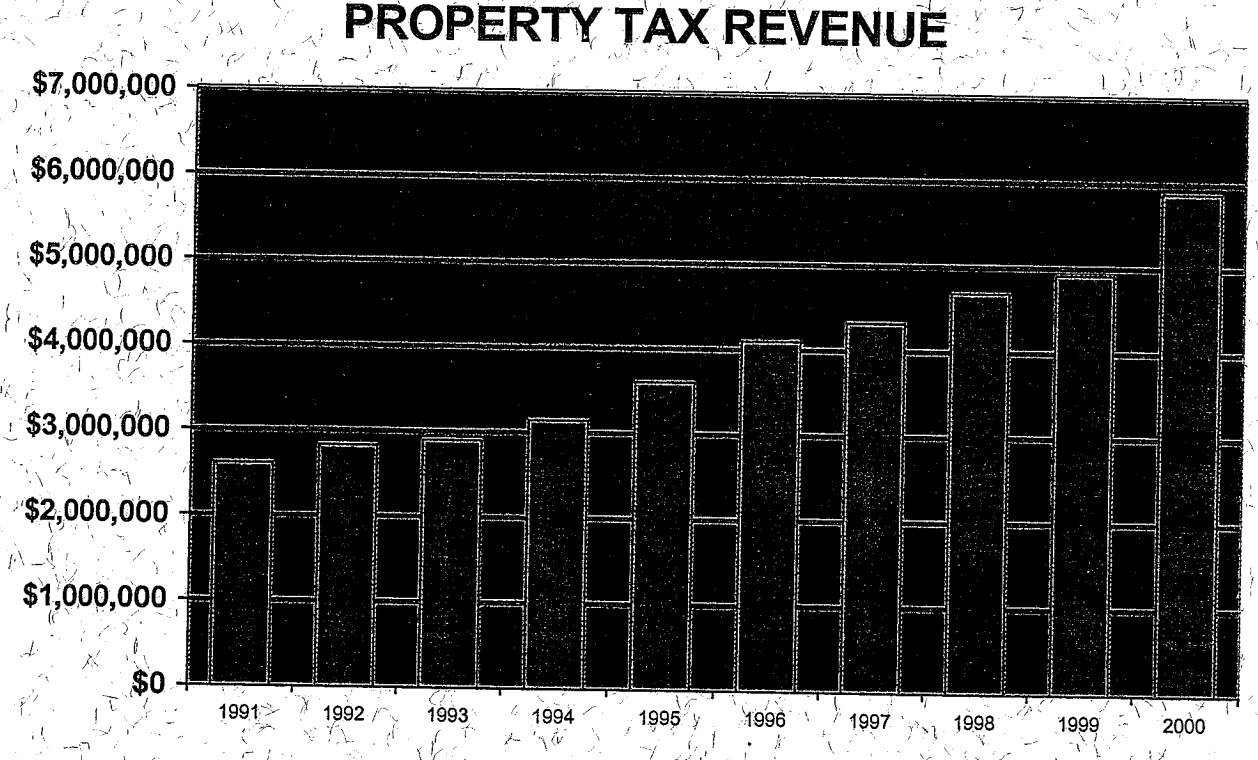
City management expects continued steady sales and use tax growth in the future.



The second largest revenue source for the City is property tax. A ten year summary of property tax revenue is as follows:

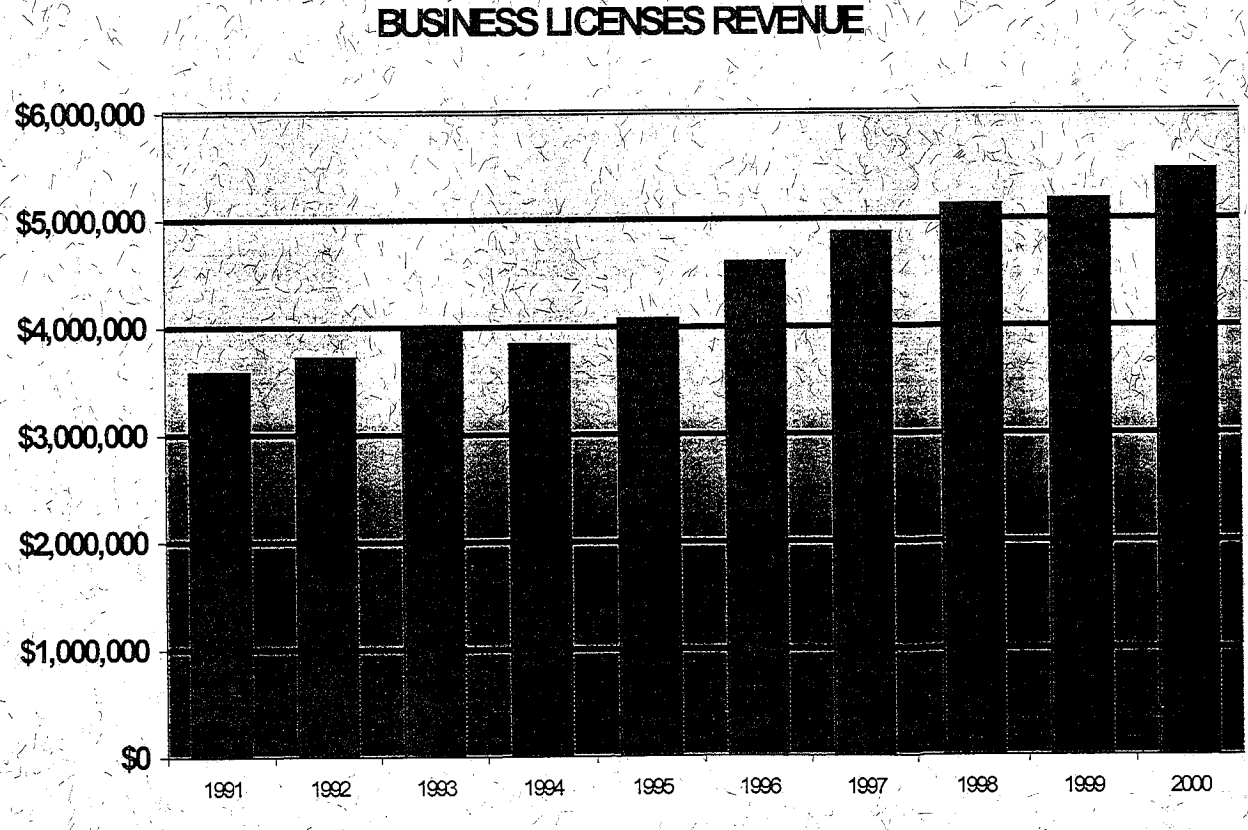
Fiscal Year	Property Tax Revenue	Percent of Total Revenues	Percent of Increase (Decrease) from Previous Year
1991	$ 2,612,328	9.50 %	12.50 %
1992	2,828,634	9.70	8.30
1993	2,898,359	8.70	2.50
1994	3,143,179	7.50	8.50
1995	3,605,798	7.30	14.70
1996	4,098,804	8.00	13.70
1997	4,328,109	7.70	5.60
1998	4,692,628	8.20	8.40
1999	4,913,040	8.00	4.70
2000	$ 5,883,803	9.03 %	19.75 %

The City's property tax is 6 1/2 mills for general government use. The large increase is due to reappraisals.



Business licenses, which are generally based on gross receipts, have historically been one of the three single largest revenue sources for the City. Following is a summary of business licenses revenue for the past decade:

Fiscal Year	Business Licenses Revenues	Percent of Total Revenues	Percent of Increase (Decrease) from Previous Year
1991	$ 3,581,808	13.00 %	10.80 %
1992	3,718,290	12.70	3.80
1993	4,002,574	12.00	7.70
1994	3,840,450	9.20	(4.10)
1995	4,074,618	8.20	6.10
1996	4,604,849	9.00	13.00
1997	4,876,540	8.70	5.90
1998	5,130,782	9.00	5.20
1999	5,179,137	8.50	0.90
2000	$ 5,459,851	8.38 %	5.42 %



The following schedule presents a summary of General Fund and Special Revenue Funds expenditures for the fiscal year ended September 30, 2000, and the percentage of increases and decreases in relation to prior year amounts:

Expenditures	Amount	Percent of Total	Increase (Decrease) From 1999	Percent of Increase (Decrease)
Current				
General Government	$ 6,827,397	15.11 %	$ 315,377	4.84 %
Public Safety	22,712,832	50.24	2,436,398	12.02
Municipal Court	506,090	1.12	69,660	15.96
Streets and Sanitation	6,536,354	14.46	609,817	10.29
Health	327,890	0.73	(28,741)	(8.06)
Capital Outlays	2,102,609	4.65	191,048	9.99
Debt Service				
Principal	3,183,550	7.04	7,253	0.22
Interest	3,012,348	6.65	(205,923)	(6.40)
Total Expenditures	$ 45,209,070	100.00 %	$ 3,394,889	8.12 %

The increase in Public Safety expenditures is due to increased appropriations for personnel services plus unavoidable overtime. The Increase in Streets and Sanitation is due to unforeseen cost relating to storm cleanup.

In addition to the above expenditures, net "operating transfers out" were as follows:

Capital Projects Fund	$ 2,310,400
Component Units	12,641,300
Special Revenue Funds	237,755
	$ 15,189,455

Expenditures for personal services including salaries, retirement contributions and other employee benefits totaled $23,931,437 in fiscal 2000, compared to $22,625,888 in fiscal 1999. This was an increase of $1,305,549. The increase resulted from the hiring of

additional employees, and the implementation of the second phase of an outside compensation consultant's pay and classification study.

Personal services expenditures comprised 68.83% of operating expenditures and 55.64% of total expenditures in fiscal 2000 as compared to 67.52% of operating expenditures and 46.59% of total expenditures in fiscal 1999.

Capital outlays from general and special revenue funds totaled $1,008,960 in fiscal 2000, a decrease of $902,601. Capital outlays were as follows:

	Construction	Vehicles	Equipment	Total
General Government				
Administration	$ 18,000	$ 45,668	$ 175,652	$ 239,320
Public Safety				
Police	-	229,057	146,108	375,165
Fire	-	55,144	75,351	130,495
Inspection	-	51,651	3,851	55,502
Total Public Safety	-	335,852	225,310	561,162
Municipal Court	-	-	34,882	34,882
Streets and Sanitation	-	164,108	9,488	173,596
Total	$ 18,000	$ 545,628	$ 445,332	$ 1,008,960

General Fund Balance

The unreserved, undesignated fund balance of the General Fund increased from $21,692,487 at September 30, 1999 to $27,176,844 at September 30, 2000, an increase of $5,484,357 or 25.28%. This was the result of continued revenue growth and the control of expenditures through conservative budgeting and budget management.

Proprietary Operations

The City's only enterprise fund is the Sewer Enterprise Fund, which accounts for the operations of the Riverchase and Inverness waste water treatment plants. The Riverchase waste water treatment plant and plant additions are financed by general long-term debt.

The plant and plant additions have been charged as assets in the Sewer Enterprise Fund with a corresponding credit to contributed capital from other funds. The Inverness waste water treatment plant, land and equipment were contributed to the City by the developer of Inverness in connection with the annexation of the commercial portion of

Inverness. The plant, land and equipment have been charged as assets in the Sewer Enterprise Fund with a corresponding credit to contributed capital from developers.

The Sewer Enterprise Fund incurred a loss (before operating transfers) of $166,712 in fiscal 1999 and a gain in the amount of $317,250 for fiscal 2000. Net cash provided by operating activities totaled $595,676 in fiscal 2000 and $104,697 in fiscal 1999. The Sewer Enterprise Fund equity, including contributed capital, was $5,732,572 at September 30, 2000.

The Fleet Services Fund incurred a loss (before operating transfers) of $172,494 in fiscal 1999 and a gain in the amount of $79,454 for fiscal 2000. Net cash provided by operating activities totaled $108,405 in fiscal 2000 and used by operating activities totaled $153,637 in fiscal 1999.

Pension Administration

The City contributes to the Employers' Retirement System of Alabama, an agent multiple-employer retirement system that acts as a common investment and administrative agent for state employees and public organizations. The City's annual actuarial valuation reflects a positive trend in the City's and employees' funding of the pension trust fund.

Debt Administration

At year end the City had a number of debt issues outstanding. These issues included general obligation warrants totaling $83,160,000. The Sewer Enterprise Fund has general obligation warrants totaling $18,070,000. The City has a credit rating of Aa3 from Moody's Investors Service and a AA- rating from Standard and Poor's Corporation.

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 thirty basis points above the current interest rate on ninety day Treasury Bills which changes weekly. 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. The average yield on all invested funds for fiscal 2000 was 5.45%.

All U.S. Government Agency securities are held in safekeeping by a third party bank.

Risk Management

The City has a limited self-insurance retention plan, using a professional claims handler, to account for its uninsured risks of loss. All insurance coverage, except workers compensation, is carried with a retention of $50,000 per occurrence. The aggregate retention on all claims is $675,000 over a two year period. Excess insurance is provided for catastrophic occurrences.

The City contracts with a professional claims handler firm to supervise and pay workers compensation claims from a fund provided by the City. Since benefits may be statutory, an excess policy provides coverage for individual claims over $ 275,000 and for aggregate claims over $ 1,243,647 for a two year period.

Other Information

Independent Audit

State statutes require an annual audit by the State Department of Examiners of Public Accounts or by independent certified public accountants. The accounting firm of Mackle, Splawn, Tindall & McDonald, LLP performed the audit. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and the related Office of Management and Budget's Circular A-133. Generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States were used by the auditors in conducting the engagement. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Government for its comprehensive annual financial report for the fiscal year ended September 30, 1999. This was the eighteenth 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 that 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, various City employees, and especially our auditors, Mackle, Splawn, Tindall & McDonald, LLP. 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.

Dedication

This comprehensive annual financial report is dedicated to the memory of Finance Department employee Jeannie Dill McLendon, who "gave much and knew not that she gave at all." She passed from this life on October 3, 2000.

Sincerely,

Barbara B. McCollum
Mayor

Richard K. Smith
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, 1999

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.

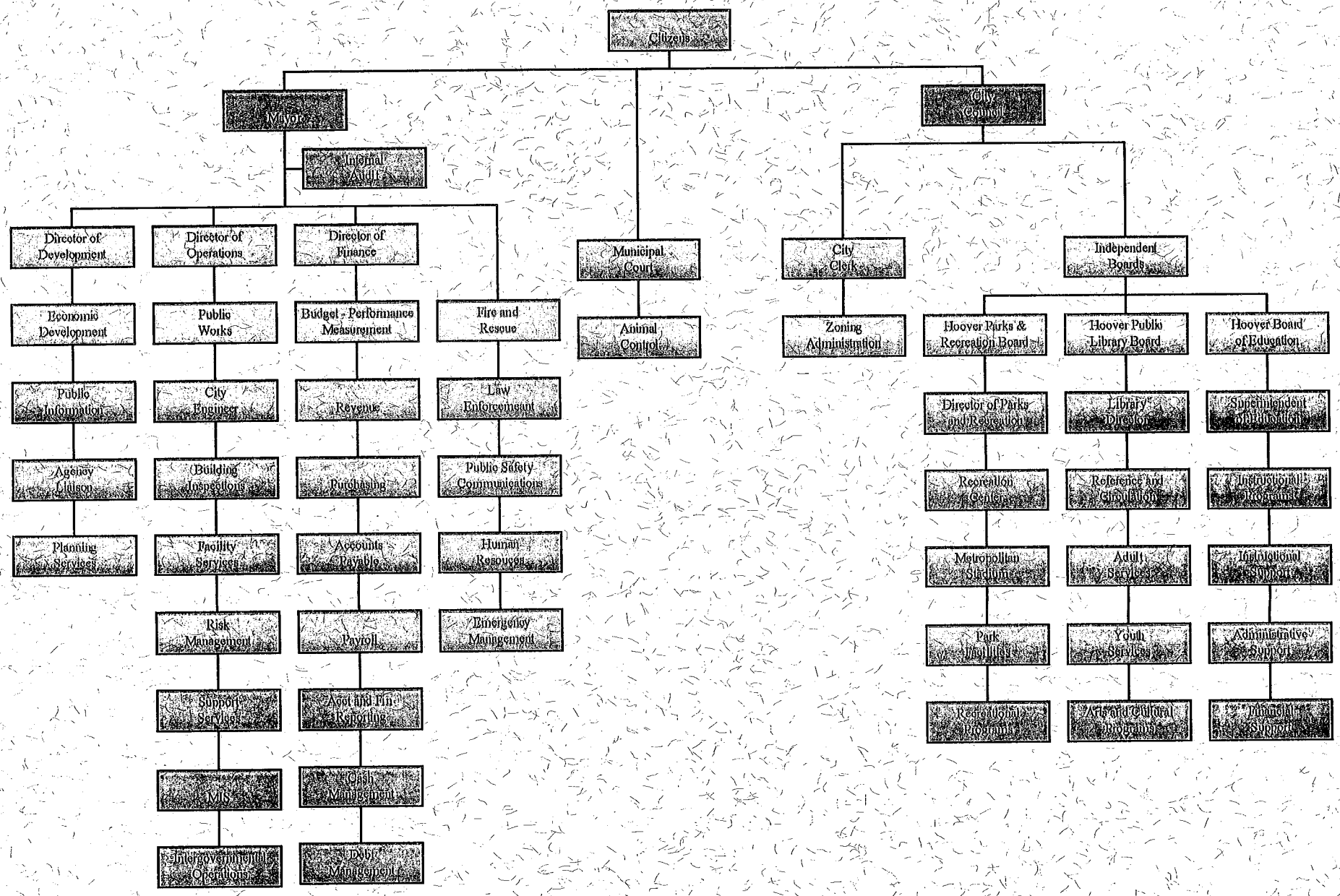
GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

Anne Spray Kinney
President

Jeffrey L. Esser
Executive Director

(This page intentionally left blank)

City of Hoover, Alabama
Organization Chart
Fiscal Year 2000



(This page intentionally left blank)

Officials of The City of Hoover, Alabama

September 30, 2000

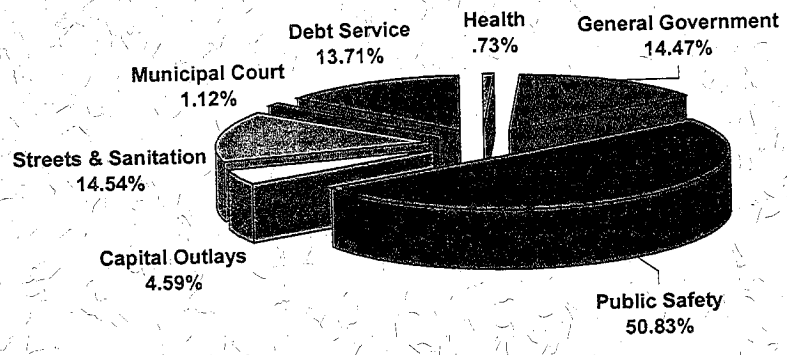
Mayor
Barbara McCollum

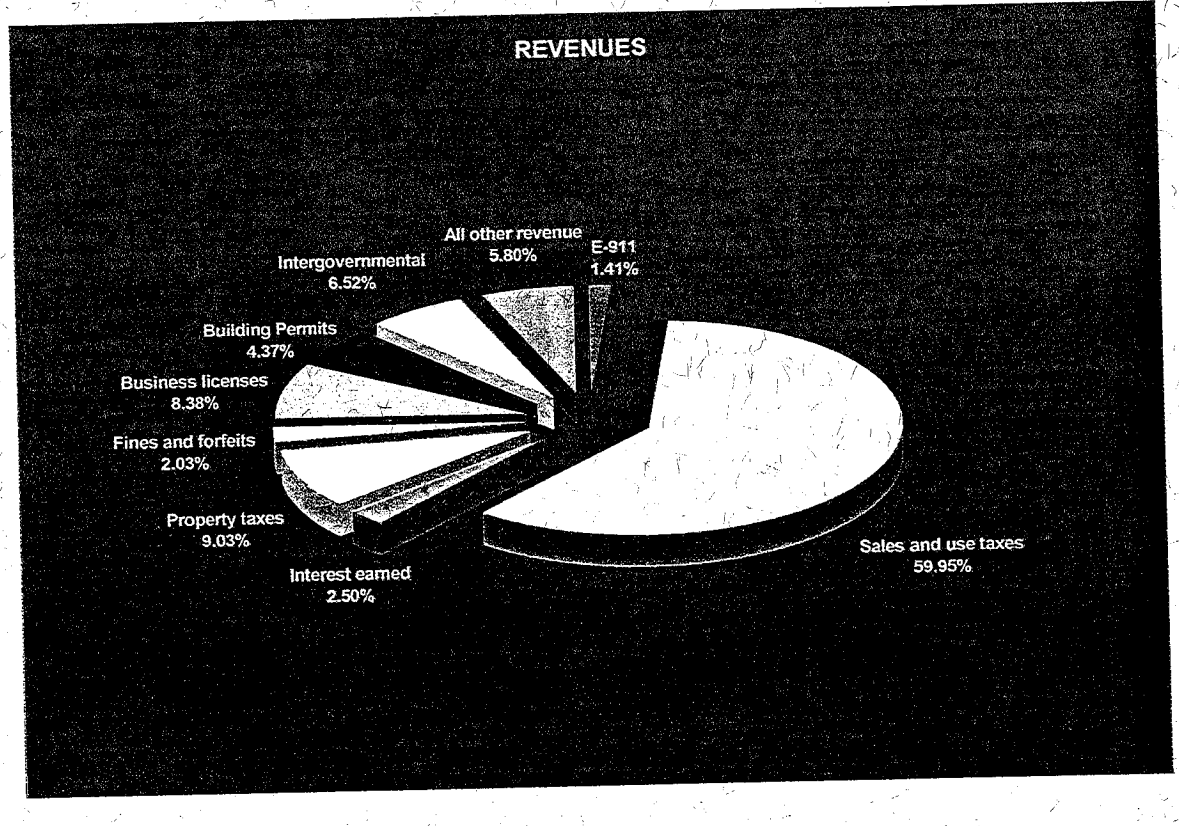
City Council
(pictured left to right)

Kyle Forstman
Donna Mazur, President Pro Tempore
Robert Austin, President
Jack Wright
Jody Patterson

(This page intentionally left blank)

EXPENDITURES





(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)

Mackle
Splawn
Tindall &
McDonald, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the City of Hoover, Alabama, and the combining, individual fund and account group financial statements of the City of Hoover, Alabama, as of and for the year ended September 30, 2000, as listed in the table of contents. These financial statements are the responsibility of the management of the City of Hoover, Alabama. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Hoover, Alabama, at September 30, 2000, and the results of its operations and the cash flows of its proprietary funds for the year then ended, in conformity with generally accepted accounting principles. Also in our opinion the combining, individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups for the City of Hoover, Alabama, at September 30, 2000, and the results of operations of such funds and the cash flows of the proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

Reply To: P.O. Box 55765 ▪ Birmingham, AL 35255
2100 16th Avenue, So. ▪ Ash Place, Suite 300 ▪ Birmingham, AL 35205 ▪ (205) 933-7822 ▪ Fax (205) 933-7944

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2001, on our consideration of the City of Hoover, Alabama's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund and account group financial statements. The accompanying financial information listed as schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Hoover, Alabama. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Machle, Splawn, Tindall & McDonald, LLP

February 28, 2001

GENERAL PURPOSE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combined Balance Sheet
All Fund Types, Account Groups and
Discretely Presented Component Units
September 30, 2000

	Governmental Fund Types			Proprietary Fund Types	
				Enterprise Fund	Internal Service Fund
	General	Special Revenue	Capital Projects	Sewer	Fleet Services
Assets and other debits					
Assets					
Pooled cash and investments	$ 24,419,725	$ 1,670,940	$ 16,433,513	$ 55,164	$ 100
Receivables					
Taxes	3,595,196	0	0	0	0
Accounts	321,394	0	0	191,251	0
Due from other governments					
County	570,653	0	0	0	0
State	0	61,240	0	9,558,879	0
Federal	1,889	0	0	0	0
Due from other funds	609,109	0	0	0	0
Due from other funds - component units	0	0	0	0	0
Inventory	0	0	0	0	0
Prepaid insurance	216,284	0	0	0	26,177
Prepaid, other	0	0	0	0	0
Fixed assets (net, where applicable, of accumulated depreciation)	0	0	0	14,660,345	133,920
Non-current receivable	4,027,499	0	0	0	0
Other assets	0	0	0	448,496	0
Other debits					
Amount to be provided for retirement of general long- term debt	0	0	0	0	0
Total assets	$ 33,761,749	$ 1,732,180	$ 16,433,513	$ 24,914,135	$ 160,197
Liabilities, equity and other credits					
Liabilities					
Accounts payable and accrued liabilities	$ 2,289,575	$ 42,322	$ 1,360,595	$ 510,175	$ 12,729
Claims and judgments payable	0	0	0	0	0
Due to other funds	0	0	0	596,388	12,721
Due to other funds - component units	0	0	0	0	0
Notes and capital leases payable	0	0	0	0	0
General obligation warrants payable	0	0	0	18,070,000	0
Refundable deposits	51,547	0	0	5,000	0
Accrued compensated leave	0	0	0	0	0
Total liabilities	2,341,122	42,322	1,360,595	19,181,563	25,450
Equity and other credits					
Investment in general fixed assets	0	0	0	0	0
Contributed capital	0	0	0	8,722,484	45,579
Retained earnings (deficit)	0	0	0	(2,989,912)	89,168
Fund balances					
Reserved for prepaid insurance	216,284	0	0	0	0
Reserved for inventory	0	0	0	0	0
Reserved for capital outlay	0	0	0	0	0
Reserved for encumbrances	0	0	0	0	0
Reserved for non-current receivables	4,027,499	0	0	0	0
Unreserved, undesignated	27,176,844	1,689,858	15,072,918	0	0
Total equity and other credits	31,420,627	1,689,858	15,072,918	5,732,572	134,747
Total liabilities, equity and other credits	$ 33,761,749	$ 1,732,180	$ 16,433,513	$ 24,914,135	$ 160,197

The accompanying notes to the financial statements are an integral part of this statement.

Account Groups		Totals (Memorandum) Only)		Totals (Memorandum) Only)
General Fixed Assets	General Long-term Debt	Primary Government	Component Units	Reporting Entity
$ 0	$ 0	$ 42,579,442	$ 52,973,637	$ 95,553,079
0	0	3,595,196	0	3,595,196
0	0	512,645	71,338	583,983
0	0	570,653	2,019,240	2,589,893
0	0	9,620,119	0	9,620,119
0	0	1,889	96,076	97,965
0	0	609,109	0	609,109
0	0	0	24,599,256	24,599,256
0	0	26,177	124,284	150,461
0	0	216,284	0	216,284
0	0	0	8,624	8,624
40,711,396	0	55,505,661	238,579,646	294,085,307
0	0	4,027,499	0	4,027,499
0	0	448,496	0	448,496
0	87,429,589	87,429,589	135,378,938	222,808,527
$ 40,711,396	$ 87,429,589	$ 205,142,759	$ 453,851,039	$ 658,993,798
$ 0	$ 0	$ 4,215,396	$ 7,086,933	$ 11,302,329
0	219,849	219,849	0	219,849
0	0	609,109	0	609,109
0	0	0	24,599,256	24,599,256
0	0	0	2,963,938	2,963,938
0	83,160,000	101,230,000	132,415,000	233,645,000
0	0	56,547	0	56,547
0	4,049,740	4,049,740	0	4,049,740
0	87,429,589	110,380,641	167,065,127	277,445,768
40,711,396	0	40,711,396	238,579,646	279,291,042
0	0	8,768,063	0	8,768,063
0	0	(2,900,744)	0	(2,900,744)
0	0	216,284	8,624	224,908
0	0	0	124,284	124,284
0	0	0	35,282,811	35,282,811
0	0	0	740,490	740,490
0	0	4,027,499	0	4,027,499
0	0	43,939,620	12,050,057	55,989,677
40,711,396	0	94,762,118	286,785,912	381,548,030
$ 40,711,396	$ 87,429,589	$ 205,142,759	$ 453,851,039	$ 658,993,798

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types and Discretely Presented Components Units
For the Fiscal Year Ended September 30, 2000

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Primary Government
Revenues				
Taxes	$ 47,617,556	$ 0	$ 0	$ 47,617,556
Licenses and permits	9,002,056	0	0	9,002,056
Intergovernmental	3,522,576	724,022	0	4,246,598
Fines and forfeits	1,129,765	325,357	0	1,455,122
Investment income	1,790,800	113,851	1,149,054	3,053,705
Stadium lease	0	0	0	0
Other	510,233	916,544	0	1,426,777
Total revenues	63,572,986	2,079,774	1,149,054	66,801,814
Expenditures				
Current operations				
General government	6,827,397	0	0	6,827,397
Public safety	21,634,677	1,078,155	0	22,712,832
Municipal court	506,090	0	0	506,090
Streets and sanitation	5,472,325	1,064,029	0	6,536,354
Recreation	0	0	0	0
Library	0	0	0	0
Health	327,890	0	0	327,890
Instructional services	0	0	0	0
Instructional support services	0	0	0	0
Operation and maintenance	0	0	0	0
Auxiliary services	0	0	0	0
Other	0	0	55,548	55,548
Total	34,768,379	2,142,184	55,548	36,966,111
Capital outlays	2,041,428	61,181	14,694,592	16,797,201
Debt service				
Principal	3,183,550	0	0	3,183,550
Interest and fiscal charges	3,012,348	0	321,228	3,333,576
Total expenditures	43,005,705	2,203,365	15,071,368	60,280,438
Excess (deficiency) of revenues over (under) expenditures	20,567,281	(123,591)	(13,922,314)	6,521,376
Other financing sources (uses)				
Operating transfers in	0	237,755	2,310,400	2,548,155
Operating transfers out	(2,048,155)	0	(500,000)	(2,548,155)
Operating transfers in - primary government	0	0	0	0
Operating transfers out - component units	(12,641,300)	0	0	(12,641,300)
Proceeds of general obligation warrants, notes payable and capital leases	0	0	25,569,569	25,569,569
Total other financing sources (uses)	(14,689,455)	237,755	27,379,969	12,928,269
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,877,826	114,164	13,457,655	19,449,645
Fund balances, beginning of year	25,542,801	1,575,694	1,615,263	28,733,758
Fund Balances, end of year	$ 31,420,627	$ 1,689,858	$ 15,072,918	$ 48,183,403

The accompanying notes to the financial statements are an integral part of this statement.

Component Units	Totals (Memorandum Only) Reporting Entity
$ 0	$ 47,617,556
523,495	9,525,551
91,255,662	95,502,260
81,265	1,536,387
3,579	3,057,284
200,000	200,000
1,013,114	2,439,891
93,077,115	159,878,929
2,641,803	9,469,200
0	22,712,832
0	506,090
0	6,536,354
3,646,454	3,646,454
2,862,067	2,862,067
0	327,890
38,665,743	38,665,743
8,520,955	8,520,955
7,335,471	7,335,471
8,513,446	8,513,446
1,786,968	1,842,516
73,972,907	110,939,018
49,100,645	65,897,846
2,886,224	6,069,774
6,518,917	9,852,493
132,478,693	192,759,131
(39,401,578)	(32,880,202)
0	2,548,155
0	(2,548,155)
12,641,300	12,641,300
0	(12,641,300)
0	25,569,569
12,641,300	25,569,569
(26,760,278)	(7,310,633)
74,966,544	103,700,302
$ 48,206,266	$ 96,389,669

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General and Special Revenue Funds
For the Fiscal Year Ended September 30, 2000

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	$ 47,894,000	$ 47,617,556	$ (276,444)
Licenses and permits	9,689,000	9,002,056	(686,944)
Intergovernmental	1,731,057	3,522,576	1,791,519
Fines and forfeits	1,000,000	1,129,765	129,765
Investment income	905,300	1,790,800	885,500
Other	345,800	510,233	164,433
Total revenues	61,565,157	63,572,986	2,007,829
Expenditures			
Current operations			
General government	7,930,036	6,827,397	1,102,639
Public safety	21,107,735	21,634,677	(526,942)
Municipal court	520,245	506,090	14,155
Streets and sanitation	5,328,035	5,472,325	(144,290)
Health	343,434	327,890	15,544
Total	35,229,485	34,768,379	461,106
Capital outlays	1,264,577	2,041,428	(776,851)
Debt service			
Principal	3,318,099	3,183,550	134,549
Interest and fiscal charges	2,874,206	3,012,348	(138,142)
Total expenditures	42,686,367	43,005,705	(319,338)
Excess (deficiency) of revenues over expenditures	18,878,790	20,567,281	1,688,491
Other financing sources (uses)			
Operating transfers in	0	0	0
Operating transfers out	(3,948,757)	(2,048,155)	1,900,602
Operating transfers out - component units	(13,721,955)	(12,641,300)	1,080,655
Total other financing sources (uses)	(17,670,712)	(14,689,455)	2,981,257
Excess of revenues and other financing sources over expenditures and other financing uses	$ 1,208,078	5,877,826	$ 4,669,748
Fund balances, beginning of year		25,542,801	
Fund Balances, end of year		$ 31,420,627	

The accompanying notes to the financial statements are an integral part of this statement.

Special Revenue Funds		
Budget	Actual - Budgetary Basis *	Variance Favorable (Unfavorable)
$ 0	$ 0	$ 0
0	0	0
790,000	724,022	(65,978)
250,000	252,221	2,221
66,000	108,710	42,710
840,000	916,544	76,544
1,946,000	2,001,497	55,497
0	0	0
966,110	1,075,963	(109,853)
0	0	0
935,775	1,064,029	(128,254)
0	0	0
1,901,885	2,139,992	(238,107)
0	32,817	(32,817)
0	0	0
0	0	0
1,901,885	2,172,809	(270,924)
44,115	(171,312)	(215,427)
0	237,755	237,755
0	0	0
0	0	0
0	237,755	237,755
$ 44,115	66,443	$ 22,328
	1,525,555	
	$ 1,591,998	

* - See note 2 for reconciliation of budgetary basis to GAAP basis.

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types
For the Fiscal Year Ended September 30, 2000

	Proprietary Fund Types		
	Enterprise Fund	Internal Service Fund	Totals (Memorandum Only)
Operating revenues			
Charges for services	$ 1,766,727	$ 445,042	$ 2,211,769
Operating expenses			
Management fees	409,689	0	409,689
Depreciation	338,990	32,324	371,314
Personal services	64,415	257,242	321,657
Repairs and maintenance	185,434	0	185,434
Utilities	187,661	10,018	197,679
Supplies	95,739	40,041	135,780
Collection fees	54,466	0	54,466
Engineering fees	129,434	0	129,434
Telephone	12,660	3,716	16,376
Insurance	0	19,058	19,058
Travel	0	2,740	2,740
Miscellaneous	0	449	449
Total operating expenses	1,478,488	365,588	1,844,076
Operating income	288,239	79,454	367,693
Non-operating revenue (expenses)			
Investment income	41,362	0	41,362
Fiscal charges	(12,351)	0	(12,351)
Total non-operating revenue (expenses)	29,011	0	29,011
Net income	317,250	79,454	396,704
Retained earnings (deficit), beginning of year	(3,307,162)	9,714	(3,297,448)
Retained earnings (deficit), end of year	$ (2,989,912)	$ 89,168	$ (2,900,744)

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended September 30, 2000

	Proprietary Fund Types		
	Enterprise Fund	Internal Service Fund	Totals (Memorandum Only)
Cash flows from operating activities			
Cash received from customers	$ 1,743,476	$ 445,042	$ 2,188,518
Cash payments to suppliers	(673,111)	(82,255)	(755,366)
Cash payments to management companies	(409,689)	0	(409,689)
Cash payments to employees	(65,000)	(254,382)	(319,382)
Net cash provided by operating activities	595,676	108,405	704,081
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	(9,318,732)	(108,405)	(9,427,137)
Capital contributed by consumers	192,333	0	192,333
Proceeds from warrants	7,641,121	0	7,641,121
Loans from other funds	455,410	0	455,410
Net cash (used) by capital and related financing activities	(1,029,868)	(108,405)	(1,138,273)
Cash flows from investing activities			
Investment income	41,362	0	41,362
Net cash provided by investing activities	41,362	0	41,362
Net increase (decrease) in pooled cash and investments	(392,830)	0	(392,830)
Pooled cash and investments, beginning of year	447,994	100	448,094
Pooled Cash and Investments, end of year	$ 55,164	$ 100	$ 55,264
Reconciliation of operating loss to net cash provided (used) by operating activities			
Operating income	$ 288,239	$ 79,454	$ 367,693
Adjustments to reconcile operating loss to net cash provided (used) by operating activities			
Depreciation and amortization	338,990	32,324	371,314
Change in assets and liabilities			
(Increase) in accounts receivable	(23,251)	0	(23,251)
(Increase) decrease in inventory	3,100	(6,263)	(3,163)
Increase (decrease) in accrued expenses	(585)	2,860	2,275
Increase (decrease) in accounts payable	(10,817)	30	(10,787)
Net cash provided (used) by operating activities	$ 595,676	$ 108,405	$ 704,081

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Combined Statement of Cash Flows (Continued)
All Proprietary Fund Types
For the Fiscal Year Ended September 30, 2000

Noncash Investing, Capital and Financing Activities

Enterprise Fund:

Net proceeds from the sale of warrants in the amount of $9,200,000 were retained by the State of Alabama. The proceeds will be transferred to the City as construction expenditures are incurred.

Warrant issuance costs of $149,927 that were deducted from warrant proceeds were capitalized and will be amortized over the debt repayment period.

The accompanying notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Hoover, Alabama (the City) is a municipal corporation that was formed on May 18, 1967, and is governed by a Mayor and a five member City Council. As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City. The discretely presented component units all have September 30 fiscal year ends.

Discretely Presented Component Units

The Hoover City Board of Education (the Board of Education) is responsible for elementary and secondary education within the City. The school system is governed by a board, which is appointed by the City Council, and there is a potential for the Board of Education to provide specific financial benefits to, or to impose specific financial burdens on the City. The Board of Education is presented as a governmental fund type.

The Public Park and Recreation Board of the City of Hoover (the Park and Recreation Board) is responsible for maintaining and operating public parks and other recreational facilities within the City. The parks and recreation system is governed by a board, which is appointed by the City Council, and there is a potential for the Park and Recreation Board to provide specific financial benefits to, or to impose specific financial burdens on the City. The Park and Recreation Board is presented as a governmental fund type.

The City of Hoover Public Library Board (the Library Board) is responsible for operating the Hoover Public Library. The Library is governed by a board, which is appointed by the City Council, and there is a potential for the Library Board to provide specific financial benefits to, or to impose specific financial burdens on the City. The Library Board is presented as a governmental fund type.

Financial statements for the Board of Education may be obtained from its administrative office at the following address:

Hoover City Board of Education
100 Municipal Drive
Suite 200
Hoover, Alabama 35216

Financial statements for the Library Board may by obtained from its administrative office at the following address:

Hoover Public Library
200 Municipal Drive
Hoover, Alabama 35216

Separate financial statements are not prepared by the Park and Recreation Board.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Condensed Financial Statements are presented in the following table for each of the discretely presented component units:

Balance Sheets

	Board of Education	Park and Recreation Board	Library Board	Totals
Assets and other debits				
Current assets	$ 79,521,601	$ 272,581	$ 98,273	$ 79,892,455
Fixed assets	183,846,903	44,879,226	9,853,517	238,579,646
Amount to be provided for retirement of general long-term debt	135,378,938	0	0	135,378,938
Total assets and other debits	$ 398,747,442	$ 45,151,807	$ 9,951,790	$ 453,851,039
Liabilities:				
Current liabilities	$ 34,473,386	$ 112,674	$ 64,067	$ 34,650,127
Long-term liabilities	132,415,000	0	0	132,415,000
Total liabilities	166,888,386	112,674	64,067	167,065,127
Equity:				
Investment in general fixed assets	183,846,903	44,879,226	9,853,517	238,579,646
Fund balances	48,012,153	159,907	34,206	48,206,266
Total equity	231,859,056	45,039,133	9,887,723	286,785,912
Total liabilities and equity	$ 398,747,442	$ 45,151,807	$ 9,951,790	$ 453,851,039

Statement of Revenues, Expenditures and Changes in Fund Balances

Revenues	$ 91,634,834	$ 1,102,412	$ 339,869	$ 93,077,115
Expenditures				
Current operations	67,464,386	3,646,454	2,862,067	73,972,907
Capital outlays	48,897,731	176,990	25,924	49,100,645
Debt service	9,405,141	0	0	9,405,141
Total expenditures	125,767,258	3,823,444	2,887,991	132,478,693
Other financing sources				
Operating transfers in - primary government	7,265,028	2,796,449	2,579,823	12,641,300
Total other financing sources	7,265,028	2,796,449	2,579,823	12,641,300
Revenues and other financing sources over (under) expenditures	(26,867,396)	75,417	31,701	(26,760,278)
Fund balances - beginning of year	74,879,549	84,490	2,505	74,966,544
Fund balances - end of year	$ 48,012,153	$ 159,907	$ 34,206	$ 48,206,266

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis Of Accounting And Basis Of Presentation

The accounts of the City (City encompasses both the primary government and the component units) are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The City has the following fund types and account groups:

Governmental Funds:

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "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 pay liabilities of the current period. The City considers all revenues available if they are collected within sixty (60) days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due.

Property taxes, fines and forfeits, taxpayer-assessed revenues, interest revenues and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

General Fund - The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

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

Capital Projects Funds - The Capital Projects Funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Proprietary Funds:

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued before November 30, 1989, in accounting and reporting for its proprietary operations. As allowed by the Governmental Accounting Standards Board (GASB), the City has elected not to apply FASB pronouncements issued after November 30, 1989. The City's proprietary funds are of the following fund type:

Enterprise Fund - The Enterprise Fund is used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal Service Fund - The Internal Service Fund is established to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis.

Account Groups:

General Fixed Assets Account Group - The General Fixed Assets Account Group is used to account for fixed assets not accounted for in the proprietary funds.

General Long-Term Debt Account Group - The General Long-Term Debt Account Group is used to account for unmatured long-term indebtedness, which is backed by the full faith and credit of the City and the non-current portion of other long-term obligations of governmental funds.

C. Assets, Liabilities and Equity

1. 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 earned is allocated to each fund based on the balances of each fund's pooled cash and investments. 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.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities and Equity (Continued)

1. Deposits and Investments (Continued)

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 funds investment accounts.

It is the City's policy to invest only in obligations of the U.S. Treasury, U.S. Government Agencies, short-term bank certificates of deposit, and the bank public funds investment account. It is also the City's policy to require federal depository insurance or collateral to cover all of its deposits in financial institutions.

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 31.

Investments made by the City are summarized below. Those investments represented by specifically identifiable investment securities are classified as to credit risk within the following three categories.

Category 1 - Insured or registered, or securities held by the City or its agent in the City's name.

Category 2 - Uninsured and unregistered, with securities held by the counter party's trust department or agent in the City's name.

Category 3 - Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the City's name.

	Category 1	Category 2	Category 3	Fair Value
U.S. Government Agency Securities	$ 0	$ 17,295,147	$ 0	$ 17,295,147

The City does not expect to incur losses due to market fluctuations of government securities since it is anticipated that the securities will be held to maturity.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payable" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities and Equity (Continued)

2. Receivables and Payables (Continued)

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not current financial resources.

Property values are assessed and property taxes are collected by Jefferson and Shelby Counties and remitted on a semi-monthly basis. 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.

3. Inventories and Prepaid Items

Inventory in the proprietary funds are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased.

The Board of Education inventories are recorded as expenditures when purchased except commodities donated by the federal government which are expensed when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items.

4. Fixed Assets

Fixed assets used in governmental fund types of the City are recorded in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the General Fixed Assets Account Group are not depreciated. Construction interest is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other immovable assets of value only to the government) are not included in the General Fixed Assets Account Group.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the General Fixed Assets Account Group or capitalized in the proprietary funds.

Property, plant and equipment in the proprietary funds of the City are recorded at cost. Property, plant and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities and Equity (Continued)

4. Fixed Assets (Continued)

Major outlays for capital assets and improvements are capitalized in the proprietary funds as projects are constructed. Interest incurred during the construction phase of the proprietary funds fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated in the Enterprise Fund and the Internal Service Fund of the City using the straight-line method over the assets' estimated useful lives. The estimated useful lives of the waste water treatment plants and equipment in the Enterprise Fund are fifteen years and seven years, respectively. The estimated useful lives of the equipment in the Internal Service Fund are five years.

5. Accrued Compensated Leave

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued when incurred in the proprietary funds and reported as a fund liability. Sick leave is accrued when incurred only to the extent that it is probable that the benefits will result in payments to be made upon employees' termination or retirement, rather than taken as absences due to illness or other contingencies. The accrued compensated leave liability related to the general fund is in the General Long-Term Debt Account Group because it is not expected to be liquidated with current financial resources. Related payroll taxes are included in the accrued compensated leave amount.

The Board of Education's professional and support personnel are provided five days of personal leave per year with pay. Because unused personal leave cannot be carried over to succeeding years, no liability for unpaid leave is accrued in the financial statements. Also, the professional and support employees earn nonvesting sick leave at the rate of one day per month worked. Employees may accumulate a maximum of 225 days of sick leave. Employees may use up to 225 days of their accrued sick leave as membership services in determining the total years of creditable service in the teacher's retirement system, with no additional cost to the Board. Because employees do not receive compensation for unused sick leave at termination, no liability is recorded on the financial statements. All twelve-month employees are allowed two weeks of vacation per year with pay. Up to 30 days of unused vacation leave can be carried over to succeeding years. However, because management has determined the carryover amounts to be immaterial, no liability for unpaid leave is accrued in the financial statements.

6. Long-Term Obligations

The City reports long-term debt of governmental funds at face value in the General Long-Term Debt Account Group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the General Long-Term Debt Account Group. Long-term debt and other obligations financed by the proprietary funds are reported as liabilities in the appropriate fund.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities and Equity (Continued)

6. Long-Term Obligations (Continued)

For governmental fund types, warrant premiums and discounts, as well as issuance costs, are recognized during the current period. Warrant proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

7. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary funds' contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

8. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

9. Comparative Data

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. 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 and for all special revenue funds except for the Drug Enforcement Fund. Project-length financial plans are adopted for capital projects funds, which have no legally adopted budgets. All annual appropriations lapse at fiscal year end.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

The City follows the procedures set forth below, in establishing the budgetary data reflected in the general purpose 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, function and activity and includes annual information on the past year, current year 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 activity level. Management may not amend or transfer appropriations within the budget at or above the activity level without the approval of the City Council. The City Council may authorize expenditures from time to time during the year without legally amending the previously adopted budget. 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, the effects of which were not material. 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 not employed as an extension of the formal budgetary process for the primary government.

An annual appropriated budget is not adopted for the Drug Enforcement Fund, as noted previously. The following schedule reconciles the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (which are presented on a budgetary basis) to the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balance (which are presented on a GAAP basis) for the Special Revenue Funds.

	Budgetary Basis	Drug Enforcement Fund	GAAP Basis
Revenues and other financing sources	$ 2,239,252	$ 78,277	$ 2,317,529
Expeditures and other financing uses	2,172,809	30,556	2,203,365
Excess revenues	66,443	47,721	114,164
Fund balance, beginning of year	1,525,555	50,139	1,575,694
Fund balance, end of year	$ 1,591,998	$ 97,860	$ 1,689,858

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures Over Appropriations

The total amounts of expenditures (over) under appropriations for the year ended September 30, 2000, at the legal level of control (the activity level) in individual funds are as follows:

Activity	General Fund	E-911 Fund	State Seven Cent Gasoline Tax Fund	State Four and Five Cent Gasoline Tax Fund	Court and Corrections	Expenditures (Over) Under Appropriations
Administration	$ 1,102,639	$ 0	$ 0	$ 0	$ 0	$ 1,102,639
Police	(363,135)	(109,853)	0	0	0	(472,988)
Fire	(159,919)	0	0	0	0	(159,919)
Inspection	(3,888)	0	0	0	0	(3,888)
Municipal court	14,155	0	0	0	(32,817)	(18,662)
Streets and sanitation	(144,290)	0	(128,703)	449	0	(272,544)
Health	15,544	0	0	0	0	15,544
	$ 461,106	$ (109,853)	$ (128,703)	$ 449	$ (32,817)	$ 190,182

The State Seven Cent Gasoline Tax Fund and the Court and Corrections Fund expenditures over appropriations shown above were funded by available fund balances of the respective funds.

The excess expenditures in the E-911 Fund were due to unavoidable overtime.

The excess of expenditures over appropriations in the General Fund can be accounted for as set forth below:

Police and fire – Salaries and benefits expenditures increased due to the implementation of the results of a classification and compensation study, as well as increased fuel and vehicle maintenance costs.

Inspection – Unanticipated vehicle maintenance costs were incurred.

Streets and sanitation – Overtime and other clean up costs were incurred after bad weather, as well as increased fuel and vehicle maintenance costs.

C. Retained earnings deficit

The Sewer Enterprise Fund, a proprietary fund used to account for the operations of the City's waste water treatment plants, has a retained earnings deficit of $2,989,912 at September 30, 2000. However, the contributed capital totals $8,722,484 because of capital contributed by the City, customers and developers resulting in a net fund equity of $5,732,572 at September 30, 2000. The retained earnings deficit resulted mainly from a $4,000,000 operating transfer to the General Fund during fiscal 1998 and an operating loss of $467,855 for that year. Nevertheless, the Sewer Enterprise Fund had net cash provided by operating activities of $595,676 and $104,697 for fiscal years 2000 and 1999, respectively. The Fund will be subsidized by the General Fund should the need arise.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

At year end, the City's bank balance of deposits was entirely covered by federal depository insurance or by collateral held by the City's agent in the City's name.

The bank balances of deposits for the Library Board and the Park and Recreation Board were entirely covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name.

The carrying amount and bank balance of the Hoover Board of Education's deposit accounts were as follows:

	Carrying Amount	Bank Balance
Local school funds	$ 3,277,673	$ 3,182,473
All other funds	2,554,799	5,113,744
Totals	$ 5,832,472	$ 8,296,217

Of the local school accounts, a total of $3,131,505 was either covered by Federal depository insurance or secured by collateral held by the Federal Reserve Bank with a book entry to record the pledge to the Board. A total of $50,968 was neither insured nor collateralized.

At September 30, 2000, all of the bank balances of the other Board Funds were either covered by federal depository insurance or secured by collateral held by the Federal Reserve Bank with a book entry to record the pledge to the Board.

Investments are categorized into three categories of credit risk:

Category 1 - Insured or registered, or securities held by the Board or its agent in the Board's name.

Category 2 - Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the Board's name.

Category 3 - Uninsured and unregistered, with securities held by the counter-party, or by its trust department or agent but not in the Board's name.

At year end, the Board of Education's investment balances were as follows:

	Category			Fair
	1	2	3	Value
U.S. Treasury Bills and Notes	$ 0	$ 11,143,867	$ 0	$ 11,143,867
U.S. Government Agencies	$ 0	$ 35,697,782	$ 0	$ 35,697,782
Total	$ 0	$ 46,841,649	$ 0	$ 46,841,649

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

A. Deposits and Investments (continued)

The Board of Education does not expect to incur losses due to the market fluctuations of government securities since it is anticipated that the securities will be held to maturity.

A reconciliation of cash and investments as shown on the Combined Balance Sheet for the Board of Education is as follows:

Carrying Amount of Deposits	$ 5,832,472
Carrying Amount of Investments	46,841,649
Total Cash and Investments	$ 52,674,121

A reconciliation of cash and investments, as shown on the combined balance sheet, all fund types, account groups and discretely presented component units, for the component units is as follows:

Board of Education	$ 52,674,121
Park and Recreation Board	201,243
Library Board	98,273
Total cash and investments	$ 52,973,637

B. Receivables

A summary of the items included in taxes receivable at September 30, 2000, is set forth below:

	2000
Gasoline tax	$ 63,976
Sales and use tax	3,400,471
Beer tax	34,891
Motor vehicle registration fees	95,858
Total	$ 3,595,196

A summary of the items included in accounts receivable at September 30, 2000, is set forth below:

	2000
General Fund:	
Development fee receivables	$ 49,321
Grants receivable	104,244
Other	167,829
Total General Fund accounts receivable	321,394
Sewer Enterprise Fund:	
Sewer service charges	191,251
Total accounts receivable – primary government	512,645
Park and Recreation Board:	
Stadium lease charges	71,338
Total accounts receivable	$ 583,983

No significant uncollectible amounts are anticipated on these receivables.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

B. Receivables (continued)

The City also has recorded a noncurrent receivable as the 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.

C. Fixed assets

The following is a summary of changes in the General Fixed Assets Account Group during the year ended September 30, 2000:

	Balance October 1, 1999	Additions	Deductions	Balance September 30, 2000
Land	$ 8,631,487	$ 2,263,330	$ 2,608,491	$ 8,286,326
Buildings	14,089,213	0	11,974	14,077,239
Improvements other than buildings	1,287,654	0	0	1,287,654
Equipment and vehicles	15,277,591	1,969,530	186,944	17,060,177
Construction in progress	128,677	0	128,677	0
Total	$ 39,414,622	$ 4,232,860	$ 2,936,086	$ 40,711,396

The following is a summary of proprietary fund type fixed assets for the City at September 30, 2000:

Sewer Enterprise Fund

	2000	1999
Equipment and vehicles	$ 458,764	$ 458,764
Land	1,664,800	1,664,800
Waste water treatment plants	9,178,955	8,102,129
Construction in progress	9,236,466	140,978
Total	20,538,985	10,366,671
Less - Accumulated depreciation	(5,878,640)	(5,539,650)
Net fixed assets	$ 14,660,345	$ 4,827,021

Fleet Service Fund

	2000	1999
Equipment and vehicles	$ 219,830	$ 111,426
Less - Accumulated depreciation	(85,910)	(53,586)
Net fixed assets	$ 133,920	$ 57,840

A reconciliation of fixed assets as shown on the combined balance sheet, all fund types, account groups and discretely presented component units, for the Sewer Fund, Fleet Service Fund and the General Fixed Assets Account Group is as follows:

General Fixed Assets Account Group	$ 40,711,396
Sewer Fund	14,660,345
Fleet Service Fund	133,920
Total	$ 55,505,661

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

C. Fixed Assets (continued)

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year for the component unit Board of Education.

	Balance October 1, 1999	Additions	Transfers and Retirements	Balance September 30, 2000
Land and improvements	$ 5,876,432	$ 425,380	$ 0	$ 6,301,812
Building and improvements	92,690,048	15,575,428	0	108,265,476
Equipment and vehicles	17,915,038	3,532,441	(1,463,529)	19,983,950
Construction in progress	16,837,547	49,295,665	(16,837,547)	49,295,665
Total	$ 133,319,065	$ 68,828,914	$ (18,301,076)	$ 183,846,903

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year for the component unit Park and Recreation Board.

	Balance October 1, 1999	Additions	Deductions	Balance September 30, 2000
Land	$ 13,770,586	$ 672,319	$ 0	$ 14,442,905
Buildings	24,135,624	273,223	0	24,408,847
Improvements other than buildings	4,203,488	0	0	4,203,488
Equipment and vehicles	1,624,792	65,686	0	1,690,478
Construction in progress	45,838	90,070	(2,400)	133,508
Total	$ 43,780,328	$ 1,101,298	$ (2,400)	$ 44,879,226

The following is a summary of changes in the General Fixed Assets Account Group during the fiscal year for the component unit Library Board.

	Balance October 1, 1999	Additions	Deductions	Balance September 30, 2000
Buildings	$ 5,604,394	$ 124,465	$ 0	$ 5,728,859
Improvements other than buildings	14,883	0	0	14,883
Equipment and vehicles	579,662	57,936	0	637,598
Construction in progress	73,104	3,399,073	0	3,472,177
Total	$ 6,272,043	$ 3,581,474	$ 0	$ 9,853,517

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

C. Fixed Assets (continued)

A reconciliation of the fixed assets as shown on the combined balance sheet, all fund types, account groups and discretely presented component units, for the Board of Education, Park and Recreation Board and the Library Board are as follows:

Board of Education	$ 183,846,903
Park and Recreation Board	44,879,226
Library Board	9,853,517
Total	$ 238,579,646

D. Interfund Loan Receivables and Payables

Current portions of interfund accounts and loans receivable for the Board of Education are considered available spendable resources of the Board of Education. Details of current interfund receivables and payables were as follows:

Payable from	Payable to	Amount
Title I	General	$ 4,679
Innovative	General	1,538
IDEA Part B	General	7,316
Drug-Free Schools	General	460
Child Nutrition	General	99,539
Capital Projects	General	6,500,828
Capital Projects	14 Mill Tax	17,115,374
Goals 2000	General	1,300
E-Rate	General	52,071
General	Community Education	96,803
General	Local Schools	719,348
Total		$ 24,599,256

Current portions of interfund accounts and loans receivable for the City are considered available spendable resources. Details of current interfund receivables and payables were as follows:

Payable from	Payable to	Amount
Sewer Fund	General Fund	$ 596,388
Fleet Services Fund	General Fund	12,721
Total		$ 609,109

E. Leases

In 1999, the Board of Education entered into a lease-purchase agreement for the lease of a telephone system. Lease payments of $6,530 are payable monthly through April 2003. Ownership of the telephone system is transferred to the Board at the conclusion of the lease term, and therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception. This equipment is included in the General Fixed Assets Account Group of the Board of Education, a discretely presented component unit. The lease is included in the General Long-Term Debt Account Group of the Board of Education.

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

E. Leases (Continued)

In 1999, three of the local schools entered into lease-purchase agreements for the lease of copiers. Ownership of the copiers is transferred to the schools at the conclusion of the lease term, and therefore, the leases have been capitalized at the present value of the future minimum lease payments as of the date of their inception. This equipment is included In the General Fixed Assets Account Group of the Board of Education, a discretely presented component unit. The lease is included in the General Long-Term Debt Account Group of the Board of Education.

The following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at September 30, 2000, for the discretely presented component unit Board of Education.

Fiscal Year Ending September 30,	General Long-Term Debt
2001	$ 88,480
2002	85,325
2003	48,152
Total minimum lease payments	221,957
Less: amount representing interest	13,170
Present value of future minimum lease payments	$ 208,787

On April 7, 1988, the Park and Recreation Board entered into a ten-year lease and management agreement to lease Hoover Metropolitan Stadium to a professional baseball club. The lease and management agreements were renegotiated 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 renegotiated, 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, 2000, was $200,000.

F. 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.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

F. Long-Term Debt (Continued)

General obligation warrants are direct obligations and pledge the full faith and credit of the City. These warrants generally are issued as 20-year serial warrants with increasing amounts of principal maturing and decreasing amounts of interest payable each year. General obligation warrants currently outstanding are as follows:

Long-Term:

(A)	$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 semi-annually commencing September 1, 2010.	$ 11,375,000
(B)	$25,485,000 general obligation warrant dated January 15, 2000; due $755,000 to $4,645,000 annually beginning January 1, 2011; interest at 5.40% to 6.25% due semi-annually commencing January 1, 2001.	25,485,000
(C)	$7,490,000 general obligation warrants dated September 1, 1993; issued October 4, 1993; due $275,000 to $870,000 annually beginning May 1, 1993; interest at 4.40% to 6.30% due semi-annually commencing May 1, 1994.	5,090,000
(D)	$43,155,000 general obligation warrants dated September 1, 1993; due $870,000 to $2,950,000 annually beginning March 1, 1998; interest at 3.875% to 5.00% due semi-annually commencing March 1, 1994.	39,510,000
(E)	$1,700,000 general obligation warrant dated July 5, 1995; due in full on June 5, 2025; interest at 6.2714% due monthly commencing July 31, 1995.	1,700,000
	Total general obligation warrants	83,160,000
	Claims and judgments payable	219,849
	Accrued compensated leave	4,049,740
	Total Long-Term Debt	$ 87,429,589

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

F. Long-Term Debt (Continued)

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 2000, are as follows:

Year Ending September 30,	Principal	Interest	Total
2001	$ 3,225,000	$ 4,907,180	$ 8,132,180
2002	3,370,000	4,071,666	7,441,666
2003	3,525,000	3,916,018	7,441,018
2004	3,695,000	3,749,503	7,444,503
2005	3,880,000	3,570,470	7,450,470
2006	4,100,000	3,378,424	7,478,424
2007	4,275,000	3,168,491	7,443,491
2008	4,500,000	2,946,346	7,446,346
2009	4,705,000	2,737,721	7,442,721
2010	4,110,000	2,565,089	6,675,089
2011	2,125,000	2,359,804	4,484,804
2012	5,145,000	2,174,232	7,319,232
2013	5,425,000	1,897,148	7,322,148
2014	5,710,000	1,598,189	7,308,189
2015	6,025,000	1,263,889	7,288,889
2016	6,310,000	899,046	7,209,046
2017	5,630,000	552,064	6,182,064
2018	1,820,000	346,364	2,166,364
2019	1,900,000	253,364	2,153,364
2020	1,985,000	156,239	2,141,239
2021	0	106,614	106,614
2022	0	106,614	106,614
2023	0	106,614	106,614
2024	0	106,614	106,614
2025	1,700,000	79,961	17,79,961
	$ 83,160,000	$ 47,017,664	$ 130,177,664

Prior Year Refunding - On October 14, 1993, the City refunded several general obligation warrant issues with two separate general obligation refundings. The proceeds of the refunding warrants provided the resources to purchase U.S. Government securities that were placed in irrevocable trusts for the purpose of generating resources for all future debt service payments on a total of $42,145,000 of refunded debt. As a result, all refunded warrants are considered to be defeased and the liabilities have been removed from the General Long-Term Debt Account Group. The refunded warrants were called in March 2000.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

F. Long-Term Debt (Continued)

Changes in general long-term liabilities - During the year ended September 30, 2000, the following changes occurred in liabilities reported in the General Long-Term Debt Account Group:

General long-term debt at October 1, 1999	$ 64,903,159
Warrants issued	25,485,000
Increase in accrued compensated leave	402,249
Decrease in claims and judgments payable	(177,269)
Warrants retired	(3,183,550)
General long-term debt at September 30, 2000	$ 87,429,589

As of September 30, 2000, the long-term debt of the discretely presented component unit Board of Education is as follows:

Series 1993-A Capital Outlay Tax Anticipation Warrants; due annually through 2017; interest payable semi-annually at rates ranging from 3.5% to 5.7%	$ 6,740,000
Series 1993-B Capital Outlay Tax Anticipation Warrants; due annually through 2017; interest payable semi-annually at rates ranging from 3.5% to 5.7%	2,530,000
Series 1993-C Capital Outlay Tax Anticipation Refunding Warrants; due annually through 2017; interest payable semi-annually at rates ranging from 3.5% to 5.7%.	5,055,000
Series 1993-D Capital Outlay Tax Anticipation Refunding Warrants; due annually through 2017; interest payable semi-annually at rates ranging from 2.75% to 5.7%.	39,870,000
Series 1995 Capital Outlay Tax Anticipation Warrants due annually through 2019; interest payable semi-annually at rates ranging from 5.9% to 6.2%	18,220,000
Series 2000-A Capital Outlay Warrant Anticipation Notes with a maturity date of August 1, 2001; interest payable semi-annually at 3.80%.	11,000,000
Series 1999-B Capital Outlay Warrant Anticipation Notes with a maturity date of February 1, 2001; interest payable semi-annually at 4.25%.	4,000,000

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

F. Long-Term Debt (Continued)

Series 2000-C Capital Outlay Warrant Anticipation Notes with a maturity date of August 1, 2001; interest payable semi-annually at 3.80%.	$ 45,000,000
Total warrants and notes	132,415,000
Capital lease obligations	208,787
Accrued salaries	2,755,151
Total long-term debt	$ 135,378,938

Annual debt service requirements to maturity for the discretely presented component unit Board of Education's long-term debt, including interest, at September 30, 2000, is as follows:

Year Ending September 30,	Principal	Interest	Total
2001	$ 62,640,440	$ 6,369,163	$ 69,009,603
2002	2,775,964	3,937,205	6,713,169
2003	2,892,383	3,792,394	6,684,757
2004	2,990,000	3,639,355	6,629,355
2005	3,155,000	3,475,920	6,630,920
2006 and Thereafter	58,170,000	24,149,829	82,319,829
	$ 132,623,787	$ 45,363,846	$ 177,987,633

The following changes occurred in the liabilities reported in the General Long-Term Debt Account Group for the discretely presented component unit Board of Education.

General long-term debt at October 1, 1999	$ 135,510,014
Warrants retired	(2,435,000)
Installment contracts principal payments	(265,953)
Lease purchase principal payments	(185,274)
General long-term debt at September 30, 2000	$ 132,623,787*

* This amount does not include accrued salaries.

G. Sewer Enterprise and Fleet Service Fund

The Sewer Enterprise Fund, which accounts for the operations of the waste water treatment plants, and the Fleet Service Fund, which accounts for the repairs and maintenance of all city vehicles, are the proprietary funds maintained by the City. Segment information required to be disclosed by GAAP is effectively provided by the Sewer Enterprise Fund and Fleet Service Fund financial statements presented in the general purpose financial statements.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

G. Sewer Enterprise and Fleet Service Fund (Continued)

The Riverchase Waste Water Treatment Plant and plant additions are financed by general long-term debt. The plant and plant additions have been charged as assets in the Sewer Enterprise Fund with a corresponding credit to contributed capital from other funds.

The Inverness Waste Water Treatment Plant, land and equipment were contributed to the City by the developer of Inverness in connection with the annexation of the commercial portion of the Inverness development. The plant, land and equipment have been charged as assets in the Sewer Enterprise Fund with a corresponding credit to contributed capital from developers.

The Sewer Enterprise Fund had net income of $317,250 for the fiscal year ended September 30, 2000 and a net loss of $166,712 for the fiscal year ended September 30, 1999. The Sewer Enterprise Fund has a retained earnings deficit of $2,989,912 at September 30, 2000. The City acquired the waste water treatment plants as a part of the Riverchase and Inverness annexations. It was anticipated that the plants would operate at a deficit but that the deficit incurred would be greatly offset by taxes and licenses revenue derived from the annexed areas as well as by contributed capital from new customers in the form of tap fees. The City has received revenue from the annexed areas substantially in excess of the Sewer Enterprise Fund operating deficit. Additionally, tap fees collected through September 30, 2000, totaled $2,632,649.

Long-Term Debt

As of September 30, 2000, the long-term debt of the Sewer Enterprise Fund is as follows:

Series 1999 General Obligation Sewer Warrant; due $300,000 to $580,000 annually beginning February 15, 2001; interest at 3.50% due semi-annually commencing February 15, 2001.	$ 8,505,000
Series 2000 General Obligation Sewer Warrant; due $325,000 to $675,000 annually beginning February 15, 2002; interest at 3.85% due semi-annually commencing August 15, 2001.	$ 9,565,000
Total long-term debt	$ 18,070,000

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 3: DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED)

G. Sewer Enterprise and Fleet Service Fund (Continued)

Interest and fiscal charges of $421,504 were incurred by the Sewer Enterprise Fund for the year ended September 30, 2000. Of that amount, $409,153 was capitalized in the cost of construction of fixed assets.

Annual debt service requirements to maturity for the Sewer Enterprise Fund, including interest, at September 30, 2000, is as follows:

Year Ending September 30,	Principal	Interest	Total
2001	$ 300,000	$ 347,729	$ 647,729
2002	635,000	643,746	1,278,746
2003	655,000	620,016	1,275,016
2004	680,000	595,455	1,275,455
2005	710,000	569,879	1,279,879
2006 and Thereafter	15,090,000	4,749,101	19,839,101
	$ 18,070,000	$ 7,525,926	$ 25,595,926

Changes in long-term liabilities for the Sewer Enterprise Fund during the year ended September 30, 2000.

Long-term debt at October 1, 1999	$ 8,505,000
Issuance of warrants	9,565,000
Long-term debt at September 30, 2000	$ 18,070,000

Contributed Capital

The change in the contributed capital account of the Sewer Enterprise Fund was as follows:

	2000
Customer tap fees	$ 192,333
Developer donated land	0
Net increase in contributed capital	192,333
Contributed capital at beginning of year	8,530,151
Contributed capital at end of year	$ 8,722,484

The Fleet Service Fund was created in the fiscal year September 30, 1998 to account for the repairs and maintenance of all city vehicles. The Fleet Service Fund had net income of $79,454 and $9,714 for the fiscal years ended September 30, 2000 and 1999, respectively.

Reserved Retained Earnings and Restricted Asset Accounts

The Sewer Enterprise Fund has no reservations of its retained earnings, and has no restricted assets as of September 30, 2000.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 4: OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters. The City manages these risks under a limited risk management program, which is administered by the City through two professional claims-handling firms. The City purchases commercial insurance to cover individual workers' compensation claims in excess of $275,000, and to cover aggregate workers' compensation claims in excess of $943,800. The City also purchases commercial insurance to cover individual property, casualty and liability claims in excess of $50,000, and to cover aggregate annual property, casualty and liability claims in excess of $675,000. The City has not significantly reduced any of its insurance coverage from that of the prior year, and the amount of settlements have not exceeded insurance coverage for each of the past three fiscal years. All claims, claims 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, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The liability for claims and judgments is reported in the General Long-Term Debt Account Group because it is not expected to be liquidated with current financial resources.

Changes in the balances of claims liabilities during fiscal 2000 and 1999 are as follows:

	2000	1999
Unpaid claims beginning	$ 397,118	$ 637,764
Incurred claims (including IBNRs)	360,136	449,859
Claim payments	(537,405)	(690,505)
Unpaid claims, ending	$ 219,849	$ 397,118

B. Commitments

By resolution of the City Council on October 1, 1990, the City is committed to make annual operating transfers to the Board of Education. The amount of the operating transfer is to be the greater of sixteen (16) percent of the City's revenues from sales and use tax collections or $4,500,000. The City Council may modify or terminate the commitment at its discretion.

In addition, the City Council resolved in 1996 to provide funding to the Board of Education for a portion of the cost of a new Middle School. The total to be funded by the City under the terms of the resolution is $4,000,000. As of September 30, 2000, the remaining amount to be funded by the City is $1,505,509, which is anticipated to be paid in 2002.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 4: OTHER INFORMATION (CONTINUED)

B. Commitments (Continued)

As a result of a citizen enforcement action filed July 7, 1995, under the U.S. Clean Water Act citing violations at the Inverness Waste Water Treatment Plant, the City entered into a Consent Decree dated January 2, 1997, as settlement of that action. In the Consent Decree, the City committed to undertake a three-phased remedial action plan to correct problems with the Inverness Waste Water Treatment Plant. Phase I identified the method, time and resources necessary to evaluate the condition and capacity of the plant. Phase II, determines the extent of the problems and the actions necessary to eliminate the problems. Phase III implements specific improvements developed in Phases I and II, at an estimated cost of $14.6 million excluding land cost. The City's application to the Alabama Revolving Loan Fund to finance the improvements implemented in Phase III has been approved. As of September 30, 2000, the City was in Phase III and was in compliance with the Consent Decree. The City has until June 1, 2001, to complete Phase III. Expenditures for the fiscal year September 30, 2000, totaled approximately $8.7 million, and cumulative expenditures through September 30, 2000 totaled approximately $8.8 million.

As of September 30, 2000, the City has executed contracts for construction projects as follows:

	Total Contract	Incurred To Date	Remaining Commitment
Library Capital Projects Fund			
Library renovation and expansion	$ 5,255,220	$ 3,379,833	$ 1,875,387
Sewer Enterprise Fund			
Sewer/wastewater facility improvements	14,595,000	8,362,514	6,232,486
	$ 19,850,220	$ 11,742,347	$ 8,107,873

C. Contingent liabilities

Amounts received or receivable 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 which 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 also is 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.

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 4: OTHER INFORMATION (CONTINUED)

D. Employee Retirement System

Plan Description:

The City's defined benefit pension plan, Employee's 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 36130-2150 or by calling 1-334-832-4140.

Funding Policy:

City employees are required to contribute 5 percent of their annual compensation to the System. The City is required to contribute the remaining amounts necessary to fund the System, using the entry age normal actuarial method as specified by statute.

Annual Pension Cost:

For 2000, the City's annual pension cost of $1,207,209 for the System was equal to the City's required and actual contributions. The required contribution was determined as part of the September 30, 1999 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, 1999 was 19 years.

Three-Year Trend Information for the System

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
9/30/98	$ 1,309,007	100%	$ 0
9/30/99	1,117,352	100%	0
9/30/00	1,207,209	100%	0

THE CITY OF HOOVER, ALABAMA
Notes To Financial Statements
September 30, 2000

NOTE 4: OTHER INFORMATION (CONTINUED)

E. Post retirement health care benefits

In April 2000, the City began providing post retirement health and dental care benefits, as per the City ordinance, 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 75% of the total monthly premium for health and dental coverage. The City's regular health and dental care benefits providers underwrite the retirees' policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

As of September 30, 2000 there were eight employees receiving benefits under the ordinance. For the year ended September 30, 2000, the City recognized expenditures of $11,375 for these benefits.

SUPPLEMENTAL INFORMATION

PRIMARY GOVERNMENT

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
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)
09/30/97	28,192,973	27,611,647	(581,326)	102.11%	18,511,949	(3.14%)
09/30/98	32,189,101	31,529,296	(659,805)	102.09%	20,111,655	(3.28%)
09/30/99	36,832,808	36,239,433	(593,375)	101.64%	21,399,501	(2.77%)

(This page intentionally left blank)

COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES

(This page intentionally left blank)

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

THE CITY OF HOOVER, ALABAMA
General Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
Assets		
Pooled cash and investments	$ 24,419,725	$ 13,300,213
Receivables		
Taxes	3,595,196	3,686,761
Accounts	321,394	225,641
Due from other funds	609,109	6,296,383
Due from other governments	572,542	494,257
Prepaid insurance	216,284	45,456
Deposits	0	19,037
Non-current receivable	4,027,499	3,804,858
Total assets	$ 33,761,749	$ 27,872,606
Liabilities and fund balances		
Accounts payable and accrued liabilities	$ 2,289,575	$ 2,190,686
Refundable deposits	51,547	139,119
Total liabilities	2,341,122	2,329,805
Fund balances		
Reserved for prepaid insurance	216,284	45,456
Reserved for non-current receivable	4,027,499	3,804,858
Unreserved, undesignated	27,176,844	21,692,487
Total fund balances	31,420,627	25,542,801
Total liabilities and fund balances	$ 33,761,749	$ 27,872,606

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Revenues		
Taxes	$ 47,617,556	$ 45,534,524
Licenses and permits	9,002,056	9,117,729
Intergovernmental	3,522,576	2,336,674
Fines and forfeits	1,129,765	829,827
Investment income	1,790,800	943,367
Other	510,233	382,809
Total revenues	63,572,986	59,144,930
Expenditures		
Current operations		
General government	6,827,397	6,512,020
Public safety	21,634,677	19,368,880
Municipal court	506,090	436,430
Streets and sanitation	5,472,325	4,962,822
Health	327,890	356,631
Total	34,768,379	31,636,783
Capital outlays	2,041,428	1,905,375
Debt service		
Principal	3,183,550	3,176,297
Interest	3,012,348	3,218,271
Total expenditures	43,005,705	39,936,726
Excess of revenues over expenditures	20,567,281	19,208,204
Other financing sources (uses)		
Operating transfers in	0	2,194,421
Operating transfers out	(2,048,155)	(10,608,531)
Operating transfers out - component units	(12,641,300)	(12,330,706)
Proceeds of general obligation warrants, notes payable and capital leases	0	12,294,509
Payment to refunding warrant escrow agent	0	(6,745,000)
Total other financing sources (uses)	(14,689,455)	(15,195,307)
Excess of revenues and other financing sources over expenditures and other financing uses	5,877,826	4,012,897
Fund balances, beginning of year	25,542,801	21,529,904
Fund balances, end of year	$ 31,420,627	$ 25,542,801

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
General Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	$ 47,894,000	$ 47,617,556	$ (276,444)
Licenses and permits	9,689,000	9,002,056	(686,944)
Intergovernmental	1,731,057	3,522,576	1,791,519
Fines and forfeits	1,000,000	1,129,765	129,765
Investment income	905,300	1,790,800	885,500
Other	345,800	510,233	164,433
Total revenues	61,565,157	63,572,986	2,007,829
Expenditures			
Current operations			
General government	7,930,036	6,827,397	1,102,639
Public safety	21,107,735	21,634,677	(526,942)
Municipal court	520,245	506,090	14,155
Streets and sanitation	5,328,035	5,472,325	(144,290)
Health	343,434	327,890	15,544
Total	35,229,485	34,768,379	461,106
Capital outlays	1,264,577	2,041,428	(776,851)
Debt service			
Principal	3,318,099	3,183,550	134,549
Interest and fiscal charges	2,874,206	3,012,348	(138,142)
Total expenditures	42,686,367	43,005,705	(319,338)
Excess of revenues over expenditures	18,878,790	20,567,281	1,688,491
Other financing sources (uses)			
Operating transfers in	0	0	0
Operating transfers out	(3,948,757)	(2,048,155)	1,900,602
Operating transfers out - component units	(13,721,955)	(12,641,300)	1,080,655
Proceeds of general obligation warrants	0	0	0
Payment to refunding warrant escrow agent	0	0	0
Total other financing sources (uses)	(17,670,712)	(14,689,455)	2,981,257
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	$ 1,208,078	5,877,826	$ 4,669,748
Fund balances, beginning of year		25,542,801	
Fund balances, end of year		$ 31,420,627	

The accompanying notes to the financial statements are an integral part of this statement.

1999		
Budget	Actual	Variance Favorable (Unfavorable)
$ 43,669,000	$ 45,534,524	$ 1,865,524
9,736,500	9,117,729	(618,771)
1,449,200	2,336,674	887,474
1,000,000	829,827	(170,173)
855,000	943,367	88,367
306,300	382,809	76,509
57,016,000	59,144,930	2,128,930
6,213,841	6,512,020	(298,179)
19,785,404	19,368,880	416,524
478,198	436,430	41,768
5,732,836	4,962,822	770,014
434,972	356,631	78,341
32,645,251	31,636,783	1,008,468
1,358,920	1,905,375	(546,455)
3,071,312	3,176,297	(104,985)
3,003,288	3,218,271	(214,983)
40,078,771	39,936,726	142,045
16,937,229	19,208,204	2,270,975
0	2,194,421	2,194,421
(4,068,540)	(10,608,531)	(6,539,991)
(12,881,009)	(12,330,706)	550,303
0	12,294,509	12,294,509
0	(6,745,000)	(6,745,000)
(16,949,549)	(15,195,307)	1,754,242
$ (12,320)	4,012,897	$ 4,025,217
	21,529,904	
	$ 25,542,801	

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Schedule of Current Operations Expenditures
Budget and Actual
For the fiscal year ended September 30, 2000
(with comparative actual amounts for the fiscal year ended September 30, 1999)

Expenditures - Current Operations	Budget	Actual	Variance Favorable (Unfavorable)	1999 Actual
General government				
Administrative				
Personal services	$ 3,755,164	$ 3,302,737	$ 452,427	$ 2,906,575
Other	4,174,872	3,524,660	650,212	3,605,445
Total general government	7,930,036	6,827,397	1,102,639	6,512,020
Public safety				
Police				
Personal services	8,796,982	9,132,975	(335,993)	8,302,709
Other	1,614,380	1,641,522	(27,142)	1,111,810
Total	10,411,362	10,774,497	(363,135)	9,414,519
Fire				
Personal services	8,459,554	8,661,216	(201,662)	7,920,236
Other	844,950	803,207	41,743	739,983
Total	9,304,504	9,464,423	(159,919)	8,660,219
Inspection services				
Personal services	1,292,948	1,291,783	1,165	1,217,631
Other	98,921	103,974	(5,053)	76,511
Total	1,391,869	1,395,757	(3,888)	1,294,142
Total public safety	21,107,735	21,634,677	(526,942)	19,368,880
Municipal Court				
Personal services	395,595	382,805	12,790	334,508
Other	124,650	123,285	1,365	101,922
Total municipal court	520,245	506,090	14,155	436,430
Street and Sanitation				
Personal services	1,023,535	1,079,771	(56,236)	955,942
Other	4,304,500	4,392,554	(88,054)	4,006,880
Total streets and sanitation	5,328,035	5,472,325	(144,290)	4,962,822
Health				
Personal services	86,084	80,149	5,935	80,733
Other	257,350	247,741	9,609	275,898
Total health	343,434	327,890	15,544	356,631
Total expenditures - current operations	$ 35,229,485	$ 34,768,379	$ 461,106	$ 31,636,783

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

E-911 Special Revenue Fund accounts for funds received from citizens for the development and operation of the City wide emergency telephone system.

State Seven Cent Gasoline Tax Special Revenue Fund accounts for proceeds of a seven cent State gasoline tax. The use of these funds is restricted to expenditures related to construction, improvement and maintenance of highways, bridges and streets.

State Four and Five Cent Gasoline Tax Special Revenue Fund accounts for proceeds of a four and five cent State gasoline tax. The use of these funds is restricted to expenditures for the construction, renovation, rehabilitation, and resurfacing of City streets and bridges.

Drug Enforcement Special Revenue Fund accounts for funds confiscated in drug enforcement activities. These funds are restricted for enforcement only.

Court and Corrections Fund accounts for funds received from additional court costs and fees on certain municipal cases. The funds are restricted for use in operation and maintenance of the municipal jail or court.

THE CITY OF HOOVER, ALABAMA
Special Revenue Funds
Combining Balance Sheet
September 30, 2000
(with the comparative totals for September 30, 1999)

	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax
Assets			
Pooled cash and investments	$ 153,832	$ 185,103	$ 2,403
Due from other governments			
State	0	32,747	28,493
Total assets	$ 153,832	$ 217,850	$ 30,896
Liabilities and fund balances			
Liabilities			
Accounts payable	$ 0	$ 4,882	$ 44
Accrued liabilities	37,396	0	0
Total liabilities	37,396	4,882	44
Fund balances			
Unreserved, undesignated	116,436	212,968	30,852
Total liabilities and fund balances	$ 153,832	$ 217,850	$ 30,896

The accompanying notes to the financial statements are an integral part of this statement.

Drug Enforcement	Court and Corrections	Totals 2000	Totals 1999
$ 97,860	$ 1,231,742	$ 1,670,940	$ 1,568,885
0	0	61,240	62,903
$ 97,860	$ 1,231,742	$ 1,732,180	$ 1,631,788
$ 0	$ 0	$ 4,926	$ 9,229
0	0	37,396	46,865
0	0	42,322	56,094
97,860	1,231,742	1,689,858	1,575,694
$ 97,860	$ 1,231,742	$ 1,732,180	$ 1,631,788

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax
Revenues			
Intergovernmental	$ 0	$ 376,776	$ 347,246
Investment income	4,446	27,004	3,853
Telephone surcharge	916,544	0	0
Court costs	0	0	0
Sale of surplus property	0	0	0
Confiscated drug funds	0	0	0
Total revenues	920,990	403,780	351,099
Expenditures			
Current operations			
Public safety			
Police			
Personal services	1,075,963	0	0
Other	0	0	0
Streets and sanitation			
Personal services	0	335,775	0
Other	0	227,703	500,551
Total	1,075,963	563,478	500,551
Capital outlays	0	0	0
Total expenditures	1,075,963	563,478	500,551
Excess (deficiency) of revenues over (under) expenditures	(154,973)	(159,698)	(149,452)
Other financing sources			
Operating transfers in	237,755	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures	82,782	(159,698)	(149,452)
Fund balances, beginning of year	33,654	372,666	180,304
Fund balances, end of year	$ 116,436	$ 212,968	$ 30,852

The accompanying notes to the financial statements are an integral part of this statement.

Drug Enforce-ment	Court and Corrections	Totals 2000	Totals 1999
$ 0	$ 0	$ 724,022	$ 739,119
5,141	73,407	113,851	89,970
0	0	916,544	856,811
0	252,221	252,221	238,608
0	0	0	5,537
73,136	0	73,136	26,170
78,277	325,628	2,079,774	1,956,215
0	0	1,075,963	907,554
2,192	0	2,192	0
0	0	335,775	348,025
0	0	728,254	615,690
2,192	0	2,142,184	1,871,269
28,364	32,817	61,181	6,186
30,556	32,817	2,203,365	1,877,455
47,721	292,811	(123,591)	78,760
0	0	237,755	83,806
47,721	292,811	114,164	162,566
50,139	938,931	1,575,694	1,413,128
$ 97,860	$ 1,231,742	$ 1,689,858	$ 1,575,694

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
E-911 Special Revenue Fund
Comparative Balance Sheets
September 30, 200
(with comparative totals for September 30, 1999)

	2000	1999
Assets		
Pooled cash and investments	$ 153,832	$ 69,494
Total assets	$ 153,832	$ 69,494
Liabilities and fund balances		
Liabilities		
Accrued liabilities	$ 37,396	$ 35,840
Fund balances		
Unreserved, undesignated	116,436	33,654
Total liabilities and fund balances	$ 153,832	$ 69,494

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
E-911 Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Revenues		
Telephone surcharge	$ 916,544	$ 856,811
Investment income	4,446	591
Total revenues	920,990	857,402
Expenditures		
Current operations		
Public safety		
Police		
Personal services	1,075,963	907,554
Total expenditures	1,075,963	907,554
Deficiency of revenues (under) expenditures	(154,973)	(50,152)
Other financing sources		
Operating transfers in	237,755	83,806
Excess of revenues and other financing sources over expenditures	82,782	33,654
Fund balances, beginning of year	33,654	0
Fund balances, end of year	$ 116,436	$ 33,654

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
E-911 Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Telephone surcharge	$ 840,000	$ 916,544	$ 76,544	$ 830,000	$ 856,811	$ 26,811
Operating transfers in	0	237,755	237,755	0	83,806	83,806
Investment income	1,000	4,446	3,446	0	591	591
Total revenues	841,000	1,158,745	317,745	830,000	941,208	111,208
Expenditures						
Current operations						
Public safety						
Police						
Personal services	966,110	1,075,963	(109,853)	836,642	907,554	(70,912)
Total expenditures	966,110	1,075,963	(109,853)	836,642	907,554	(70,912)
Excess (deficiency) of revenues over (under) expenditures	$ (125,110)	82,782	$ 207,892	$ (6,642)	33,654	$ 40,296
Fund balances, beginning of year		33,654			0	
Fund balances, end of year		$ 116,436			$ 33,654	

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
State Seven Cent Gasoline Tax Special Revenue Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
Assets		
Pooled cash and investments	$ 185,103	$ 350,062
Due from state government	32,747	33,629
Total assets	$ 217,850	$ 383,691
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 4,882	$ 0
Accrued liabilities	0	11,025
Total liabilities	4,882	11,025
Fund balances		
Unreserved, undesignated	212,968	372,666
Total liabilities and fund balances	$ 217,850	$ 383,691

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
State Seven Cent Gasoline Tax Special Revenue Fund
Comparative Statements or Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Revenues		
Intergovernmental	$ 376,776	$ 393,624
Investment income	27,004	20,034
Total revenues	403,780	413,658
Expenditures		
Current operations		
Streets and sanitation		
Personal services	335,775	348,025
Other	227,703	0
Total expenditures	563,478	348,025
Excess (deficiency) of revenues over (under) expenditures	(159,698)	65,633
Fund balances, beginning of year	372,666	307,033
Fund balances, end of year	$ 212,968	$ 372,666

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
State Seven Cent Gasoline Tax Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	$ 410,000	$ 376,776	$ (33,224)	$ 400,000	$ 393,624	$ (6,376)
Investment income	15,000	27,004	12,004	15,000	20,034	5,034
Total revenues	425,000	403,780	(21,220)	415,000	413,658	(1,342)
Expenditures						
Current operations						
Streets and sanitation						
Personal services	335,775	335,775	0	346,800	348,025	(1,225)
Other	99,000	227,703	(128,703)	0	0	0
Total expenditures	434,775	563,478	(128,703)	346,800	348,025	(1,225)
Excess (deficiency) of revenues over (under) expenditures	$ (9,775)	(159,698)	$ (149,923)	$ 68,200	65,633	$ (2,567)
Fund balances, beginning of year		372,666			307,033	
Fund balances, end of year		$ 212,968			$ 372,666	

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
State Four and Five Cent Gasoline Tax Special Revenue Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Assets		
Pooled cash and investments	$ 2,403	$ 160,259
Due from state government	28,493	29,274
Total assets	$ 30,896	$ 189,533
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 44	$ 9,229
Fund balances		
Unreserved, undesignated	30,852	180,304
Total liabilities and fund balances	$ 30,896	$ 189,533

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
State Four and Five Cent Gasoline Tax Special Revenue Funds
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Revenues		
Intergovernmental	$ 347,246	$ 345,495
Investment income	3,853	19,171
Total revenues	351,099	364,666
Expenditures		
Current operations		
Streets and sanitation		
Other	500,551	615,690
Total expenditures	500,551	615,690
Excess (deficiency) of revenues over (under) expenditures	(149,452)	(251,024)
Fund balances, beginning of year	180,304	431,328
Fund balances, end of year	$ 30,852	$ 180,304

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
State Four and Five Cent Gasoline Tax Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	$ 380,000	$ 347,246	$ (32,754)	$ 375,000	$ 345,495	$ (29,505)
Investment income	20,000	3,853	(16,147)	30,000	19,171	(10,829)
Total revenues	400,000	351,099	(48,901)	405,000	364,666	(40,334)
Expenditures						
Current operations						
Streets and sanitation						
Other	501,000	500,551	449	600,000	615,690	(15,690)
Total expenditures	501,000	500,551	449	600,000	615,690	(15,690)
Deficiency of revenues under expenditures	$ (101,000)	(149,452)	$ (48,452)	$ (195,000)	(251,024)	$ (56,024)
Fund balances, beginning of year		180,304			431,328	
Fund balances, end of year		$ 30,852			$ 180,304	

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Drug Enforcement Special Revenue Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
Assets		
Pooled cash and investments	$ 97,860	$ 50,139
Total assets	$ 97,860	$ 50,139
Liabilities and fund balances		
Fund balances		
Unreserved, undesignated	$ 97,860	$ 50,139
Total liabilities and fund balances	$ 97,860	$ 50,139

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Drug Enforcement Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Revenues		
Investment income	$ 5,141	$ 2,189
Sale of surplus property	0	5,537
Confiscated drug funds	73,136	26,170
Total revenues	78,277	33,896
Expenditures		
Current operations		
Public safety		
Police		
Other	2,192	0
Total	2,192	0
Capital outlays	28,364	6,186
Total expenditures	30,556	6,186
Excess of revenues over expenditures	47,721	27,710
Fund balances, beginning of year	50,139	22,429
Fund balances, end of year	$ 97,860	$ 50,139

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Court and Corrections Special Revenue Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
Assets		
Pooled cash and investments	$ 1,231,742	$ 938,931
Total assets	$ 1,231,742	$ 938,931
Liabilities and fund balances		
Fund balances		
Unreserved, undesignated	$ 1,231,742	$ 938,931
Total liabilities and fund balances	$ 1,231,742	$ 938,931

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Court and Corrections Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Revenues		
Investment income	$ 73,407	$ 47,985
Court costs	252,221	238,608
Total revenues	325,628	286,593
Expenditures		
Capital outlays	32,817	0
Total expenditures	32,817	0
Excess of revenues over expenditures	292,811	286,593
Fund balances, beginning of year	938,931	652,338
Fund balances, end of year	$ 1,231,742	$ 938,931

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Court and Corrections Special Revenue Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000			1999		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Investment income	$ 30,000	$ 73,407	$ 43,407	$ 30,000	$ 47,985	$ 17,985
Court costs	250,000	252,221	2,221	275,000	238,608	(36,392)
Total revenues	280,000	325,628	45,628	305,000	286,593	(18,407)
Expenditures						
Capital outlays	0	32,817	(32,817)	0	0	0
Total expenditures	0	32,817	(32,817)	0	0	0
Excess (deficiency) of revenues over (under) expenditures	$ 280,000	292,811	$ 12,811	$ 305,000	286,593	$ (18,407)
Fund balances, beginning of year		938,931			652,338	
Fund balances, end of year		$ 1,231,742			$ 938,931	

The accompanying notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

CAPITAL PROJECTS FUNDS

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Capital Projects Fund accounts for budgeted transfers from the General Fund generally for the acquisition or construction of major capital projects.

GOW Capital Projects Fund accounts for capital expenditures from the proceeds of long term borrowing in fiscal years 2000 and 1999.

Library Capital Projects Fund accounts for capital expenditures from the proceeds of long term borrowings for the expansion of the library.

THE CITY OF HOOVER, ALABAMA
Capital Projects Funds
Combining Balance Sheet
September 30, 2000
(with comparative totals for September 30, 1999)

	Capital Projects	GOW Capital Projects	Library Capital Projects	Totals 2000	Totals 1999
Assets					
Pooled cash and investments	$ 1,981,461	$ 11,552,316	$ 2,899,736	$ 16,433,513	$ 8,064,786
Total assets	$ 1,981,461	$ 11,552,316	$ 2,899,736	$ 16,433,513	$ 8,064,786
Liabilities and fund balances					
Liabilities					
Accounts payable	$ 631,800	$ 231,747	$ 497,048	$ 1,360,595	$ 306,839
Due to other funds	0	0	0	0	6,142,684
Total liabilities	631,800	231,747	497,048	1,360,595	6,449,523
Fund balances					
Unreserved	1,349,661	11,320,569	2,402,688	15,072,918	1,615,263
Total liabilities and fund balances	$ 1,981,461	$ 11,552,316	$ 2,899,736	$ 16,433,513	$ 8,064,786

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with the comparative totals for the fiscal year ended September 30, 1999)

	Capital Projects	GOW Capital Projects	Library Capital Projects	Totals 2000	Totals 1999
Revenues					
Investment income	$ 83,237	$ 761,864	$ 303,953	$ 1,149,054	$ 217,060
Expenditures					
Capital outlays	3,186,478	7,944,529	3,563,585	14,694,592	3,875,779
Other expenditures	0	0	55,548	55,548	0
Total	3,186,478	7,944,529	3,619,133	14,750,140	3,875,779
Debt service					
Interest and fiscal charges	0	318,614	2,614	321,228	37,484
Total expenditures	3,186,478	8,263,143	3,621,747	15,071,368	3,913,263
Deficiency of revenues under expenditures	(3,103,241)	(7,501,279)	(3,317,794)	(13,922,314)	(3,696,203)
Other financing sources					
Operating transfers in	1,810,400	0	500,000	2,310,400	10,342,518
Operating transfers out	0	(500,000)	0	(500,000)	(2,194,421)
Proceeds of general obligation warrants	0	25,569,569	0	25,569,569	0
Total other financing sources	1,810,400	25,069,569	500,000	27,379,969	8,148,097
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(1,292,841)	17,568,290	(2,817,794)	13,457,655	4,451,894
Fund balances (deficit), beginning of year	2,642,502	(6,247,721)	5,220,482	1,615,263	(2,836,631)
Fund balances, end of year	$ 1,349,661	$ 11,320,569	$ 2,402,688	$ 15,072,918	$ 1,615,263

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Capital Projects Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
Assets		
Pooled cash and investments	$ 1,981,461	$ 2,844,304
Total assets	$ 1,981,461	$ 2,844,304
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 631,800	$ 201,802
Fund balances		
Unreserved	1,349,661	2,642,502
Total liabilities and fund balances	$ 1,981,461	$ 2,844,304

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Revenues		
Investment income	$ 83,237	$ 169,356
Expenditures		
Capital outlays		
Administrative	3,186,478	2,764,250
Total expenditures	3,186,478	2,764,250
Deficiency of revenues under expenditures	(3,103,241)	(2,594,894)
Other financing sources (uses)		
Operating transfers in	1,810,400	5,096,636
Operating transfers out	0	(2,194,421)
Total other financing sources (uses)	1,810,400	2,902,215
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(1,292,841)	307,321
Fund balances, beginning of year	2,642,502	2,335,181
Fund balances, end of year	$ 1,349,661	$ 2,642,502

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
GOW Capital Projects Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
Assets		
Pooled cash and investments	$ 11,552,316	$ 0
Total assets	$ 11,552,316	$ 0
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 231,747	$ 105,037
General obligation warrants payable	0	0
Due to other funds	0	6,142,684
Total liabilities	231,747	6,247,721
Fund balances		
Unreserved (deficit)	11,320,569	(6,247,721)
Total liabilities and fund balances	$ 11,552,316	$ 0

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
GOW Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Revenues		
Investment income	$ 761,864	$ 0
Expenditures		
Capital outlays		
Administrative	7,944,529	1,038,425
Total	7,944,529	1,038,425
Debt service		
Interest and fiscal charges	318,614	37,484
Total expenditures	8,263,143	1,075,909
Deficiency of revenues under expenditures	(7,501,279)	(1,075,909)
Other financing sources (uses)		
Operating transfers out	(500,000)	0
Proceeds of general obligation warrants	25,569,569	0
Total other financing sources (uses)	25,069,569	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures	17,568,290	(1,075,909)
Fund balances (deficit), beginning of year	(6,247,721)	(5,171,812)
Fund balances (deficit), end of year	$ 11,320,569	$ (6,247,721)

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Library Capital Projects Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
Assets		
Pooled cash and investments	$ 2,899,736	$ 5,220,482
Total assets	$ 2,899,736	$ 5,220,482
Liabilities and fund balances		
Liabilities		
Accounts payable	$ 497,048	$ 0
Fund balances		
Unreserved	2,402,688	5,220,482
Total liabilities and fund balances	$ 2,899,736	$ 5,220,482

* The Library Capital Projects Fund was created in 1999.

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Library Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Revenues		
Investment income	$ 303,953	$ 47,704
Expenditures		
Capital outlays		
Administrative	3,563,585	73,104
Other expenditures	55,548	0
Total	3,619,133	73,104
Debt service		
Interest and fiscal charges	2,614	0
Total expenditures	3,621,747	73,104
Deficiency of revenues under expenditures	(3,317,794)	(25,400)
Other financing sources		
Operating transfers in	500,000	5,245,882
Total other financing sources	500,000	5,245,882
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(2,817,794)	5,220,482
Fund balances, beginning of year	5,220,482	0
Fund balances, end of year	$ 2,402,688	$ 5,220,482

The accompanying notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

ENTERPRISE FUND

An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprise where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

The Sewer Enterprise Fund accounts for the sewer services to the Riverchase, Southlake, and Inverness communities. All activities necessary to provide such services are accounted for in this fund. This is the City's only enterprise fund.

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for September 30, 1999)

Assets	**2000**	**1999**
Current assets		
Pooled cash and investments	$ 55,164	$ 447,994
Accounts receivable	191,251	168,000
Warrant proceeds receivable	9,558,879	8,000,000
Inventory	0	3,100
Total current assets	9,805,294	8,619,094
Property, plant and equipment		
Equipment	458,764	458,764
Land	1,664,800	1,664,800
Construction in progress	9,236,466	140,978
Sewage treatment plants	9,178,955	8,102,129
	20,538,985	10,366,671
Less accumulated depreciation	5,878,640	5,539,650
Net property plant and equipment	14,660,345	4,827,021
Other assets	448,496	505,000
Total assets	$ 24,914,135	$ 13,951,115
Liabilities and equity		
Current liabilities		
Accounts payable	$ 56,345	$ 67,162
Accounts payable - construction in progress	444,429	0
Refundable deposits	5,000	5,000
Due to other funds	596,388	140,978
Accrued expenses	9,401	9,986
Total current liabilities	1,111,563	223,126
Long-term liabilities		
General obligation warrants	18,070,000	8,505,000
Total liabilities	19,181,563	8,728,126
Equity		
Contributed capital		
Government	4,250,000	4,250,000
Customers	2,632,649	2,440,316
Developers	1,839,835	1,839,835
Total contributed capital	8,722,484	8,530,151
Retained earnings (deficit)	(2,989,912)	(3,307,162)
Total equity	5,732,572	5,222,989
Total liabilities and equity	$ 24,914,135	$ 13,951,115

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Operating revenues		
Charges for services	$ 1,766,727	$ 1,400,252
Operating expenses		
Depreciation	338,990	457,536
Management fees	409,689	487,484
Repairs and maintenance	185,434	214,299
Utilities	187,661	181,610
Personal services	64,415	61,074
Collection fees	54,466	56,217
Supplies	95,739	62,410
Telephone	12,660	14,878
Engineering fees	129,434	53,377
Total operating expenses	1,478,488	1,588,885
Operating income (loss)	288,239	(188,633)
Non-operating revenues (expenses)		
Investment income	41,362	21,921
Fiscal charges	(12,351)	0
Total non-operating revenues (expenses)	29,011	21,921
Net income (loss)	317,250	(166,712)
Retained earnings (deficit), beginning of year	(3,307,162)	(3,140,450)
Retained earnings (deficit), end of year	$ (2,989,912)	$ (3,307,162)

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Statements of Cash Flows
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Cash flows from operating activities		
Cash received from customers	$ 1,743,476	$ 1,370,174
Cash payments to suppliers	(673,111)	(713,748)
Cash payments to management companies	(409,689)	(487,484)
Cash payments to employees	(65,000)	(64,245)
Net cash provided by operating activities	595,676	104,697
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(9,318,732)	(188,838)
Capital contributed by consumers	192,333	120,825
Proceeds from warrants	7,641,121	0
Loans from other funds	455,410	34,578
Net cash (used) by capital and related financing activities	(1,029,868)	(33,435)
Cash flows from investing activities		
Investment income	41,362	21,921
Net cash provided by investing activities	41,362	21,921
Net increase (decrease) in pooled cash and investments	(392,830)	93,183
Pooled cash and investments, beginning of year	447,994	354,811
Pooled cash and investments, end of year	$ 55,164	$ 447,994
Reconciliation of operating income (loss) to net cash provided by operating activities		
Operating income (loss)	$ 288,239	$ (188,633)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation and amortization	338,990	457,536
Change in assets and liabilities		
(Increase) in accounts receivable	(23,251)	(30,078)
Decrease in inventory	3,100	0
Increase (decrease) in accrued expenses	(585)	(2,857)
Increase (decrease) in accounts payable	(10,817)	(131,271)
Net cash provided by operating activities	$ 595,676	$ 104,697

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Statements of Cash Flows (Continued)
For the fiscal year ended September 30, 2000

Noncash Investing, Capital and Financing Activities

Net proceeds for the sale of warrants in the amount of $9,200,000 were retained by the State of Alabama. The process will be transferred to the City as construction expenditure are incurred.

Warrant issuance costs of $149,927 that were deducted from warrant proceeds were capitalized and will be amortized over the debt repayment period.

The accompanying notes to the financial statements are an integral part of this statement.

INTERNAL SERVICE FUND

An internal service fund is used to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. A fleet services fund is maintained to account for the repairs and maintenance of all city vehicles.

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Fleet Service Fund
Comparative Balance Sheets
September 30, 2000
(with comparative totals for September 30, 1999)

Assets	2000	1999
Current assets		
Pooled cash and investments	$ 100	$ 100
Inventory	26,177	19,914
Total current assets	26,277	20,014
Fixed assets - net of depreciation	133,920	57,840
Total assets	$ 160,197	$ 77,854
Liabilities and fund equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 12,729	$ 9,840
Due to other funds	12,721	12,721
Total current liabilities	25,450	22,561
Fund Equity		
Retained earnings	89,168	9,714
Contributed capital	45,579	45,579
Total fund equity	134,747	55,293
Total liabilities and fund equity	$ 160,197	$ 77,854

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Fleet Service Fund
Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Operating revenues		
Charges for services	$ 445,042	$ 134,265
Operating expenses		
Personal services	257,242	213,693
Supplies	40,041	36,946
Depreciation	32,324	20,258
Insurance	19,058	15,824
Utilities	10,018	11,152
Telephone	3,716	4,586
Travel	2,740	3,935
Miscellaneous	449	365
Total operating expenses	365,588	306,759
Income (loss) before operating transfers	79,454	(172,494)
Operating transfers in	0	182,208
Net income	79,454	9,714
Retained earnings, beginning of year	9,714	0
Retained earnings, end of year	$ 89,168	$ 9,714

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Fleet Service Fund
Comparative Statements of Cash Flows
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	2000	1999
Cash flows from operating activities		
Cash received from customers	$ 445,042	$ 134,265
Cash payments to suppliers	(82,255)	(75,121)
Cash payments to employees	(254,382)	(212,781)
Net cash provided (used) by operating activities	108,405	(153,637)
Cash flows from noncapital financing activities		
Operating transfers in	0	182,208
Net cash provided by noncapital financing activities	0	182,208
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(108,405)	(28,471)
Capital contributed by city	0	0
Net cash (used) by capital and related financing activities	(108,405)	(28,471)
Net increase in pooled cash and investments	0	100
Pooled cash and investments, beginning of year	100	0
Pooled cash and investments, end of year	$ 100	$ 100
Reconciliation of operating loss to net cash provided (used) by operating activities		
Operating income (loss)	$ 79,454	$ (172,494)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	32,324	20,258
Change in assets and liabilities		
(Increase) in inventory	(6,263)	(4,250)
Increase in accrued expenses	2,860	912
Increase in accounts payable	30	1,937
Net cash provided (used) by operating activities	$ 108,405	$ (153,637)

The accompanying notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

GENERAL FIXED ASSETS ACCOUNT GROUP

General Fixed Assets are assets of the City which possess three attributes: (1) a tangible nature; (2) a life longer than the year of acquisition; and (3) a significant value. The significant value test is important because governmental units will have many individual assets which are tangible and long-lived but whose value is so small that the time and expense of maintaining detailed accounting and inventory records on them is not justified.

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Comparative Schedules of General Fixed Assets by Source
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
General fixed assets		
Land	$ 8,286,326	$ 8,631,487
Buildings	14,077,239	14,089,213
Improvements other than buildings	1,287,654	1,287,654
Equipment and vehicles	17,060,177	15,277,591
Construction in progress	0	128,677
Total general fixed assets	$ 40,711,396	$ 39,414,622
Investment in general fixed assets		
General obligation warrants	$ 17,041,829	$ 15,146,049
Long-term notes payable	399,334	399,334
Federal grants	1,320,518	1,320,518
General revenues	17,894,117	18,493,123
Donations and annexations	4,055,598	4,055,598
Total investments in general fixed assets	$ 40,711,396	$ 39,414,622

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Schedule of General Fixed Assets by Function and Activity
September 30, 2000

Function and Activity	Land	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Construction In Process	Total
General government						
Administration	$ 8,286,326	$ 6,897,896	$ 1,167,755	$ 3,725,815	$ 0	$ 20,077,792
Municipal garage	0	254,493	0	0	0	254,493
Total general government	8,286,326	7,152,389	1,167,755	3,725,815	0	20,332,285
Public safety						
Police	0	173,270	10,475	4,418,097	0	4,601,842
Fire	0	6,194,416	51,223	5,697,174	0	11,942,813
Inspection	0	48,179	0	405,536	0	453,715
Total public safety	0	6,415,865	61,698	10,520,807	0	16,998,370
Municipal court	0	0	0	115,062	0	115,062
Streets and sanitation	0	508,985	58,201	2,618,842	0	3,186,028
Health	0	0	0	79,651	0	79,651
Total general fixed assets allocated to function and activities	$ 8,286,326	$ 14,077,239	$ 1,287,654	$ 17,060,177	$ 0	$ 40,711,396

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Schedule of Changes in General Fixed Assets by Function and Activity
For the fiscal year ended September 30, 2000

Function and Activity	General Fixed Assets October 1, 1999	Additions	Deletions	General Fixed Assets September 30, 2000
General government				
Administration	$ 19,731,253	$ 3,003,520	$ 2,656,981	$ 20,077,792
Municipal garage	254,493	0	0	254,493
Total general government	19,985,746	3,003,520	2,656,981	20,332,285
Public safety				
Police	4,212,137	521,012	131,307	4,601,842
Fire	11,630,655	328,115	15,957	11,942,813
Inspection	411,168	43,055	508	453,715
Total public safety	16,253,960	892,182	147,772	16,998,370
Municipal court	80,889	34,883	710	115,062
Streets and sanitation	3,014,376	173,598	1,946	3,186,028
Health	79,651	0	0	79,651
Total general fixed assets	$ 39,414,622	$ 4,104,183	$ 2,807,409	$ 40,711,396

The accompanying notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

GENERAL LONG-TERM DEBT ACCOUNT GROUP

General obligation warrants and other forms of long-term debt supported by general revenues are obligations of the City as a whole and not its individual constituent funds. In addition, the proceeds of such debt may be spent on facilities, which are utilized in the operations of several funds. Moreover, since the budgetary requirements of other funds usually require the allocation of resources on a twelve month cycle, long-term obligations should be separated from funds that contain current assets and current liabilities. For these reasons, the amount of unmatured long-term indebtedness which is backed by the full faith and credit of the City is presented in a separate self-balancing account group titled "General Long-Term Debt Account Group." This account group includes general obligation warrants, bonds and other obligations, which have a maturity of more than one year.

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Comparative Schedules of General Long-Term Debt
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
Amounts available and to be provided for the payment of general long-term debt		
Amount to be provided from General Fund revenues	$ 87,429,589	$ 64,903,159
Total available and to be provided	$ 87,429,589	$ 64,903,159
General long-term debt		
General obligation warrants payable	$ 83,160,000	$ 60,858,550
Claims and judgements payable	219,849	397,118
Accrued compensated leave	4,049,740	3,647,491
Total general long-term debt	$ 87,429,589	$ 64,903,159

The accompanying notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

DISCRETELY PRESENTED COMPONENT UNITS

Component units are separate legal entities for which the elected officials of the City are financially accountable. In addition there may be other organizations for which the nature and significance of their relationship with the City are such that they are included to ensure that the City's financial statements are not misleading or incomplete. Discrete presentation entails reporting component unit data in a separate column on the combined financial statements in order to emphasize that the component units are legally separate from the City and to allow users to distinguish between the City and its component units.

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Units
Combining Balance Sheet
September 30, 2000
(with comparative totals for September 30, 1999)

	Board of Education	Park and Recreation Board	Library Board
Assets and other debits			
Assets			
Pooled cash and investments	$ 52,674,121	$ 201,243	$ 98,273
Due from other governments			
County	2,019,240	0	0
Federal	96,076	0	0
Due from other funds	24,599,256	0	0
Other receivables	0	71,338	0
Prepaid expenditures	8,624	0	0
Inventory	124,284	0	0
Fixed assets	183,846,903	44,879,226	9,853,517
Other debits			
Amount to be provided for retirement of general long-term debt	135,378,938	0	0
Total assets	$ 398,747,442	$ 45,151,807	$ 9,951,790
Liabilities, equity and other credits			
Liabilities			
Accounts payable and accrued liabilities	$ 6,910,192	$ 112,674	$ 64,067
Dues to other funds	24,599,256	0	0
Notes, capital leases and accrued compensation payable	2,963,939	0	0
General obligation warrants payable	132,415,000	0	0
Total liabilities	166,888,387	112,674	64,067
Equity and other credits			
Investment in general fixed assets	183,846,903	44,879,226	9,853,517
Fund balances			
Reserved for inventory and prepaids	132,908	0	0
Reserved for capital outlay	35,282,811	0	0
Reserved for encumbrances	740,490	0	0
Unreserved, undesignated	11,855,944	159,907	34,206
Total equity and other credits	231,859,056	45,039,133	9,887,723
Total liabilities, equity and other credits	$ 398,747,443	$ 45,151,807	$ 9,951,790

The accompanying notes to the financial statements are an integral part of this statement.

Totals	
2000	1999
$ 52,973,637	$ 77,229,139
2,019,240	1,053,744
96,076	189,261
24,599,256	15,327,020
71,338	70,000
8,624	12,255
124,284	59,790
238,579,646	183,371,436
135,378,938	138,126,864
$ 453,851,039	$ 415,439,509
$ 7,086,933	$ 6,264,495
24,599,256	15,327,020
2,963,939	660,015
132,415,000	134,850,000
167,065,128	157,101,530
238,579,646	183,371,436
132,908	59,790
35,282,811	64,709,372
740,490	1,324,604
12,050,057	8,872,778
286,785,912	258,337,980
$ 453,851,040	$ 415,439,510

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Units
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	Board of Education	Park and Recreation Board	Library Board
Revenues			
Licenses and permits	$ 0	$ 523,495	$ 0
Intergovernmental	91,099,867	0	155,795
Fines and forfeits	0	0	81,265
Investment income	0	0	3,579
Stadium lease	0	200,000	0
Other	534,967	378,917	99,230
Total revenues	91,634,834	1,102,412	339,869
Expenditures			
Current operations			
General government	2,641,803	0	0
Recreation	0	3,646,454	0
Library	0	0	2,862,067
Instructional services	38,665,743	0	0
Instructional support services	8,520,955	0	0
Operation and maintenance	7,335,471	0	0
Auxiliary services	8,513,446	0	0
Other	1,786,968	0	
Total	67,464,386	3,646,454	2,862,067
Capital outlays	48,897,731	176,990	25,924
Debt service			
Principal	2,886,224	0	0
Interest and fiscal charges	6,518,917	0	0
Total expenditures	125,767,258	3,823,444	2,887,991
Deficiency of revenues under expenditures	(34,132,424)	(2,721,032)	(2,548,122)
Other financing sources			
Operating transfers in - primary government	7,265,028	2,796,449	2,579,823
Proceeds of general obligation warrants, notes payable and capital leases	0	0	0
Total other financing sources	7,265,028	2,796,449	2,579,823
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(26,867,396)	75,417	31,701
Fund balances, beginning of year	74,879,549	84,490	2,505
Prior period adjustments	0	0	0
Fund balances as restated	74,879,549	84,490	2,505
Fund balances, end of year	$ 48,012,153	$ 159,907	$ 34,206

The accompanying notes to the financial statements are an integral part of this statement.

Totals 2000	Totals 1999
$ 523,495	$ 557,537
91,255,662	74,049,668
81,265	81,037
3,579	2,964
200,000	200,000
1,013,114	892,506
93,077,115	75,783,712
2,641,803	2,607,963
3,646,454	3,401,357
2,862,067	2,784,741
38,665,743	38,079,405
8,520,955	7,054,125
7,335,471	6,202,757
8,513,446	6,124,962
1,786,968	1,628,487
73,972,907	67,883,797
49,100,645	14,283,541
2,886,224	2,809,682
6,518,917	4,842,753
132,478,693	89,819,773
(39,401,578)	(14,036,061)
12,641,300	12,330,706
0	45,033,276
12,641,300	57,363,982
(26,760,278)	43,327,921
74,966,544	31,620,683
0	17,940
74,966,544	31,638,623
$ 48,206,266	$ 74,966,544

The accompanying notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

PUBLIC PARK AND RECREATION BOARD
OF THE CITY OF HOOVER

(A DISCRETELY PRESENTED COMPONENT UNIT)

The following presentation of the individual fund type and account group data of the Public Park and Recreation Board of the City of Hoover is provided because the Park and Recreation Board does not issue complete financial statements separately from the City's Comprehensive Annual Financial Report.

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Park and Recreation Board
Combined Balance Sheets
All Fund Types and Account Groups
September 30, 2000
(with comparative totals for September 30, 1999)

	Governmental Fund Types	Account Groups	Totals (Memorandum Only)	
	General	General Fixed assets	2000	1999
Assets				
Pooled cash and investments	$ 201,243	$ 0	$ 201,243	$ 123,464
Other receivables	71,338	0	71,338	70,000
Fixed assets	0	44,879,226	44,879,226	43,780,328
Total assets	$ 272,581	$ 44,879,226	$ 45,151,807	$ 43,973,792
Liabilities, equity and other credits				
Liabilities				
Accounts payable	$ 38,278	$ 0	$ 38,278	$ 46,949
Accrued liabilities	74,396	0	74,396	62,025
Total liabilities	112,674	0	112,674	108,974
Equity and other credits				
Investment in general fixed assets	0	44,879,226	44,879,226	43,780,328
Fund balances				
Unreserved, undesignated	159,907	0	159,907	84,490
Total equity and other credits	159,907	44,879,226	45,039,133	43,864,818
Total liabilities, equity and other credits	$ 272,581	$ 44,879,226	$ 45,151,807	$ 43,973,792

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Units - Park and Recreation Board
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	Governmental Fund Types	
	General	
	2000	1999
Revenues		
Licenses and permits	$ 523,495	$ 557,537
Stadium lease	200,000	200,000
Other	378,917	409,383
Total revenues	1,102,412	1,166,920
Expenditures		
Current operations		
Recreation		
Personal services	2,337,263	1,907,538
Other	1,309,191	1,493,819
Total	3,646,454	3,401,357
Capital outlays	176,990	123,399
Total expenditures	3,823,444	3,524,756
Deficiency of revenues under expenditures	(2,721,032)	(2,357,836)
Other financing sources		
Operating transfers in - primary government	2,796,449	2,364,477
Excess of revenues and other financing sources over expenditures	75,417	6,641
Fund balances, beginning of year	84,490	77,849
Fund balances, end of year	$ 159,907	$ 84,490

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Units - Park and Recreation Board
Comparative Schedules of General Fixed Assets by Source
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
General fixed assets		
Land	$ 14,442,905	$ 13,770,586
Buildings	24,408,847	24,135,624
Improvements other than buildings	4,203,488	4,203,488
Equipment and vehicles	1,690,478	1,624,792
Construction in progress	133,508	45,838
Total general fixed assets	$ 44,879,226	$ 43,780,328
Investment in general fixed assets		
General obligation warrants	$ 23,839,056	$ 23,828,556
Long-term notes payable	500,000	500,000
Capital leases payable	93,500	93,500
Park and Recreation Board bond	427,146	427,146
General revenues	15,592,464	14,504,066
Donations and annexations	873,665	873,665
Donations from primary government	3,553,395	3,553,395
Total investment in general fixed assets	$ 44,879,226	$ 43,780,328

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Discretely presented Component Unit - Park and Recreation Board
Schedule of General Fixed Assets by Function and Activity
September 30, 2000

Function and Activity	Land	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Construction in Progress	Total
Recreation	$ 14,442,905	$ 24,408,847	$ 4,203,488	$ 1,690,478	$ 133,508	$ 44,879,226
Total general fixed assets allocated to functions and activities	$ 14,442,905	$ 24,408,847	$ 4,203,488	$ 1,690,478	$ 133,508	$ 44,879,226

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Discreetly Presented Component Unit - Park and Recreation Board
Schedule of Changes in General Fixed Assets by Function and Activity
For the fiscal year ended September 30, 2000

Function and Activity	General Fixed Assets October 1, 1999	Additions	Deletions	General Fixed Assets September 30, 2000
Recreation	$ 43,780,328	$ 1,276,580	$ 177,682	$ 44,879,226
Total general fixed assets	$ 43,780,328	$ 1,276,580	$ 177,682	$ 44,879,226

The accompanying notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

THE CITY OF HOOVER PUBLIC LIBRARY BOARD

(A DISCRETELY PRESENTED COMPONENT UNIT)

The following presentation of the individual fund type and account group data of the City of Hoover Public Library Board is provided because the Library Board does not issue complete financial statements separately from the City's Comprehensive Annual Financial Report.

(This page intentionally left blank)

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Combined Balance Sheets
All Fund Types and Account Groups
September 30, 2000
(with comparative totals for September 30, 1999)

	Governmental Fund Types	Account Groups	Totals (Memorandum Only)	
	General	General Fixed assets	2000	1999
Assets				
Pooled cash and investments	$ 98,273	$ 0	$ 98,273	$ 84,589
Fixed assets	0	9,853,517	9,853,517	6,272,043
Total assets	$ 98,273	$ 9,853,517	$ 9,951,790	$ 6,356,632
Liabilities, equity and other credits				
Liabilities				
Accounts payable	$ 9,531	$ 0	$ 9,531	$ 29,800
Accrued liabilities	54,536	0	54,536	52,284
Total liabilities	64,067	0	64,067	82,084
Equity and other credits				
Investment in general fixed assets	0	9,853,517	9,853,517	6,272,043
Fund balances				
Unreserved, undesignated	34,206	0	34,206	2,505
Total equity and other credits	34,206	9,853,517	9,887,723	6,274,548
Total liabilities, equity and other credits	$ 98,273	$ 9,853,517	$ 9,951,790	$ 6,356,632

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types
For the fiscal year ended September 30, 2000
(with comparative totals for the fiscal year ended September 30, 1999)

	Governmental Fund Types	
	General	
	2000	1999
Revenues		
Intergovernmental	$ 155,795	$ 144,958
Fines and forfeits	81,265	81,037
Investment income	3,579	2,964
Other	99,230	119,026
Total revenues	339,869	347,985
Expenditures		
Current operations		
Library		
Personal services	1,840,729	1,715,678
Other	1,021,338	1,069,063
Total	2,862,067	2,784,741
Capital outlays	25,924	18,124
Total expenditures	2,887,991	2,802,865
Deficiency of revenues under expenditures	(2,548,122)	(2,454,880)
Other financing sources		
Operating transfers in - primary government	2,579,823	2,447,309
Excess (deficiency) of revenues and other financing sources over (under) expenditures	31,701	(7,571)
Fund balances, beginning of year	2,505	10,076
Fund balances, end of year	$ 34,206	$ 2,505

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Comparative Schedules of General Fixed Assets By Source
September 30, 2000
(with comparative totals for September 30, 1999)

	2000	1999
General fixed assets		
Buildings	$ 5,728,859	$ 5,604,394
Improvements other than buildings	14,883	14,883
Equipment and vehicles	637,598	579,662
Construction in progress	3,472,177	73,104
Total general fixed assets	$ 9,853,517	$ 6,272,043
Investment in general fixed assets		
General obligation warrants	$ 9,539,608	$ 5,976,023
General revenues	238,450	220,561
Donations from primary government	75,459	75,459
Total investment in general fixed assets	$ 9,853,517	$ 6,272,043

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Schedule of General Fixed Assets by Function and Activity
September 30, 2000

Function and Activity	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Construction in Progress	Total
Recreation	$ 5,728,859	$ 14,883	$ 637,598	$ 3,472,177	$ 9,853,517
Total and general fixed assets allocated to functions and activities	$ 5,728,859	$ 14,883	$ 637,598	$ 3,472,177	$ 9,853,517

The accompanying notes to the financial statements are an integral part of this statement.

THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Schedule of Changes in General Fixed Assets by Function and Activity
For the fiscal year ended September 30, 2000

Function and Activity	General Fixed Assets October 1, 1999	Additions	Deletions	General Fixed Assets September 30, 2000
Recreation	$ 6,272,043	$ 3,589,509	$ 8,035	$ 9,853,517
Total general fixed assets	$ 6,272,043	$ 3,589,509	$ 8,035	$ 9,853,517

The accompanying notes to the financial statements are an integral part of this statement.

(This page intentionally left blank)

STATISTICAL SECTION

PRIMARY GOVERNMENT

(This page intentionally left blank)

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

Fiscal Year	Sales, Use and Related Taxes	Property Tax	In Lieu of Property Tax	Auto Tax	Rental Tax	Total
1991	$ 15,911,832	$ 2,383,888	$ 20,663	$ 228,440	$ 62,750	$ 18,607,573
1992	17,278,328	2,692,524	20,664	136,111	107,422	20,235,049
1993	20,728,713	2,681,425	19,162	216,934	96,173	23,742,407
1994	27,568,637 (A)	2,925,759	53,062	217,420	126,548 (A)	30,891,426
1995	34,085,710	3,369,272	53,062	236,526	137,010	37,881,580
1996	35,299,683	3,781,319	53,062	317,485	150,336	39,601,885
1997	37,547,973	3,981,320	47,828	346,789	137,318	42,061,228
1998	37,939,527	4,253,830	47,828	438,799	173,450	42,853,434
1999	40,202,985	4,455,161	47,828	457,879	370,671	45,534,524
2000	41,109,470	5,215,400	47,828	668,403	576,455	47,617,556

(A) The City Council passed a 1% increase effective March 1, 1994.

Source: City annual financial reports.

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

Fiscal Year	General Government	Public Safety (B)	Streets and Sanitation	Health	Capital Outlays
1991	$ 2,824,151	$ 10,164,111	$ 3,020,169	$ 126,752	$ 7,150,715
1992	2,808,843	10,920,575	3,533,030	105,953	8,466,176
1993	3,110,641	11,789,994	3,764,589	131,824	2,226,812
1994	3,161,080	13,115,674	3,965,613	311,847	2,601,047
1995	3,650,427	14,923,300	4,360,208	331,883	9,543,813
1996	5,573,911	17,018,226	5,305,308	347,259	7,892,679
1997	5,972,878	17,450,403	5,248,576	347,843	9,775,534
1998	5,325,776	19,284,687	6,205,693	365,070	5,329,877
1999	6,512,020	20,712,864	5,926,537	356,631	5,787,340
2000	6,882,945	23,218,922	6,536,354	327,890	16,797,201

Continued on next page

(A) This schedule includes the General, Special Revenue and Capital Projects Funds.

(B) Includes Municipal Court

Source: City annual financial reports.

Debt Service	Total
$ 4,393,214	$ 27,679,112
4,969,769	30,804,346
5,181,668	26,205,528
5,483,843	28,639,104
4,921,841	37,731,472
5,327,006	41,464,389
4,813,756	43,608,990
5,661,995	42,173,098
6,432,052	45,727,444
6,517,126	60,280,438

Continued from previous page

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

Fiscal Year	Taxes	Licenses and Permits	Intergovernmental	Fines and Forfeits
1991	$ 18,607,573	$ 4,848,791	$ 1,259,986	$ 491,556
1992	20,235,049	5,221,673	1,420,471	454,527
1993	23,742,407	6,083,992	2,091,689	461,024
1994	30,891,426	5,860,897	2,168,119	496,575
1995	37,881,580	6,376,852	2,448,911	487,896
1996	39,601,885	6,951,010	2,355,881	852,158
1997	42,061,228	7,833,276	2,260,279	939,012
1998	42,853,434	8,164,042	2,704,982	1,182,346
1999	45,534,524	9,117,729	3,075,793	1,100,142
2000	47,617,556	9,002,056	4,246,598	1,455,122

Continued on next page

(A) This schedule includes the General, Special Revenue and Capital Projects Funds.

(B) Includes interest earned on loan to Board of Education.

Source: City annual financial reports.

Interest		Other	Total
$ 1,689,072	(B)	$ 1,287,703	$ 28,184,681
972,374	(B)	947,463	29,251,557
836,908	(B)	1,609,216	34,825,236
859,392	(B)	1,370,029	41,646,438
1,180,986	(B)	1,334,423	49,710,648
558,440		1,072,449	51,391,823
925,011		1,989,843	56,008,649
1,228,608		1,301,811	57,435,223
1,250,397		1,239,620	61,318,205
3,053,705		1,426,777	66,801,814

Continued from previous page

(This page intentionally left blank)

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

Jefferson County:

Beginning October 1,	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Tax Collections to Tax Levy
1990	$ 1,923,931	$ 1,872,508	97.3%	$ 865	$ 1,873,373	97.4%
1991	1,988,919	1,920,859	96.6%	16,478	1,937,337	97.4%
1992	2,089,980	1,935,348	92.6%	21,071	1,956,419	93.6%
1993	2,105,153	1,985,163	94.3%	14,106	1,999,269	95.0%
1994	2,551,467	2,407,911	94.4%	16,516	2,424,427	95.0%
1995	2,500,454	2,486,913	99.5%	8,208	2,495,121	99.8%
1996	2,730,747	2,649,908	97.0%	7,116	2,657,024	97.3%
1997	2,869,225	2,777,040	96.8%	707	2,777,747	96.8%
1998	2,944,597	2,850,979	96.8%	2,318	2,853,297	96.9%
1999	3,544,954	3,424,462	96.6%	2,748	3,427,210	96.7%

Shelby County:

Beginning October 1,	Total Tax Levy	Total Tax Collections	Percent of Tax Collections to Tax Levy
1990	$ 548,679	$ 510,515	93.0%
1991	736,067	755,187	102.6%
1992	786,651	775,477	98.6%
1993	839,231	803,882	95.8%
1994	1,026,764	977,877	95.2%
1995	1,232,511	1,154,951	93.7%
1996	1,372,526	1,331,412	97.0%
1997	1,551,528	1,476,790	95.2%
1998	1,590,415	1,605,241	100.9%
1999	1,903,935	1,788,190	93.9%

(A) Property tax on motor vehicles is excluded.

Source: Jefferson and Shelby County Tax Collectors.

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

Located in Jefferson County:

Assessment Date October 1,	Real Property (A) Assessed Value	Real Property (A) Estimated Actual Value	Personal Property (A) Assessed Value	Personal Property (A) Estimated Actual Value
1990	$ 211,928,255	$ 1,451,431,416	$ 30,148,078	$ 150,740,390
1991	217,467,432	1,507,641,117	32,106,596	160,532,980
1992	225,745,021	1,564,991,798	34,959,344	174,796,720
1993	232,228,585	1,626,395,898	31,343,255	156,718,775
1994	292,958,228	2,037,742,851	32,520,437	162,602,185
1995	299,007,442	2,108,939,188	36,582,126	182,910,630
1996	311,327,661	2,207,875,277	44,224,575	221,122,875
1997	328,041,051	2,330,203,043	46,095,817	230,479,085
1998	337,510,271	2,400,636,475	47,965,463	239,827,315
1999	417,489,222	2,988,826,100	59,248,321	296,241,605

Located in Shelby County:

1990	$ 59,066,940	$ 295,334,700	$ 3,412,400	$ 17,062,000
1991	100,310,320	501,551,000	10,342,160	51,710,800
1992	107,783,940	538,919,700	10,665,000	53,325,000
1993	114,616,180	573,080,900	12,254,780	61,273,900
1994	139,602,460	698,012,300	13,720,480	68,602,400
1995	159,994,480	799,972,400	16,629,200	83,146,000
1996	182,967,120	914,835,600	17,921,460	89,607,300
1997	198,222,620	966,939,610	24,483,800	119,433,171
1998	201,097,586	980,963,834	24,846,595	121,202,902
1999	246,606,513	1,202,958,600	29,522,540	144,012,390

(A) Excludes public utilities and motor vehicles.
(B) Includes real and personal property

Source: Jefferson and Shelby County Tax Collectors.

Public Utility Property (B)		Total		Ratio of Total Assessed to Total Estimated Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
$ 56,510,980	$ 188,181,563	$ 298,587,313	$ 1,790,353,369	16.8%
61,356,140	204,520,467	310,930,168	1,872,694,564	16.6%
60,831,040	202,749,856	321,535,405	1,942,538,374	16.6%
60,297,380	200,971,168	323,869,220	1,984,085,841	16.3%
67,054,700	223,493,315	392,533,365	2,423,838,351	16.2%
68,298,740	227,639,700	403,888,308	2,519,489,518	16.0%
64,566,900	215,201,478	420,119,136	2,644,199,630	15.9%
67,290,000	224,277,570	441,426,868	2,784,959,698	15.9%
67,539,220	225,108,220	453,014,954	2,865,572,010	15.8%
68,640,060	228,800,177	545,377,603	3,513,867,882	15.5%
$ 2,885,720	$ 14,428,600	$ 65,365,060	$ 326,825,300	20.0%
3,040,080	15,200,400	113,692,560	568,462,200	20.0%
3,129,900	15,649,500	121,578,840	607,894,200	20.0%
3,880,840	19,404,200	130,751,800	653,759,000	20.0%
4,640,820	23,204,100	157,963,760	789,818,800	20.0%
12,993,360	64,966,800	189,617,040	948,085,200	20.0%
10,269,280	51,346,400	211,157,860	1,055,789,300	20.0%
15,990,180	78,000,878	238,696,600	1,164,373,659	20.5%
16,225,359	79,148,093	242,169,540	1,181,314,829	20.5%
16,784,007	81,873,205	292,913,060	1,428,844,195	20.5%

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					
		General Fund	City Schools	County	County Schools	School District	County Total	State of Alabama	Total Tax
1991	(A)	0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26
1992		0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26
1993		0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26
1994		0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26
1995		0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26
1996		0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26
1997		0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26
1998		0.65	1.40	1.35	0.82	1.39	3.56	0.65	6.26
1999	(B)	0.65	2.40	1.35	0.82	1.39	3.56	0.65	7.26
2000		0.65	2.40	1.35	0.82	1.39	3.56	0.65	7.26

Shelby County:

Fiscal Year Ended September 30,		City of Hoover		Shelby County						
		General Fund	City Schools	County	County Schools	School District	Hospital	County Total	State of Alabama	Total Tax
1991	(A)	0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1992		0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1993		0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1994		0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1995		0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1996		0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1997		0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1998		0.65	1.40	0.75	1.60	0.60	0.40	3.35	0.65	6.05
1999	(B)	0.65	2.40	0.75	1.60	0.60	0.00	2.95	0.65	6.65
2000		0.65	2.40	0.75	1.60	0.60	0.00	2.95	0.65	6.65

(A) City voters passed a 14 mill property tax for schools at a referendum held on May 8, 1990. The tax was effective beginning in fiscal 1991.

(B) City voters passed a 10 mill property tax increase for schools at a referendum held on May 12, 1998. The tax was effective beginning in fiscal 1999.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Principal Property Taxpayers
For the fiscal year ended September 30, 2000

	City Ad Valorem Taxes	Percentage of Total Property Taxes Collected (A)
BellSouth	$ 471,848	9.05%
Hoover Mall Limited	156,301	3.00%
AmSouth Bank	131,248	2.52%
Colonial Realty Ltd., Ptn.	64,370	1.23%
Blue Cross/Blue Shield of Alabama	62,315	1.19%
Wilmington Trust	62,012	1.19%
Tree Crossing Associates	46,574	0.89%
Alabama Power	44,883	0.86%
Blue Cross/Blue Shield	35,728	0.69%
Electronic Data Systems	35,290	0.68%
Total	$ 1,110,569	$ 21.30%

(A) Excludes motor vehicles.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Computation of Legal Debt Margin
September 30, 2000

Assessed value of property	$ 911,597,267	(A)
Debt Limit - 20 percent of total assessed value	182,319,453	
Amount of debt applicable to debt limit	72,236,150	(B)
Legal debt margin	$ 110,083,303	

(A) Includes assessed value of motor vehicles totaling $75,826,004.

(B) Legally excludes general long-term debt issued for the purpose of acquiring, providing, or constructing school houses and sewers.

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

Fiscal Year		Population	Assessed Value		General Obligation Debt	Ratio of Debt To Assessed Value	General Obligation Debt per Capita
1991		39,788	$ 391,529,273	(B)	$ 56,480,485	14.43	$ 1,419.54
1992	(A)	45,000	451,450,768		58,037,526	12.86	1,289.72
1993	(A)	48,000	469,130,985		57,281,488	12.21	1,193.36
1994	(A)	50,000	584,588,625		64,126,353	10.97	1,282.53
1995	(A)	55,000	636,034,748		64,303,684	10.11	1,169.16
1996	(A)	56,000	680,492,636		62,411,015	9.17	1,114.48
1997	(A)	58,500	735,197,343		60,873,278	8.28	1,040.57
1998	(A)	60,000	680,123,468		58,379,847	8.58	973.00
1999	(A)	62,000	695,184,494		69,363,550	9.98	1,118.77
2000	(C)	62,742	911,597,267		101,230,000	11.10	1,613.43

(A) Estimate by City.

(B) Includes assessed value of motor vehicles.

(C) Federal census

Source: City annual financial reports.

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

Fiscal Year	Total Debt Service	Total General Expenditures (A)	Ratio of Debt Service To Total General Expenditures
1991	$ 4,393,214	$ 27,679,112	15.87
1992	4,969,769	30,804,346	16.13
1993	5,181,668	26,205,528	19.77
1994	5,483,843	28,639,104	19.15
1995	4,921,841	37,731,472	13.04
1996	5,327,006	41,464,389	12.85
1997	4,813,756	43,608,990	11.04
1998	5,661,995	42,173,098	13.43
1999	6,432,052	45,727,444	14.07
2000	6,517,126	60,280,438	10.81

(A) Includes General, Special Revenue and Capital Projects Funds.

Source: City annual financial reports.

THE CITY OF HOOVER, ALABAMA
Computation of Direct and Overlapping Debt
General Obligation Warrants
September 30, 2000

	Total Debt Outstanding	Percentage Applicable to City of Hoover	Amount Applicable to City of Hoover
Direct Debt			
City of Hoover - general obligation warrants	$ 101,230,000	100.00	$ 101,230,000
Overlapping Debt			
Hoover City Board of Education	135,378,938	100.00	135,378,938
Jefferson County	222,727,578	11.05	24,611,397
Jefferson County Board of Education	182,545,725	11.05	20,171,303
Shelby County	33,401,939	20.67	6,904,181
Shelby County Board of Education	136,188,482	20.67	28,150,159
Total overlapping debt	710,242,662		215,215,978
Total direct and overlapping debt	$ 811,472,662		$ 316,445,978

Source: Jefferson County Comptroller.
Jefferson County Board of Education.
Shelby County Commission.
Shelby County Board of Education.

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

Fiscal Year	Population	Main Household Income	School Enrollment	Unemployment Rate %
1991	42,500 (G)	$ 40,500 (E)	6,329 (F)	5.6 (B) (C)
1992	45,000 (G)	53,472 (G)	6,806 (F)	2.4 (B) (D)
1993	48,000 (G)	53,472 (G)	7,483 (F)	2.3 (B) (D)
1994	50,000 (E)	53,472 (G)	7,683 (F)	1.7 (B) (D)
1995	55,000 (E)	59,083 (H)	8,210 (F)	1.6 (B) (D)
1996	56,000 (E)	59,083 (H)	8,665 (F)	1.3 (B) (D)
1997	58,500 (G)	60,000 (E)	9,017 (F)	1.3 (B) (D)
1998	60,000 (G)	61,757 (I)	9,309 (F)	1.1 (B) (D)
1999	62,000 (G)	61,757 (I)	9,460 (F)	1.4 (B) (D)
2000	62,742 (A)	62,500 (E)	9,794 (F)	1.2 (B) (D)

(A) Federal census.
(B) State Department of Industrial relations.
(C) Jefferson County unemployment rate.
(D) City of Hoover unemployment rate.
(E) Estimate by City
(F) City Board of Education
(G) House Consultants
(H) Porter, White & Company, Inc.
(I) Equifax National Decision Systems

THE CITY OF HOOVER, ALABAMA
Construction, Bank Deposits and Retail Sales
Last Ten Fiscal Years

Fiscal Year	Value of Commercial Construction (A)	Value of Residential Construction (A)	Bank Deposits (B)	Retail Sales (A) (C)
1991	$ 55,797,335	$ 85,719,502	$ 650,050,000	$ 800,000,000
1992	18,105,842	104,642,785	730,154,000	850,000,000
1993	46,370,287	147,744,433	1,017,033,000	950,000,000
1994	80,704,946	147,316,465	776,560,000	1,050,000,000
1995	62,787,313	156,126,270	763,401,000	1,100,000,000
1996	47,620,964	135,031,130	872,901,000	1,130,000,000
1997	62,487,614	135,970,884	683,483,000	1,350,000,000
1998	83,402,179	120,573,214	1,102,025,000	1,350,000,000
1999	109,762,138	124,288,600	872,677,000	1,430,000,000
2000	126,032,253	110,146,300	635,358,000	1,450,000,000

(A) Source: City records
(B) Source: AmSouth Bank
(C) Estimated

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 2000

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (5 members)

Area: 36.71 Square miles (A)

Miles of Street:

Paved	262 (A)
Unpaved	0 (A)

Miles of Sewers:

Sanitary	180 (A)
Storm	167 (A)

Number of City Employees:

Administration	52
Finance	14
Garage	6
Police	158
Fire	144
Communications	25
Inspection services	21
Municipal court	8
Street and sanitation	31
Sewer	1
Recreation	81
Library	68
Health	2
Total	611 (B)

Public Schools:

Established - August 29, 1988
Enrollment - 9,794 (C)
Buildings - one high school; three middle schools; and eight elementary schools.

Major employers:

The City's major employers are engaged in service, utilities, retail sales, financial construction and insurance. (D)

Recreation:

Number of parks	18 (E)
Acres of developed parks and lakes	247 (E)
Acres not developed	511 (E)

Public Safety:

Number of fire stations	8
Number of police stations	2

Population:

1968	410 (G)
1970	1,393 (G)
1973	3,594 (G)
1980	19,792 (G)
1987	31,319 (G)
1990	39,788 (G)
1992	45,000 (H)
1993	48,000 (H)
1994	50,000 (H)
1995	55,000 (H)
1996	56,000 (H)
1997	58,500 (F)
1998	60,000 (F)
1999	62,000 (F)
2000	62,742 (G)

Number of housing units:

Owner occupied	17,907
Renter occupied	10,456
Total	28,363 (F)

Value of housing units:

Median value	$ 160,200 (F)

Average income:

Per capita	$ 31,532 (I)
Family	$ 77,829 (I)

Median age: 36 (I)

(A) Source: City Engineer (Amounts are approximate).
(B) Source: City payroll records.
(C) Source: City Board of Education.
(D) Source: Birmingham Regional Planning Commission.
(E) Source: Director of Parks and Recreation, City of Hoover.
(F) Source: House Consultants, Independent Consulting Firm.
(G) Source: Federal Census.
(H) Source: Estimate by City.
(I) Source: Equifax National Decision Systems.