THE CITY OF HOOVER, ALABAMA

Comprehensive Annual Financial Report

For the Fiscal Year Ended

September 30, 1998

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Office of the Finance Director

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

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INTRODUCTORY SECTION

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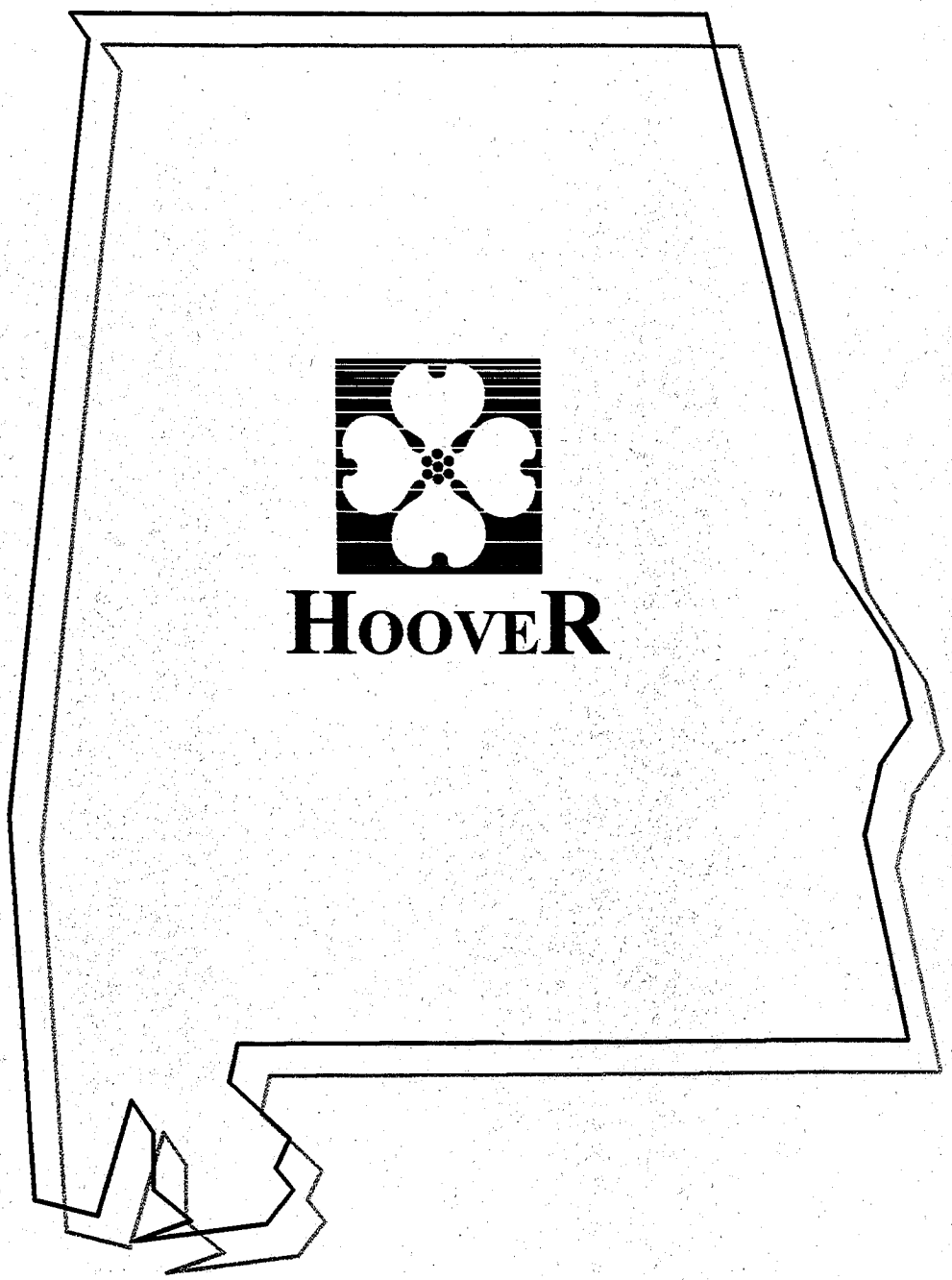
The City of Hoover, Alabama



The City of Hoover has a population of approximately 60,000 and is located in north-central Alabama within the Birmingham metropolitan area. Hoover occupies approximately 44 square miles within Jefferson and Shelby Counties.

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City of Hoover

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HOOVER

February 23, 1999

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, 1998, 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 not 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.

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 one of the fastest growing counties in the Country. The population within the corporate limits of the Government increased from about 40,000 in 1990 to an estimated 60,000 in 1998, a 50% 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. Also, 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 1996.

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. In addition, the Wynfrey Hotel at the Galleria is the only four star hotel in the state. The Galleria includes restaurants, a branch of the U. S. Post Office, 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, on the Highway US 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 64% of total revenue in fiscal 1998. However, the Government enjoys a broad retail sales and use tax base and is not dependent on any one or a few taxpayers 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 continuing growth in all areas and is now the sixth largest city in the state in population.

Major Initiatives for 1998

The Operations Department is unique in its scope of responsibility. Under the umbrella of the Operations Department is Inspections Services, Engineering, Building Services, Risk Management, Solid Waste Management, Support Services, Public Works and Fleet Services. Many of these departments cross departmental lines to work with all city departments.

During 1998, Building Services worked with virtually all city departments on various work area remodeling projects. Support Services worked with all city departments in the support and enhancement of computer technology. Within the Support Services Department, the division of Management Information Systems broadened significantly to include a Network Administrator, Telecommunications Coordinator and a Geographic Information Systems (GIS) Coordinator. Risk Management also continued to work with all city departments to administer claims against employees, claims against the City and claims against elected officials. In addition, successful subrogation efforts continued to benefit the City. Risk Management continued to inspect and identify potential exposures in other city departments and recommend corrective action. Because of this the City received Penco's Loss Control Excellence Award in April, 1998.

Fleet Services has continued to grow in the range of services provided to other departments. The growth of their services has reduced the need for outside vendors in the areas of windshield crack and chip repair, motorcycle maintenance and repair, heavy duty brake inspection and repair, transmission repair and replacement and computerized engine diagnosis of gasoline driven and diesel engines. Fleet Services now has three A.S.E. Master technicians and continues to expand their training efforts. Fleet Services was converted to an internal service fund effective October 1, 1997.

The Public Works Department resurfaced over 25 streets and completed several Hoover City School projects. Numerous drainage projects have been completed by Public Works and many residents were provided relief through the drainage assistance program of the Department.

The Inspection Services Department, which is responsible not only for building inspections but for the administration and enforcement of several of the City's ordinances, added a Zoning Inspector in 1998 to provide more effective enforcement of the City's sign ordinance.

Engineering has 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.

The Hoover Police Department continued to work diligently to develop lasting partnerships with residents, businesses and schools in an effort to improve the quality of life within the community. The Department has reported a substantial decrease in the City's overall crime rate. Preliminary data indicate major felony offenses are down 12% for the first six months of 1998 compared to the same period in 1997.

While crime fighting is a primary function of law enforcement, the Department has also addressed numerous policy, procedure and personnel issues. In conjunction with the Internal Auditor, the Department has initiated a comprehensive examination and evaluation of its policies and procedures. This performance audit has revealed general policy areas that should be addressed and, in the end, should result in the Department's adoption of national accreditation standards. With the assistance of Human Resources, the Department has developed and implemented an equitable and comprehensive hiring and promotional program, which will assist in providing the City with high quality recruits and supervisors.

In an effort to control personnel costs, the Department has created a civilian volunteer program to assist in labor intensive areas. The Department has also addressed the issue of internal integrity by: An Internal Review Board to insure all citizen complaints are investigated completely and fairly; a procedure for recording and compiling complaints to allow the creation of an "early warning system" to pick up on trends in complaints and pinpoint problem areas; and the creation of a Quality Review Team, which with the assistance of the Internal Auditor, is reviewing every unit and every procedure in the Department for efficiency, effectiveness and adequate integrity control.

Among the accomplishments of the Hoover Fire Department was the completion of the State of Alabama Firefighter II Course by all firefighters, the State of Alabama Credentialing of all EMT Intermediates and Paramedics and the creation of the "Special Response Team" (SRT) to provide emergency medical support to the Hoover Police Department SRT. In addition, all of the EMT Intermediates and Paramedics completed "Advanced Cardiac Life Support" training.

During fiscal 1998, the Fire Department, noted for innovative and creative techniques which oftentime save the City money, modified a reserve 1985 Ford Rescue Truck into an "air unit" that can respond to emergencies requiring long term use of "self-contained breathing apparatus" (SCBA).

In fiscal 1998, the Hoover Public Library Board held its sixth annual Southern Voices Conference from February 26 through March 1. Former Alabama Head Football Coach Gene Stallings was presented with the Southern Voices Award for Distinguished Achievement. The Library continued to offer a variety of programs throughout the year including very popular and well-attended youth programs with an emphasis on summer reading, adult special programs and a successful library theater season.

The Hoover Parks and Recreation Board completed several renovations and upgrade projects during fiscal 1998. The Board also increased participation in the Hoover Teen Board and Hoover Horizons Board activities during fiscal 1998. Therapeutic, fitness and aquatic activities were also increased due to the demand of the membership.

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 of Hoover is developing policies that address continued growth and future needs. 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.

The Office of Development continues to focus on multi-year projects that will heighten the City's appeal to Hoover residents and to existing and prospective businesses. Some of these projects that fall under the leadership of the Director of Development include the completion of enhancements planned for Aldridge Gardens (Hoover's future botanical garden), and the completion of a greenway project for Rocky Ridge Park.

The Operations Group continues its efforts to ensure that the City functions as smoothly and efficiently as possible, with the Director of Operations prospectively being the designated Executive Director with authority over not only the Operations Group but also Public Safety and most other operating departments.

The Engineering Department anticipates the completion or near completion of a number of projects during fiscal 1999. These include, among others, (1) installation of a city wide traffic control center, (2) coordination of the traffic lights on Lorna Road, (3) modernization of the Highway 31 closed loop traffic signal system, (4) a congestion mitigation and incident management program which will include placing cameras and overhead variable message signs on I-459, I-65 and US 31, and (5) continuation of the I-459 Flyover Project.

Another major project expected to be started in fiscal 1999 is the construction of a new waste water treatment plant for the Inverness area to be financed through a State Revolving Fund loan of approximately $14,000,000.

The City has outgrown its existing municipal complex. Therefore, City officials are presently planning for the expansion of administrative offices and the library and a new public works facility. It is anticipated that the acquisition of land and the construction of the facilities will be financed by the issuance of general obligation warrants.

Subsequent to fiscal year end, on February 1, 1999, Frank S. Skinner, Jr. resigned as Mayor. Mr. Brian L. Skelton, President of the City Council, was the unanimous choice of the City Council to serve the remainder of Skinner's term, which expires September 30, 2000. Mr. William Billingsley, a former Council member was elected by the Council to fill the Council vacancy.

Departmental Focus - Development Office

The Development Office was organized in 1996 with Virginia Williams being employed as Director of Development, initially with no staff. The Development Office now has one capable assistant and access to clerical support.

Since the Development Office was initiated, the Director of Development, through the Metropolitan Planning Organization, has assisted in obtaining grants from the Department of Transportation totaling over $40,000,000 for highway improvements in the City. Further, the Development Office has completed, submitted and received HUD approval of a Consolidated Plan required for the receipt of Community Development Block Grant funds totaling $247,000, $253,000 and $253,000 for the years 1997, 1998 and 1999, respectively.

The office of the Director of Development also completed a strategic plan for the Development Office and has published a Strategic Development Assessment for the entire City. Associated with this Assessment, the Development Office completed a digital base map of the City and several layers including land use, zoning and school zones.

A business retention survey conducted by the Development Office showed a high level of satisfaction among recipients of City services and identified specific business related problems that are now being addressed. In addition, the Development Office completed and launched an internet home page for the City of Hoover at www.hooveral.org.

A major undertaking of the Development Office has been the completion of the Aldridge Gardens Master Plan and the ongoing development of the organizational structure related to the enhancement and operations of these public botanical gardens.

The goals of the Development Office are:

1) to ensure economic stability for the City through economic development activities with primary focus on retention and expansion of existing business;

2) to ensure that appropriate plans and growth policies are in place for the City;

3) to promote intergovernmental cooperation and demonstrate the City's willingness to be a partner in the community.

The Development Office has moved the City a long way toward these goals during its brief existence.

Financial Information

Management of the Government 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 not employed. 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, 1998, and the amount and percentage of increases and decreases in relation to prior year revenues.

Revenues	Amount	Percent of Total	Increase (Decrease) from 1997	Percent of Increase (Decrease)
Taxes	$ 42,853,434	74.77 %	$ 792,206	1.88 %
Licenses and permits	8,164,042	14.24	330,766	4.22
Intergovernmental	2,704,982	4.72	444,703	19.67
Fines and forfeits	1,182,346	2.06	243,334	25.91
Interest earned	1,109,494	1.94	243,174	28.07
Other	1,301,811	2.27	(688,032)	(34.58)
Total	$ 57,316,109	100.00 %	$ 1,366,151	2.44 %

In addition to the above revenues, net "operating transfers in" totaled $4,000,000, which consisted of an "operating transfer in" from the Sewer Enterprise Fund.

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.

Fines and forfeits increased approximately 26% because of increases in population, traffic and the resulting caseload, as well as because of increases in the fees for certain fines.

Interest earned increased about 28% in fiscal 1998 over fiscal 1997 primarily because of growth in cash available for investment and a more assertive investment policy.

Other revenues decreased in fiscal 1998 primarily because of the sale of a large parcel of land in fiscal 1997 which generated about a $1,000,000 windfall in that year.

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

Revenues	Amount	Percent of Total	Increase (Decrease) from 1997	Percent of Increase (Decrease)
Sales and use taxes	$ 36,758,134 (A)	64.12 %	$ 267,939	.73 %
Business licenses	5,130,782 (B)	8.95	254,242	5.21
Property taxes	4,692,628 (A)	8.19	364,519	8.42
Intergovernmental	2,704,982	4.72	444,703	19.67
Building permits	2,354,843 (B)	4.11	76,146	3.34
Fines and forfeits	1,182,346	2.06	243,334	25.91
Interest earned	1,109,494	1.94	243,174	28.07
E-911	742,642 (C)	1.3	28,735	4.02
All other revenue	2,640,258 (D)	4.61	(556,641)	(17.41)
Total revenues	$ 57,316,109	100.00 %	$ 1,366,151	2.44 %

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

Taxes	$ 1,402,672
Licenses and permits	678,417
Other	559,169
	$ 2,640,258

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
1989	$ 12,716,945	61.4 %	9.6 %
1990	15,003,431	61.1	18.0
1991	15,911,832	57.7	6.1
1992	17,278,328	59.0	8.6
1993	20,728,713	59.2	20.0
1994	27,568,637	66.2	33.0
1995	34,085,710	68.6	23.6
1996	35,299,684	68.8	3.6
1997	36,490,195	65.2	6.5
1998	36,758,134	64.1	0.7

City management expects continued steady sales and use tax growth in the future, though less dramatic than in some of the past years.

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

Fiscal Year	Business Licenses Revenue	Percent of Total Revenue	Percent of Increase (Decrease) from Previous Year
1989	$2,737,541	13.2 %	21.1 %
1990	3,232,457	13.2	18.1
1991	3,581,808	13.0	10.8
1992	3,718,290	12.7	3.8
1993	4,002,574	12.0	7.7
1994	3,840,450	9.2	(4.1)
1995	4,074,618	8.2	6.1
1996	4,604,849	9.0	13.0
1997	4,876,540	8.7	5.9
1998	5,130,782	9.0	5.2

The third 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 Revenue	Percent of Increase from Previous Year
1989	$2,135,976	10.3 %	40.6 %
1990	2,322,404	9.5	8.7
1991	2,612,328	9.5	12.5
1992	2,828,634	9.7	8.3
1993	2,898,359	8.7	2.5
1994	3,143,179	7.5	8.5
1995	3,605,798	7.3	14.7
1996	4,098,804	8.0	13.7
1997	4,328,109	7.7	5.6
1998	4,692,628	8.2	8.4

The City's property tax is 6 1/2 mills for general government use.

The following schedule presents a summary of General Fund and Special Revenue Funds expenditures for the fiscal year ended September 30, 1998, and the percentage of increases and decreases in relation to prior year amounts:

Expenditures	Amount	Percent of Total	Increase (Decrease) from 1997	Percent of Increase (Decrease)
Current				
General Government	$ 5,325,776	14.04 %	$ (587,983)	(9.94) %
Public Safety	18,861,323	49.71	1,782,490	10.44
Municipal Court	423,364	1.12	51,794	13.94
Streets and Sanitation	6,205,693	16.36	957,117	18.24
Health	365,070	.96	17,227	4.95
Capital Outlays	1,097,762	2.89	99,081	9.92
Debt Service				
Principal	2,493,431	6.57	946,355	61.17
Interest	3,168,564	8.35	(98,116)	(3.00)
Total Expenditures	$ 37,940,983	100.00 %	3,167,965	9.11 %

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

One-half Cent Capital Projects fund	$ 6,056,370
Component Units	11,426,505
Fleet Service Internal Service Fund	142,617
Sewer Enterprise Fund	295,148
	$17,920,640

Effective October 1, 1997, municipal garage assets and liabilities, which were previously included in General Government, were reclassified to an internal service fund designated as the Fleet Service Fund. Revenues in the Fleet Service Fund totaled $126,785 and expenses totaled $269,402 in fiscal 1998.

Expenditures for personal services including salaries, retirement contributions and other employee benefits totaled $21,186,673 in fiscal 1998, compared to $19,903,144 in fiscal 1997. This was an increase of $1,283,529. The increase resulted from the hiring of additional employees, a 3% across the board pay increase and merit raises.

Personal services expenditures comprised 67.95% of operating expenditures and 55.84% of total expenditures in fiscal 1998 as compared to 68.79% of operating expenditures and 57.28% of total expenditures in fiscal 1997.

Debt service principal expenditures increased by 61% in fiscal 1998 over fiscal 1997 primarily because the first principal installment, totaling $870,000, became due and was paid on the 1993 refunding warrants in fiscal 1998.

Capital outlays from general and special revenue funds totaled $1,097,762 in fiscal 1998, an increase of $99,081. Capital outlays were as follows:

	Land	Construction	Vehicles	Equipment	Total
General Government					
Administration	$ -	$ 57,460	$ 17,476	$ 89,683	$ 164,619
Public Safety					
Police	-	-	116,861	215,696	332,557
Fire	-	1,402	52,886	135,615	189,903
Inspection	-	-	46,409	12,361	58,770
Total Public Safety	-	1,402	216,156	363,672	581,230
Municipal Court	-	-	-	12,387	12,387
Streets and Sanitation	-	155,519	75,480	108,527	339,526
Health	-	-	-	-	-
Total	$ -	$ 214,381	$ 309,112	$ 574,269	$ 1,097,762

General Fund Balance

The unreserved, undesignated fund balance of the General Fund increased from $12,824,684 at September 30, 1997 to $17,938,230 at September 30, 1998, an increase of $5,113,546 or 40%. 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. No long-term debt is recorded in the Sewer Enterprise Fund. 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 losses (before operating transfers) of $305,328 and $228,153 for fiscal 1998 and fiscal 1997 respectively. Net cash provided (used) by operating activities totaled $155,082 in fiscal 1998 and ($54,859) in fiscal 1997. During fiscal 1998 the Sewer Enterprise Fund made an operating transfer to the General Fund totaling $4,000,000 which primarily accounts for a retained earnings deficit of $3,245,653 at September 30, 1998. The Sewer Enterprise Fund equity, including contributed capital, was $5,268,876 at September 30, 1998.

Fleet Service operations were "spun-off" from the General Fund at the beginning of fiscal 1998 into an 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 service fund is maintained to account for the repairs and maintenance of all City vehicles. During fiscal 1998 it was necessary for the General Fund to transfer $142,617 to the Fleet Service Fund to cover its net loss for the year.

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 totalling $58,379,847. The City has a credit rating of A1 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. In addition to the public funds investment account, the City also invests in certificates of deposits with local banks. The average yield on investments for fiscal 1998 was 5.25%.

The City's investment policy at present is to keep all idle funds invested at the best short-term rates available in U.S. Government securities and U.S. Government Agencies or in financially sound local banks; also, to keep all invested funds insured by the FDIC or collateralized. All collateral is held in the City's name by a third party, usually the Federal Reserve 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 $848,400 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 Hullett, Kellum & McKinney, PC performed the audit. Generally accepted auditing standards 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.

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, 1997. This was the sixteenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published 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, Hullett, Kellum & McKinney, PC. We wish to express our appreciation to them. Further, we wish to thank the City Council for their continued support as we strive to excel in financial reporting.

Sincerely,

Brian L. Skelton
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, 1997

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.

Douglas R Ellsworth
President

Jeffrey L. Esser
Executive Director

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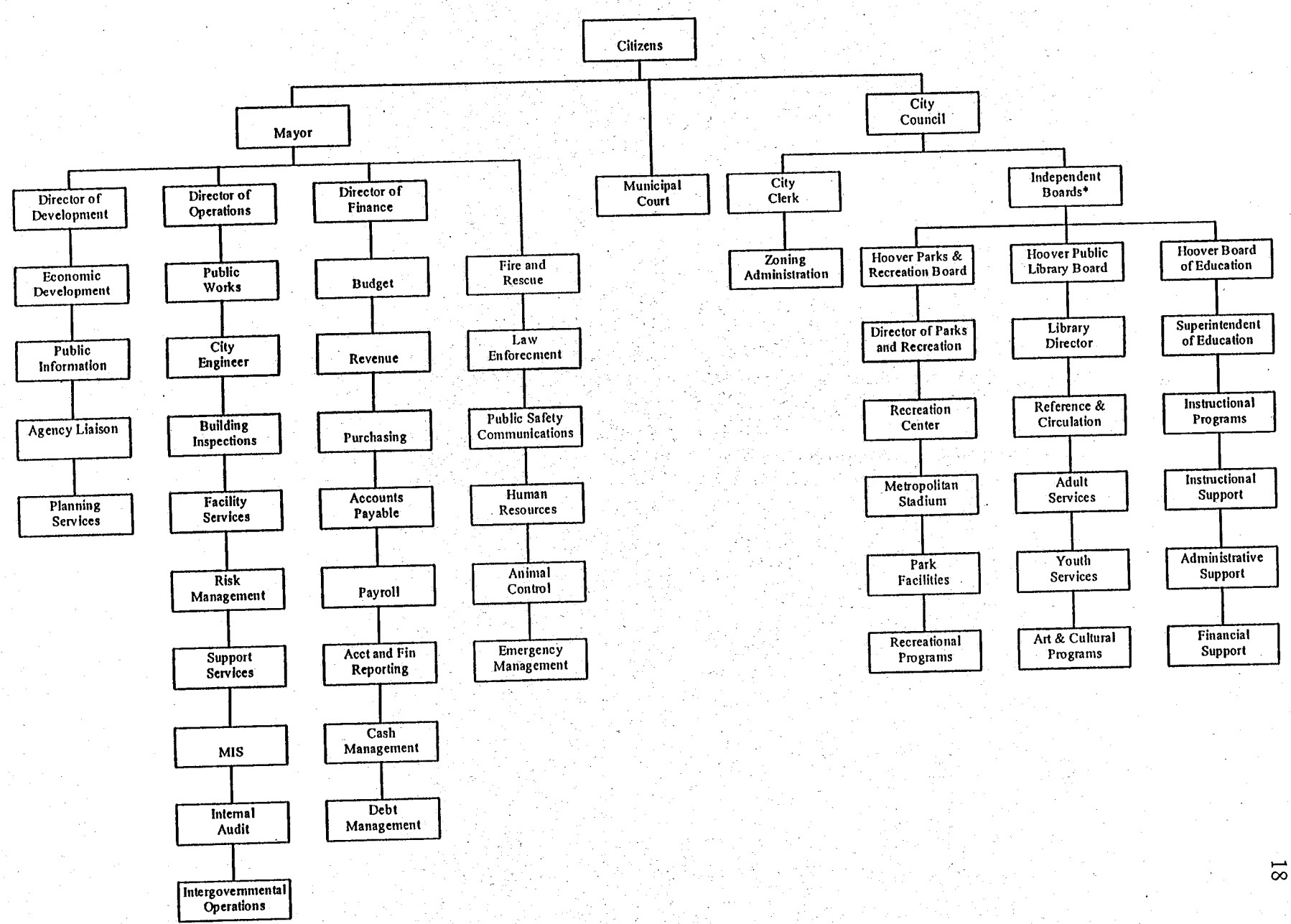
The City of Hoover, Alabama
Organization Chart
Fiscal Year 1998



*Appointed By The City Council

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Officials of The City of Hoover, Alabama
September 30, 1998

Mayor

Frank S. Skinner, Jr.
(through Feb. 1, 1999)

Brian L. Skelton
(as of Feb. 1, 1999)

City Council

Barbara B. McCollum, President

Brian L. Skelton, President Pro Tempore

David L. Bradley

Johanna J. Hutto

Jack Wright

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FINANCIAL SECTION

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Certified Public Accountants
120 SUMMIT PARKWAY - SUITE 100
BIRMINGHAM, ALABAMA 35209
(205) 942-5424
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JOHN W. KELLUM, III, CPA
DAVID A. McKINNEY, CPA
FELICIA L. WRIGHT, CPA

RUSSELL D. LOVE, JR., CPA
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(205) 221-3351

INDEPENDENT AUDITOR'S 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 years ended September 30, 1998 and 1997, 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 did not audit the financial statements of the Hoover Board of Education or the Hoover Public Library, which represent the amounts shown as the component units, Board of Education and Library Board, respectively. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hoover Board of Education and the Library Board, respectively, is based solely on the reports of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. 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, and the report of other auditors, provide a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The City of Hoover has included such disclosures in Note 6. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the City of Hoover's disclosures with respect to the year 2000 issue made in Note 6. Further, we do not provide assurance that the City of Hoover is or will be year 2000 ready, that the City of Hoover's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of Hoover does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, based on our audit and the reports of other auditors, 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, 1998 and 1997, and the results of its operations and the cash flows of its proprietary funds for the years then ended, in conformity with generally accepted accounting principles. Also in our opinion, except for the reasons stated previously in this paragraph, 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 of the City of Hoover, Alabama, at September 30, 1998 and 1997, and the results of operations of such funds and the cash flows of the proprietary funds for the years then ended, in conformity with generally accepted accounting principles.

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.

Hullett, Kellum & McKinney PC

February 19, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

THE CITY OF HOOVER, ALABAMA
Combined Balance Sheet
All Fund Types, Account Groups and Discretely Presented Component Units
September 30, 1998

	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	$10,463,797	$1,383,299	$3,035,239	$354,811	-
Receivables					
Taxes	3,553,147	-	-	-	-
Accounts	98,903	-	-	137,922	-
Non-current receivable	3,591,674	-	-	-	-
Due from other governments					
County	458,427	-	-	-	-
State	-	62,903	-	-	-
Federal	-	-	-	-	-
Due from other funds	5,290,933	-	-	-	-
Inventory	7,271	-	-	3,100	$15,663
Prepaid items	192,962	-	-	-	-
Fixed assets (net, where applicable, of accumulated depreciation)	-	-	-	5,095,718	49,628
Deposits	21,537	-	-	-	-
Other assets	-	-	-	-	-
Other debits					
Amount to be provided for retirement of general long-term debt	-	-	-	-	-
Total assets	$23,678,651	$1,446,202	$3,035,239	$5,591,551	$65,291
Liabilities, equity and other credits					
Liabilities					
Accounts payable and accrued liabilities	$1,931,279	$33,074	$700,058	$211,275	$6,991
Claims and judgments payable	-	-	-	-	-
Due to other funds	15,982	-	5,171,812	106,400	12,721
Notes and capital leases payable	-	-	-	-	-
General obligation warrants payable	-	-	-	-	-
Refundable deposits	201,486	-	-	5,000	-
Accrued compensated leave	-	-	-	-	-
Total liabilities	2,148,747	33,074	5,871,870	322,675	19,712
Equity and other credits					
Investment in general fixed assets	-	-	-	-	-
Contributed capital	-	-	-	8,409,326	45,579
Retained earnings	-	-	-	(3,140,450)	-
Fund balances					
Reserved for inventories	-	-	-	-	-
Reserved for building commitments	-	-	-	-	-
Reserved for encumbrances	-	-	-	-	-
Reserved for non-current receivables	3,591,674	-	-	-	-
Unreserved, undesignated (deficit)	17,938,230	1,413,128	(2,836,631)	-	-
Total equity and other credits	21,529,904	1,413,128	(2,836,631)	5,268,876	45,579
Total liabilities, equity and other credits	$23,678,651	$1,446,202	$3,035,239	$5,591,551	$65,291

Account Groups		Totals (Memorandum Only)		Totals (Memorandum Only)
General Fixed Assets	General Long-term Debt	Primary Government	Component Units	Reporting Entity
-	-	$15,237,146	$33,196,769	$48,433,915
-	-	3,553,147	-	3,553,147
-	-	236,825	50,000	286,825
-	-	3,591,674	-	3,591,674
-	-	458,427	203,716	662,143
-	-	62,903	-	62,903
-	-	-	136,048	136,048
-	-	5,290,933	4,106,032	9,396,965
-	-	26,034	35,969	62,003
-	-	192,962	14,921	207,883
$37,609,404	-	42,754,750	167,561,689	210,316,439
-	-	21,537	-	21,537
-	-	-	26,158	26,158
-	$62,385,367	62,385,367	95,414,388	157,799,755
$37,609,404	$62,385,367	$133,811,705	$300,745,690	$434,557,395
-	-	$2,882,677	$4,170,872	$7,053,549
-	$637,764	637,764	-	637,764
-	-	5,306,915	4,106,032	9,412,947
-	-	-	1,121,414	1,121,414
-	58,379,847	58,379,847	92,165,000	150,544,847
-	-	206,486	-	206,486
-	3,367,756	3,367,756	-	3,367,756
-	62,385,367	70,781,445	101,563,318	172,344,763
$37,609,404	-	37,609,404	167,561,689	205,171,093
-	-	8,454,905	-	8,454,905
-	-	(3,140,450)	-	(3,140,450)
-	-	-	35,969	35,969
-	-	-	9,817,486	9,817,486
-	-	-	435,121	435,121
-	-	3,591,674	-	3,591,674
-	-	16,514,727	21,332,107	37,846,834
37,609,404	-	63,030,260	199,182,372	262,212,632
$37,609,404	$62,385,367	$133,811,705	$300,745,690	$434,557,395

THE CITY OF HOOVER, ALABAMA
Combined Statement of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types and Discretely Presented Component Units
For the fiscal year ended September 30, 1998

	Governmental Fund Types			Totals (Memorandum Only)
	General	Special Revenue	Capital Projects	Primary Government
Revenues				
Taxes	$42,853,434	-	-	$42,853,434
Licenses and permits	8,164,042	-	-	8,164,042
Intergovernmental	1,996,200	$708,782	-	2,704,982
Fines & forfeits	907,142	275,204	-	1,182,346
Investment income	1,031,473	78,021	$119,114	1,228,608
Stadium lease	-	-	-	-
Other	559,169	742,642	-	1,301,811
Total revenues	55,511,460	1,804,649	119,114	57,435,223
Expenditures				
Current operations				
General government	5,325,776	-	-	5,325,776
Public safety	18,068,097	793,226	-	18,861,323
Municipal court	423,364	-	-	423,364
Streets and sanitation	5,395,496	810,197	-	6,205,693
Recreation	-	-	-	-
Library	-	-	-	-
Health	365,070	-	-	365,070
Instructional services	-	-	-	-
Instructional support services	-	-	-	-
Operation and maintenance	-	-	-	-
Auxiliary services	-	-	-	-
Other	-	-	-	-
Total	29,577,803	1,603,423	-	31,181,226
Capital outlays	1,097,762	-	4,232,115	5,329,877
Debt service				
Principal	2,493,431	-	-	2,493,431
Interest and fiscal charges	3,168,564	-	-	3,168,564
Total expenditures	36,337,560	1,603,423	4,232,115	42,173,098
Excess (deficiency) of revenues over (under) expenditures	19,173,900	201,226	(4,113,001)	15,262,125
Other financing sources (uses)				
Operating transfers in	4,000,000	42,978	6,056,370	10,099,348
Operating transfers out	(6,537,112)	-	-	(6,537,112)
Operating transfers in - primary government	-	-	-	-
Operating transfers out - component units	(11,426,505)	-	-	(11,426,505)
Proceeds of general obligation warrants, notes payable and capital leases	-	-	-	-
Total other financing sources (uses)	(13,963,617)	42,978	6,056,370	(7,864,269)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,210,283	244,204	1,943,369	7,397,856
Fund balances at beginning of year	16,315,781	1,168,924	(4,780,000)	12,704,705
Prior period adjustment - Note 5	-	-	-	-
Fund balances as restated	16,315,781	1,168,924	(4,780,000)	12,704,705
Residual equity transfer	3,840	-	-	3,840
Fund balance	16,319,621	1,168,924	(4,780,000)	12,708,545
Fund balances at end of year	$21,529,904	$1,413,128	($2,836,631)	$20,106,401

Component Units	Totals (Memorandum Only) Reporting Entity
-	$42,853,434
$534,972	8,699,014
63,549,941	66,254,923
75,518	1,257,864
3,472	1,232,080
200,000	200,000
1,069,573	2,371,384
65,433,476	122,868,699
1,684,970	7,010,746
-	18,861,323
-	423,364
-	6,205,693
3,311,093	3,311,093
2,696,540	2,696,540
-	365,070
31,070,122	31,070,122
5,918,289	5,918,289
5,735,758	5,735,758
6,695,550	6,695,550
2,979,452	2,979,452
60,091,774	91,273,000
6,050,007	11,379,884
2,810,282	5,303,713
4,712,469	7,881,033
73,664,532	115,837,630
(8,231,056)	7,031,069
-	10,099,348
-	(6,537,112)
11,426,505	11,426,505
-	(11,426,505)
15,348,661	15,348,661
26,775,166	18,910,897
18,544,110	25,941,966
12,738,152	25,442,857
338,421	338,421
13,076,573	25,781,278
-	3,840
13,076,573	25,785,118
$31,620,683	$51,727,084

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, 1998

	General Fund		
	Budget	**Actual**	**Variance Favorable (Unfavorable)**
Revenues			
Taxes	$47,174,240	$42,853,434	($4,320,806)
Licenses and permits	7,663,584	8,164,042	500,458
Intergovernmental	1,495,978	1,996,200	500,222
Fines & forfeits	516,000	907,142	391,142
Investment income	443,100	1,031,473	588,373
Other	604,561	559,169	(45,392)
Total revenues	57,897,463	55,511,460	(2,386,003)
Expenditures			
Current operations			
General government	5,999,041	5,325,776	673,265
Public safety	18,428,628	18,068,097	360,531
Municipal court	434,395	423,364	11,031
Streets and sanitation	5,647,910	5,395,496	252,414
Health	365,068	365,070	(2)
Total	30,875,042	29,577,803	1,297,239
Capital outlays	1,051,375	1,097,762	(46,387)
Debt service			
Principal	2,493,431	2,493,431	-
Interest and fiscal charges	3,153,450	3,168,564	(15,114)
Total expenditures	37,573,298	36,337,560	1,235,738
Excess of revenues over expenditures	20,324,165	19,173,900	(1,150,265)
Other financing sources (uses)			
Operating transfer in	-	4,000,000	4,000,000
Operating transfers out	(6,623,700)	(6,537,112)	86,588
Operating transfers out - component units	(11,355,827)	(11,426,505)	(70,678)
Total other financing sources (uses)	(17,979,527)	(13,963,617)	4,015,910
Excess of revenues and other financing sources over expenditures and other financing uses	$2,344,638	5,210,283	$2,865,645
Fund balances at beginning of year		16,315,781	
Residual equity transfer		3,840	
Fund balance		16,319,621	
Fund balances at end of year		$21,529,904	

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
-	-	-
-	-	-
$720,800	$708,782	($12,018)
120,000	275,204	155,204
42,380	78,021	35,641
715,500	742,642	27,142
1,598,680	1,804,649	205,969
-	-	-
723,897	793,226	(69,329)
-	-	-
512,700	810,197	(297,497)
-	-	-
1,236,597	1,603,423	(366,826)
-	-	-
-	-	-
-	-	-
1,236,597	1,603,423	(366,826)
362,083	201,226	(160,857)
-	42,978	42,978
-	-	-
-	-	-
-	42,978	42,978
$362,083	244,204	($117,879)
	1,168,924	
	-	
	1,168,924	
	$1,413,128	

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

THE CITY OF HOOVER, ALABAMA
Statements of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Type
Sewer Enterprise Fund
For the fiscal year ended September 30, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Operating revenues		
Charges for services	$1,172,151	$987,579
Operating expenses		
Depreciation	555,477	492,175
Management fees	551,538	514,387
Repairs and maintenance	103,967	130,877
Utilities	193,084	185,670
Personal services	61,955	53,424
Collection fees	57,875	54,407
Supplies	74,080	52,651
Telephone	14,954	3,708
Engineering fees	27,076	26,163
Total operating expenditures	1,640,006	1,513,462
Operating loss	(467,855)	(525,883)
Non-operating revenue - interest	162,527	297,730
Loss before operating transfers	(305,328)	(228,153)
Operating transfers in	295,148	-
Operating transfers out	(4,000,000)	(5,731)
Net income (loss)	(4,010,180)	(233,884)
Retained earnings at beginning of year	869,730	1,103,614
Retained earnings (deficit) at end of year	($3,140,450)	$869,730

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

THE CITY OF HOOVER, ALABAMA
Statements of Cash Flows
Proprietary Fund Type - Sewer Enterprise Fund
Increase (Decrease) in Cash and Cash Equivalents
For the fiscal year ended September 30, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Cash flows from operating activities:		
Cash received from customers	$1,148,644	$969,795
Cash payments to suppliers	(381,720)	(456,885)
Cash payments to management companies	(551,538)	(514,387)
Cash payments to employees	(60,304)	(53,382)
Net cash provided (used) by operating activities	155,082	(54,859)
Cash flows from noncapital financing activities:		
Operating transfers in	295,148	-
Operating transfers (out)	(4,000,000)	(5,731)
Net cash (used) by noncapital financing activities	(3,704,852)	(5,731)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(1,880,458)	(830,713)
Capital contributed by consumers	129,929	107,750
Capital contributed by developers	19,950	-
Loans from other funds	106,400	-
Net cash used by capital and related financing activities	(1,624,179)	(722,963)
Cash flows from investing activities:		
Investment income	162,527	297,730
Net cash provided by investing activities	162,527	297,730
Net decrease in pooled cash and investments	(5,011,422)	(485,823)
Pooled cash and investments, beginning of year	5,366,233	5,852,056
Pooled cash and investments, end of year	$354,811	$5,366,233

Reconciliation of operating loss to net cash used by operating activities:

Operating loss	($467,857)	($525,883)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	555,477	492,175
Change in assets and liabilities:		
(Increase) in accounts receivable	(23,507)	(17,784)
Increase in accrued expenses	1,652	42
Increase (decrease) in accounts payable	89,317	(3,409)
Net cash provided (used) by operating activities	$155,082	($54,859)

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

THE CITY OF HOOVER, ALABAMA
Statements of Revenues, Expenses, and Changes in Retained Earnings - Internal Service Fund
Fleet Service
For the fiscal year ended September 30, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997*
Operating revenues		
Charges for services	$126,785	-
Operating expenses		
Depreciation	14,791	-
Insurance	12,055	-
Utilities	10,271	-
Personal services	186,788	-
Miscellaneous	557	-
Supplies	34,174	-
Telephone	3,889	-
Travel	6,877	-
Total operating expenditures	269,402	-
Loss before operating transfers	(142,617)	-
Operating transfers in	142,617	-
Net income	-	-
Retained earnings at beginning of year	-	-
Retained earnings at end of year	-	-

* The Internal Service Fund was created in 1998.

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

THE CITY OF HOOVER, ALABAMA
Statements of Cash Flows
Proprietary Fund Type - Internal Service Fund
Fleet Service

For the fiscal year ended September 30, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997*
Cash flows from operating activities:		
Cash received from customers	$126,785	-
Cash payments to suppliers	(82,088)	-
Cash payments to employees	(181,195)	-
Net cash (used) by operating activities	(136,498)	-
Cash flows from noncapital financing activities:		
Operating transfers in	142,617	-
Due to other funds	12,721	-
Net cash provided by noncapital financing activities	155,338	-
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(64,419)	-
Capital contributed by city	45,579	-
Net cash used by capital and related financing activities	(18,840)	-
Net increase in pooled cash and investments	-	-
Pooled cash and investments, beginning of year	-	-
Pooled cash and investments, end of year	-	-

Reconciliation of operating loss to net cash used by operating activities:

Operating loss	($142,617)	-
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	14,791	-
Change in assets and liabilities:		
(Increase) in inventory	(15,663)	-
Increase in accrued expenses	5,593	-
Increase in accounts payable	1,398	-
Net cash (used) by operating activities	($136,498)	-

* The Internal Service Fund was created in 1998.

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

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NOTES TO THE FINANCIAL STATEMENTS

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THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements
September 30, 1998

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 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's jurisdiction. 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 are not prepared by the Park and Recreation Board.

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

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

Continued on the next page.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

A. Reporting Entity - Continued

Condensed Financial Statements are presented in the following tables 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	$ 37,508,578	$ 187,972	$ 73,063	$ 37,769,613
Fixed assets	118,308,031	43,105,844	6,147,814	167,561,689
Amount to be provided for retirement of general long-term debt	95,414,388	-	-	95,414,388
Total assets and other debits	$251,230,997	$43,293,816	$6,220,877	$300,745,690
Liabilities:				
Current liabilities	$ 9,225,208	$ 110,123	$ 62,987	$ 9,398,318
Long-term liabilities	92,165,000	-	-	92,165,000
Total liabilities	101,390,208	110,123	62,987	101,563,318
Equity:				
Investment in general fixed assets	118,308,031	43,105,844	6,147,814	167,561,689
Fund balances	31,532,758	77,849	10,076	31,620,683
Total equity	149,840,789	43,183,693	6,157,890	199,182,372
Total liabilities and equity	$251,230,997	$43,293,816	$6,220,877	$300,745,690

Statement of Revenues, Expenditures and Changes in Fund Balances

Revenues	$ 63,984,421	$ 1,101,708	$ 347,347	$ 65,433,476
Expenditures				
Current operations	54,084,141	3,311,093	2,696,540	60,091,774
Capital outlays	5,881,810	165,197	3,000	6,050,007
Debt service	7,522,751	-	-	7,522,751
Total expenditures	67,488,702	3,476,290	2,699,540	73,664,532
Other financing sources				
Operating transfers in - primary government	6,723,418	2,354,018	2,349,069	11,426,505
Proceeds of general obligation warrants, notes payable, and capital leases	15,348,661	-	-	15,348,661
Total other financing sources	22,072,079	2,354,018	2,349,069	26,775,166
Financing sources over (under) expenditures	18,567,798	(20,564)	(3,124)	18,544,110
Fund balances - beginning of year	12,626,539	98,413	13,200	12,738,152
Prior period adjustments - Note 5	338,421	-	-	338,421
Fund balance as restated	12,964,960	98,413	13,200	13,076,573
Fund balances - end of year	$ 31,532,758	$ 77,849	$ 10,076	$ 31,620,683

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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 devise 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.

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 OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. Measurement Focus, Basis of Accounting and Basis of Presentation - Continued

Proprietary Funds - Continued

The City applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued before November 30, 1989, in accounting and reporting for its proprietary operations. The City does not apply FASB pronouncements 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.

State statutes authorize the City to invest in obligations of the U.S. Treasury, 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Assets, Liabilities and Equity - Continued

1. Deposits and Investments - Continued

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. However, virtually all of the investments are in certificates of deposits, which are considered non-participating investments, and thus are valued at cost.

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			Fair
	1	2	3	Value
U.S. Government Securities	-	$1,799,750	-	$1,799,750

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 non-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."

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 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 after 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 consumed rather than 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Assets, Liabilities and Equity - Continued

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.

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 asset's estimated useful lives. The estimated useful lives of the waste water treatment plants and equipment are fifteen years and seven years, respectively.

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 funds are 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 two 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Assets, Liabilities and Equity - Continued

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.

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 and special revenue funds. 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 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. The budget 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

A. Budgetary Information - Continued

2. Prior to October 1, the Mayor submits the appropriated 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, but may not change the form of the budget. 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. During the year several supplementary appropriations were necessary.

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 moneys 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.

B. Excess of Expenditures Over Appropriations

The total amounts of expenditures (over) under appropriations for the year ended September 30, 1998, 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	Drug Enforcement Fund	Court and Corrections	Expenditures (Over) Under Appropriations
Administration	$716,925	$ -	$ -	$ -	$ -	$ -	$716,925
Police	312,221	(69,329)	-	-	-	-	242,892
Fire	38,897	-	-	-	-	-	38,897
Inspection	17,588	-	-	-	-	-	17,588
Municipal court	10,231	-	-	-	-	-	10,231
Streets and sanitation	591,212	-	(1,225)	(128,272)	-	-	461,715
Health	797	-	-	-	-	-	797

The E-911, State Seven Cent Gasoline Tax Fund, and the State Four and Five Cent Gasoline Tax Fund expenditures over appropriations shown above were funded by available fund balances of the respective funds.

C. Capital Projects Fund

The Capital Projects Fund, with a deficit fund balance of $5,171,812, is the only governmental fund with a deficit fund balance at September 30, 1998. This Capital Projects Fund was created to record capital expenditures for which the City intends to reimburse itself from the proceeds of long term borrowing planned for fiscal 1999 or fiscal 2000. It is anticipated that the net proceeds from general obligation warrants in the near future will eliminate this deficit.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

D. 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 $3,140,450 at September 30, 1998. However, the contributed capital totals $8,409,326 because of capital contributed by the City, customers and developers resulting in a net fund equity of $5,268,876 at September 30, 1998. 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 $155,082. The Sewer Enterprise Fund has historically maintained a break even cash flow. The Fund continues to have a favorable current ratio (ratio of current assets to current liabilities) and will be subsidized by the General Fund should the need arise.

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	$ 2,330,859	$ 2,350,847
All other funds	3,246,651	4,604,375
Totals	5,577,510	6,955,222

Of the local school accounts, a total of $1,009,347 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 $1,341,500 was neither insured nor collateralized.

At September 30, 1998, all of the bank balances of the other Board Funds 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.

Investments are categorized into three categories of credit risk:

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

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

(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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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

A. Deposits and Investments - Continued

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

	Category			Fair
	1	2	3	Value
U.S. Government Agencies	$ -	$27,408,224	$ -	$27,408,224
Total	$ -	$27,408,224	$ -	$27,408,224

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 investments as shown on the Combined Balance Sheet for the Board of Education is as follows:

Carrying Amount of Deposits	$ 5,577,510
Carrying Amount of Investments	27,408,224
Total Cash and Investments	$32,985,734

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

Board of Education	$32,985,734
Park & Recreation Board	137,972
Library Board	73,063
Total Cash Investments	$33,196,769

B. Receivables

A summary of the items included in taxes receivable at September 30, 1998, is set forth below:

	1998
Gasoline tax	$ 40,194
Sales and use tax	3,416,403
Beer tax	34,340
Motor vehicle registration fees	14,481
Property tax	43,100
Tobacco tax	4,629
Total	$3,553,147

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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

B. Receivables - Continued

A summary of the items included in accounts receivable at September 30, 1998, is set forth below:

	1998
General Fund:	
Development fee receivables	$ 49,320
Other	49,583
Total General Fund accounts receivables	$ 98,903
Sewer Enterprise Fund:	
Sewer service charges	137,922
Total accounts receivable	$ 236,825

No significant uncollectible amounts are anticipated on these receivables.

C. Fixed Assets

The following is a summary of changes in the General Fixed Assets Account Group during the year ended September 30, 1998:

	Balance October 1, 1997	Additions	Deductions	Balance September 30, 1998
Land	$ 8,385,329	-	-	$ 8,385,329
Buildings	14,029,715	$ 139,164	-	14,168,879
Improvements other than buildings	1,287,654	-	-	1,287,654
Equipment and vehicles	12,126,929	2,180,612	$ (539,999)	13,767,542
Total	$35,829,627	$2,319,776	$ (539,999)	$37,609,404

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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

C. Fixed Assets - Continued

The following is a summary of proprietary fund type fixed assets for the City at September 30, 1998:

Sewer Enterprise Fund

	1998	1997
Equipment and vehicles	$ 415,649	$ 230,750
Land	1,664,800	654,500
Waste water treatment plants	7,990,984	7,412,124
Construction in progress	106,400	-
Total	10,177,833	8,297,374
Less - Accumulated depreciation	(5,082,115)	(4,526,638)
Net	$5,095,718	$3,770,736

Fleet Service Fund

	1998	1997*
Equipment and vehicles	$ 82,956	-
Total	82,956	-
Less - Accumulated depreciation	(33,328)	-
Net	$ 49,628	-

* The Fleet Service Fund was created in 1998.

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 are as follows:

General Fixed Assets Account Group	$37,609,404
Fleet Service Fund	49,628
Sewer Fund	5,095,718
Total	$42,754,750

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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, 1997	Additions	Transfers and Retirements	Balance September 30, 1998
Land and improvements	$ 7,140,103	$1,032,983	$ (2,544,898)	$ 5,628,188
Building and improvements	96,545,032	496,420	(5,279,463)	91,761,989
Equipment and Vehicles	15,947,158	2,041,482	(870,288)	17,118,352
Construction in progress	4,966,698	3,799,502	(4,966,698)	3,799,502
Total	$124,598,991	$7,370,387	$(13,661,347)	$118,308,031

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, 1997	Additions	Deductions	Balance September 30, 1998
Land	$13,770,586	-	-	$13,770,586
Buildings	23,859,524	$162,962	-	24,022,486
Improvements other than buildings	3,914,947	-	-	3,914,947
Equipment and vehicles	1,230,035	181,581	$(59,629)	1,351,987
Construction in progress	-	45,838	-	45,838
Total	$42,775,092	$390,381	$(59,629)	$43,105,844

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, 1997	Additions	Deductions	Balance September 30, 1998
Buildings	$5,604,394	-	-	$5,604,394
Improvements other than buildings	14,883	-	-	14,883
Equipment and vehicles	507,981	$20,556	-	528,537
Total	$6,127,258	$20,556	-	$6,147,814

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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 & Recreation Board and the Library Board are as follows:

Board of Education	$118,308,031
Park & Recreation Board	43,105,844
Library Board	6,147,814
Total	$167,561,689

D. Interfund Loan Receivables and Payables

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

Payable from	Payable to	Amount
Title II	General	$ 3
Innovative	General	158
Title I/Chapter I	General	9,882
General	ISEA Part B	100
General	Vocational Education	2,872
Drug-Free Schools	General	9,059
Preschool	General	300
Child Nutrition	General	9,018
Capital Projects	General	760,514
Capital Projects	14 Mill Tax	2,567,407
Holmes/Lee	General	13,422
CAP	General	8,213
Tears/Fears	General	12,500
SOS Grant	General	8,545
General	Local Schools	704,039
Total		$4,106,032

E. Leases

In 1993 and 1995, the Board of Education entered into a lease-purchase agreement for the lease of school buses. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have 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.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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

E. Leases - Continued

In 1998, 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.

The following is a schedule of the future minimum lease payments and the present value of the net minimum lease payments at September 30, 1998, for the discretely presented component unit Board of Education.

Fiscal Year Ending September 30,	General Long-Term Debt
1999	192,783
2000	192,783
2001	78,364
2002	78,363
2003	45,712
Total minimum lease payments	588,005
Less: Amount representing interest	58,924
Present Value of Future Minimum Lease Payments	$529,081

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, 1998, 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. All long-term warrants are reported in the General Long-Term Debt Account Group and are not expected to be repaid from proprietary fund revenues. Rather, all debt service payments on long-term obligations are made from the General Fund. 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 the Financial Statements - Continued
September 30, 1998

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

F. Long-Term Debt - Continued

General obligations 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)	$9,000,000 general obligation school warrants dated September 1, 1989; due $260,000 to $850,000 annually beginning September 1, 1992; interest at 6.50% to 8.00% due semi-annually commencing March 1, 1990.	$ 6,745,000
(B)	General obligation warrants, dated September 1, 1990; due $ 305,000 to $1,250,000 annually beginning March 1, 1994; interest at 6.30% to 7.40% due semi-annually commencing March 1, 1991.	855,000
(C)	$2,200,000 (principal and imputed interest) general obligation warrant dated May 15, 1992; due $200,000 to $400,000 annually beginning October 1, 1993; interest is imputed at a rate of 6.8%.	589,847
(D)	$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 a 4.40% to 6.30% due semi-annually commencing May 1, 1994.	6,205,000
(E)	$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.	42,285,000
(F)	$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	58,379,847
	Claims and judgments payable	637,764
	Accrued compensated leave	3,367,756
	Total Long-Term Debt	$62,385,367

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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

F. Long-Term Debt - Continued

Annual debt service requirements to maturity for general obligation warrants (including interest) at September 30, 1998, are as follows:

Year Ending September 30	Principal	Interest	Total
1999	$ 3,019,577	$ 3,044,314	$ 6,063,891
2000	3,185,270	2,896,266	6,081,536
2001	3,040,000	2,647,195	5,687,195
2002	3,205,000	2,493,278	5,698,278
2003	3,375,000	2,327,534	5,702,534
2004	3,565,000	2,149,563	5,714,563
2005	3,755,000	1,951,235	5,706,235
2006	3,970,000	1,715,247	5,685,247
2007	4,275,000	1,526,224	5,801,224
2008	3,590,000	1,282,989	4,872,989
2009	3,800,000	1,095,264	4,895,264
2010	1,310,000	944,164	2,254,164
2011	1,370,000	833,864	2,203,864
2012	1,425,000	820,977	2,245,977
2013	1,490,000	755,389	2,245,389
2014	1,560,000	682,864	2,242,864
2015	1,635,000	602,989	2,237,989
2016	1,665,000	520,489	2,185,489
2017	1,740,000	435,364	2,175,364
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	1,700,000	106,614	1,806,614
	$58,379,847	$29,587,790	$87,967,637

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 amount of the insubstance defeased debt which remains outstanding as of September 30, 1998, is $21,465,000.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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, 1998, the following changes occurred in liabilities reported in the General Long-Term Debt Account Group:

General long-term debt at October 1, 1997	$64,551,756
Increase in accrued compensated leave	348,283
Decrease in claims and judgments payable	(21,158)
Warrants retired	(2,493,431)
General long-term debt at September 30, 1998	$62,385,450

As of September 30, 1998, 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%	$ 7,200,000
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%	2,705,000
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%.	5,405,000
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%.	42,650,000
Series 1995 Capital Outlay Tax Anticipation Warrants due annually through 2019; interest payable semi-annually at rates ranging from 5.9% to 6.2%	19,205,000
Series 1998-A Capital Outlay Warrant Anticipation Notes with a maturity date of February 1, 1999; interest payable semi-annually at 3.80%.	11,000,000
Series 1998-B Capital Outlay Warrant Anticipation Notes with a maturity date of August 1, 1999; interest payable semi-annually at 4.0%.	4,000,000
Total warrants	92,165,000
Installment contract for the purchase of computer equipment, due in monthly installments of $11,248; including interest at 5.91%; maturing in August, 2000.	233,974

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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

F. Long-Term Debt - Continued

Installment contract for the purchase of computer equipment, due in monthly installments of $17,657; including interest at 3.75%; maturing in July, 2000.	358,359
Total warrants and notes payable	92,757,333
Capital lease obligations	529,081
Accrued salaries	2,127,974
Total long-term debt	$95,414,388

Annual debt service requirements to maturity for the discretely presented component unit Board of Education's long-term debt, including interest, at September 30, 1998, is as follows:

Year Ending September 30,	Principal	Interest	Total
1999	$17,806,525	$ 4,631,710	$ 22,438,235
2000	2,875,620	4,197,021	7,072,641
2001	2,630,324	4,071,163	6,701,487
2002	2,769,002	3,937,205	6,706,207
2003	2,889,943	3,792,374	6,682,317
2004 and Thereafter	64,315,000	31,265,102	95,580,102
	$93,286,414	$51,894,575	$145,180,989

Changes in general long-term liabilities for the discretely presented component unit Board of Education - During the year ended September 30, 1998, 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, 1997	$80,751,578
Issuance of warrants	15,000,000
Issuance of capitalized leased obligations	345,121
Warrants retired	(2,205,000)
Installment contracts principal payments	(311,837)
Lease purchase principal payments	(293,448)
General long-term debt at September 30, 1998	$93,286,414*

* This amount does not include accrued salaries.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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

G. Sewer Enterprise and Internal Service Fund

The Sewer Enterprise Fund, which accounts for the operations of the waste water treatment plants, and the Fleet Service Internal 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 Internal Service Fund financial statements presented in the general purpose financial statements.

The Riverchase Waste Water Treatment Plant and plant additions are financed by general long-term debt. No long-term debt is recorded in the Sewer Enterprise Fund. 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 losses of $4,010,180 and $233,884 for the fiscal years ended September 30, 1998 and 1997, respectively. The Sewer Enterprise Fund has a retained earnings deficit of $3,140,450 at September 30, 1998. 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, 1998, totaled $2,319,491.

Contributed Capital

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

	1998	1997
Customer tap fees	$ 129,930	$ 107,749
Developer donated land	19,950	-
Net increase in contributed capital	149,880	107,749
Contributed capital at beginning of year	8,259,446	8,151,697
Contributed capital at end of year	$8,409,326	$8,259,446

The Fleet Service Internal 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 Internal Service Fund had net income and retained earnings of $0 for the fiscal year ended September 30, 1998.

H. 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, 1998.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

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 $587,150. 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 $325,000. 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 1998 and 1997 are as follows:

	1998	1997
Unpaid claims, beginning	$658,922	$391,837
Incurred claims (including IBNRs)	388,469	683,363
Claim payments	(409,627)	(416,278)
Unpaid claims, ending	$637,764	$658,922

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.

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 will identify the method, time and resources necessary to evaluate the condition and capacity of the plant. Phase II will determine the extent of the problems and the actions necessary to eliminate the problems. Phase III will implement specific improvements developed in Phases I and II, at an estimated cost of $14,000,000 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 part of the Consent Decree, the City also agreed to undertake a $450,000 supplemental environmental project consisting of the acquisition and maintenance of protected areas or "Greenways" along a selected portion of the Cahaba River. As of September 30, 1998, the City was in Phase I 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, 1998, totaled $1,446,412.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 4: OTHER INFORMATION - CONTINUED

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 is a defendant in a second U.S. Clean Water Act citizen enforcement action alleging violations at the Riverchase Waste Water Treatment Plant and violations subsequent to the lawsuit referred to in Note 4(B) above at the Inverness Waste Water Treatment Plant. It is the opinion of the City's counsel that the corrections made at the Inverness Waste Water Treatment Plant pursuant to the Consent Decree described above will satisfy the complaints relative to that plant. The State of Alabama entered the case against the Riverchase Plant, filing a state enforcement action under the provisions of the Alabama Water Pollution Control Act. The City has settled the state enforcement action, paying $16,000 in legal fees and agreeing to make plant upgrades costing approximately $250,000. Most of the upgrades have already been made and all qualify as improvements the Riverchase Waste Water Treatment Plant would have needed eventually. In the opinion of the City's counsel, the outcome of the citizen enforcement action will be in the City's favor and any potential financial loss would be minimal. The City's legal fees in defense of these actions could range from $75,000 to $125,000.

A citizen enforcement action has been filed during the current year under the U.S. Endangered Species Act. Although the City is attempting to settle this action, the opinion of the City's counsel is that the ultimate outcome will be in the City's favor and any potential financial loss would be minimal.

The City also is a defendant in various other 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.

D. Deferred Compensation Plan

Since fiscal 1991, the City has offered to its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all city employees, permits them to defer a portion of their salary. Deferred compensation benefits are not available to employees or their beneficiaries until termination, retirement, death or unforeseen emergency.

The City has elected to implement GASB No. 32 as of the fiscal year ending 9/30/98. Prior to implementation, all property and rights purchased with amounts of compensation deferred under the plan, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

Under GASB No. 32 certain provisions of the recently enacted Small Business Job Protection Act of 1996 (the Act) affect IRC Section 457 plans by eliminating the requirement that Section 457 plan assets legally remain the assets of the sponsoring government. The Act now requires that amounts deferred under a Section 457 plan be held in trust for the exclusive benefit of participating employees and not be accessible by the government or its creditors. As such, the deferred compensation agency fund is no longer accounted for as an asset and liability of the City or of the discretely presented component units.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 4: OTHER INFORMATION - CONTINUED

D. Deferred Compensation Plan - Continued

It is the opinion of City management that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor in selecting the plan administrator to manage the plan investments.

E. 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 administered by The Retirement Systems of Alabama. 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 1998, the City's annual pension cost of $1,309,007 for the System was equal to the city's required and actual contributions. The required contribution was determined as part of the September 30, 1997 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 four-year period. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at September 30, 1997 was 30 years. The actuarial assumptions used to compute actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation.

Three-Year Trend Information for the System

(Dollar amounts in thousands)

Fiscal Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
9/30/95	$ 973,230	100%	$0
9/30/96	1,058,892	100%	$0
9/30/97	1,309,007	100%	$0

The City does not provide any post-retirement benefits.

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 4: OTHER INFORMATION - CONTINUED

F. Miscellaneous

In July, 1995, the city entered into an agreement to acquire by purchase and gift approximately 27 acres valued at $2,639,000, having been designated by the City Counsel as Aldridge Park and Gardens. The same agreement established the Aldridge Park and Gardens Endowment Fund, for the purpose of maintaining the property as a public botanical park & garden. The City, through an individual designated by the City, serves as co-trustee of the Endowment Fund, along with Amsouth Bank. Although the Endowment Fund is not yet fully funded, there were $12,421 in assets in the Fund at September 30, 1998.

NOTE 5: PRIOR PERIOD ADJUSTMENT

A. General Fund

The financial statements of the 9/30/96 fiscal year have been restated to properly report a non-current receivable which was not previously recorded. This resulted in an increase in the non-current receivable account and a corresponding increase in the reserve for non-current receivables. The effects of these restatements on the General Fund for the period ended September 30, 1997, is as follows:

Reserve for non-current receivables beginning of year	-
Prior period adjustment	$3,307,806
Reserve for non-current receivables as restated	$3,307,806

B. Park & Recreation

The financial statements of the 9/30/96 fiscal year have been restated to properly report assets in the discretely presented component unit - Park and Recreation Board. This resulted in an increase in the previously reported fund balance of the Park and Recreation Board. The effects of these restatements on the Park & Recreation Board for the period ended September 30, 1997, is as follows:

Fund balance - beginning of year	-
Prior period adjustment	$63,068
Fund balance as restated	$63,068

C. Park & Recreation Board General Fixed Assets

The financial statements of the 9/30/96 fiscal year have been restated to properly report the donated portion of land the city holds. This resulted in an increase in the previously reported general fixed assets. The effects of these restatements on the Park & Recreation Board for the period ended September 30, 1997, is as follows:

General fixed assets - beginning of year	$38,691,177
Prior period adjustment	300,000
General fixed assets - beginning of year as restated	$38,991,177

THE CITY OF HOOVER, ALABAMA
Notes to the Financial Statements - Continued
September 30, 1998

NOTE 5: PRIOR PERIOD ADJUSTMENT - CONTINUED

D. General Fixed Asset Account Group

The financial statements of the 9/30/97 fiscal year have been restated to properly report the donated portion of land the City holds. This resulted in an increase in the previously reported general fixed assets. The effects of these restatements on the General Fixed Asset Account Group for the period ended September 30, 1998, is as follows:

General fixed assets - beginning of year	$34,978,180
Prior period adjustment	851,447
General fixed assets - beginning of year as restated	$35,829,627

E. Board of Education

The financial statements of the 9/30/97 fiscal year have been restated to correct an over accrual of accounts payable in the discretely presented component unit - Board of Education. This resulted in an increase in the previously reported fund balance of the Board of Education. The effects of these restatements on the Board of Education for the period ended September 30, 1997, is as follows:

Fund balance - beginning of year	$12,738,152
Prior period adjustment	$ 338,421
Fund balance as restated	$13,076,573

NOTE 6: YEAR 2000

A. General Description of the Year 2000 Problem

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment making operations beyond the year 1999 troublesome. For many years, programmers eliminated the first two digit from a year when writing programs.

B. Awareness and Assessment Stage

The department heads have made lists of equipment that contain microprocessors which could potentially have a year 2000 problem. Software is being evaluated by City personnel and by vendors to determine year 2000 compliance.

C. Remediation Stage

If a year 2000 problem potentially exists upon review of the equipment and software, the equipment and/or software will be upgraded or replaced to correct the problem.

D. Validation / Testing Stage

As of September 30, 1998 the City has not started validating and testing for year 2000 compliance. The City anticipates starting this stage around March, 1999.

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SUPPLEMENTAL INFORMATION

PRIMARY GOVERNMENT

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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)
09/30/96	$19,882,614	$24,059,542	$4,176,928	82.64%	$17,657,985	23.70%
09/30/97	28,192,973	27,611,647	(581,326)	102.11%	18,511,949	(3.10%)

Note: Prior years information is not available.

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COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES

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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, 1998
(with comparative totals for September 30, 1997)

Assets	1998	1997
Pooled cash and investments	$10,463,797	$10,558,341
Receivables		
Taxes	3,553,147	3,346,806
Accounts	98,903	35,715
Non-current receivable	3,591,674	3,491,097
Due from other funds	5,290,933	-
Inventory	7,271	22,961
Due from other governments	458,427	432,695
Prepaid items	192,962	40,502
Deposits	21,537	25,000
Total assets	$23,678,651	$17,953,117
Liabilities and fund balances		
Accounts payable and accrued liabilities	$1,931,279	$1,495,196
Refundable deposits	201,486	142,140
Due to other funds	15,982	-
Total liabilities	2,148,747	1,637,336
Fund balances		
Reserved for non-current receivable	3,591,674	3,491,097
Unreserved, undesignated	17,938,230	12,824,684
Total fund balances	21,529,904	16,315,781
Total liabilities and fund balances	$23,678,651	$17,953,117

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Revenues		
Taxes	$42,853,434	$42,061,228
Licenses and permits	8,164,042	7,833,276
Intergovernmental	1,996,200	1,566,564
Fines & forfeits	907,142	732,618
Investment income	1,031,473	824,471
Other	559,169	1,275,937
Total revenues	55,511,460	54,294,094
Expenditures		
Current operations		
General government	5,325,776	5,913,759
Public safety	18,068,097	16,349,961
Municipal court	423,364	371,570
Streets and sanitation	5,395,496	4,823,521
Health	365,070	347,843
Total	29,577,803	27,806,654
Capital outlays	1,097,762	998,681
Debt service		
Principal	2,493,431	1,547,076
Interest	3,168,564	3,266,680
Total expenditures	36,337,560	33,619,091
Excess of revenues over expenditures	19,173,900	20,675,003
Other financing sources (uses)		
Operating transfers in	4,000,000	5,731
Operating transfers out	(6,537,112)	(3,967,900)
Operating transfers out - component units	(11,426,505)	(11,103,834)
Total other financing sources (uses)	(13,963,617)	(15,066,003)
Excess of revenues and other financing sources over expenditures and other financing uses	5,210,283	5,609,000
Fund balances at beginning of year	16,315,781	7,398,975
Prior period adjustment - Note 5	-	3,307,806
Fund balances as restated	16,315,781	10,706,781
Residual equity transfer	3,840	-
Fund balances	16,319,621	10,706,781
Fund balances at end of year	$21,529,904	$16,315,781

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	$47,174,240	$42,853,434	($4,320,806)
Licenses and permits	7,663,584	8,164,042	500,458
Intergovernmental	1,495,978	1,996,200	500,222
Fines & forfeits	516,000	907,142	391,142
Investment income	443,100	1,031,473	588,373
Other	604,561	559,169	(45,392)
Total revenues	57,897,463	55,511,460	(2,386,003)
Expenditures			
Current operations			
General government	5,999,041	5,325,776	673,265
Public safety	18,428,628	18,068,097	360,531
Municipal court	434,395	423,364	11,031
Streets and sanitation	5,647,910	5,395,496	252,414
Health	365,068	365,070	(2)
Total	30,875,042	29,577,803	1,297,239
Capital outlays	1,051,375	1,097,762	(46,387)
Debt service			
Principal	2,493,431	2,493,431	0
Interest and fiscal charges	3,153,450	3,168,564	(15,114)
Total expenditures	37,573,298	36,337,560	1,235,738
Excess of revenues over expenditures	20,324,165	19,173,900	(1,150,265)
Other financing sources (uses)			
Operating transfers in	-	4,000,000	4,000,000
Operating transfers out	(6,623,700)	(6,537,112)	86,588
Operating transfers out - component units	(11,355,827)	(11,426,505)	(70,678)
Total other financing (uses)	(17,979,527)	(13,963,617)	4,015,910
Excess of revenues and other financing sources over expenditures and other financing uses	$2,344,638	5,210,283	$2,865,645
Fund balances at beginning of year		16,315,781	
Prior period adjustment - Note 5		-	
Fund balances as restated		16,315,781	
Residual equity transfer		3,840	
Fund balances		16,319,621	
Fund balances at end of year		$21,529,904	

1997		
Budget	Actual	Variance Favorable (Unfavorable)
$37,915,600	$42,061,228	$4,145,628
7,230,000	7,833,276	603,276
5,786,205	1,566,564	(4,219,641)
800,000	732,618	(67,382)
434,000	824,471	390,471
1,595,983	1,275,937	(320,046)
53,761,788	54,294,094	532,306
6,375,370	5,913,759	461,611
16,727,923	16,349,961	377,962
378,076	371,570	6,506
4,918,289	4,823,521	94,768
352,918	347,843	5,075
28,752,576	27,806,654	945,922
1,641,050	998,681	642,369
1,547,075	1,547,076	(1)
3,266,440	3,266,680	(240)
35,207,141	33,619,091	1,588,050
18,554,647	20,675,003	2,120,356
-	5,731	5,731
(6,623,700)	(3,967,900)	2,655,800
(11,355,827)	(11,103,834)	251,993
(17,979,527)	(15,066,003)	2,913,524
$575,120	5,609,000	$5,033,880
	7,398,975	
	3,307,806	
	10,706,781	
	-	
	10,706,781	
	$16,315,781	

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, 1998
(with comparative actual amounts for the fiscal year ended September 30, 1997)

Expenditures - Current Operations	Budget	Actual	Variance Favorable (Unfavorable)	1997 Actual
General government				
Administrative				
Personal services	$2,419,566	$2,279,608	$139,958	$2,779,540
Other	3,579,475	3,046,168	533,307	2,908,400
Total	5,999,041	5,325,776	673,265	5,687,940
Public safety				
Police				
Personal services	7,856,203	7,721,675	134,528	7,200,928
Other	1,233,360	1,063,842	169,518	941,655
Total	9,089,563	8,785,517	304,046	8,142,583
Fire				
Personal services	7,432,370	7,413,254	19,116	6,784,765
Other	663,325	643,544	19,781	612,958
Total	8,095,695	8,056,798	38,897	7,397,723
Inspection services				
Personal services	1,160,070	1,153,431	6,639	772,670
Other	83,300	72,351	10,949	36,985
Total	1,243,370	1,225,782	17,588	809,655
Total public safety	18,428,628	18,068,097	360,531	16,349,961
Municipal Court				
Personal services	311,845	307,367	4,478	316,818
Other	122,550	115,997	6,553	54,752
Total municipal court	434,395	423,364	11,031	371,570
Streets and sanitation				
Personal services	1,114,460	1,084,095	30,365	891,402
Other	4,533,450	4,311,401	222,049	3,932,119
Total streets and sanitation	5,647,910	5,395,496	252,414	4,823,521
Health				
Personal services	90,618	85,992	4,626	80,631
Other	274,450	279,078	(4,628)	267,212
Total health	365,068	365,070	(2)	347,843
Total expenditures - current operations	$30,875,042	$29,577,803	$1,297,239	$27,580,835

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

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 Correction 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 any court complex.

THE CITY OF HOOVER, ALABAMA
Special Revenue Funds
Combining Balance Sheet
September 30, 1998
(with comparative totals for September 30, 1997)

	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax
Assets			
Pooled cash and investments	$23,182	$283,205	$402,145
Due from other governments			
State	-	33,629	29,274
Total assets	$23,182	$316,834	$431,419
Liabilities and fund balances			
Liabilities			
Accounts payable	-	-	$91
Accrued liabilities	$23,182	$9,801	-
Total liabilities	23,182	9,801	91
Fund balances			
Unreserved, undesignated	-	307,033	$431,328
Total liabilities and fund balances	$23,182	$316,834	$431,419

Drug Enforce-ment	Court and Corrections	Totals 1998	Totals 1997
$22,429	$652,338	$1,383,299	$1,133,963
-	-	62,903	63,127
$22,429	$652,338	$1,446,202	$1,197,090
-	-	$91	$432
-	-	32,983	27,734
-	-	33,074	28,166
$22,429	$652,338	1,413,128	1,168,924
$22,429	$652,338	$1,446,202	$1,197,090

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	E-911	State Seven Cent Gasoline Tax	State Four and Five Cent Gasoline Tax
Revenues			
Intergovernmental	-	$368,699	$340,083
Investment income	-	16,092	34,472
Telephone surcharge	$742,642	-	-
Court costs	-	-	-
Confiscated drug funds	-	-	-
Total revenues	742,642	384,791	374,555
Expenditures			
Current Operations			
Public safety			
Police			
Personal services	793,226	-	-
Other	-	-	-
Streets and sanitation			
Personal services	-	348,025	-
Other	-	-	462,172
Total	793,226	348,025	462,172
Capital outlays	-	-	-
Total expenditures	793,226	348,025	462,172
Excess (deficiency) of revenues over (under) expenditures	(50,584)	36,766	(87,617)
Other Financing Sources			
Operating transfers in	42,978	-	-
Total other financing sources	42,978	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(7,606)	36,766	(87,617)
Fund balances at beginning of year	$7,606	270,267	518,945
Fund balances at end of year	-	$307,033	$431,328

Drug Enforce-ment	Court and Corrections	Totals 1998	Totals 1997
-	-	$708,782	$693,715
$583	$26,874	78,021	41,849
-	-	742,642	713,906
-	255,103	255,103	203,975
20,101	-	20,101	2,419
20,684	281,977	1,804,649	1,655,864
-	-	793,226	728,122
-	-	-	750
-	-	348,025	348,268
-	-	462,172	76,787
-	-	1,603,423	1,153,927
-	-	-	-
-	-	1,603,423	1,153,927
20,684	281,977	201,226	501,937
-	-	42,978	-
-	-	42,978	-
20,684	281,977	244,204	501,937
1,745	370,361	1,168,924	666,987
$22,429	$652,338	$1,413,128	$1,168,924

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, 1998
(with comparative totals for September 30, 1997)

	1998	1997
Assets		
Pooled cash and investments	$23,182	$26,765
Total assets	$23,182	$26,765
Liabilities and fund balances		
Liabilities		
Accrued liabilities	$23,182	$19,159
Total liabilities	23,182	19,159
Fund balances		
Unreserved, undesignated	-	7,606
Total liabilities and fund balances	$23,182	$26,765

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Revenues		
Telephone surcharge	$742,642	$713,906
Investment income	-	495
Total revenues	742,642	714,401
Expenditures		
Current operations		
Public safety		
Police		
Personal services	793,226	728,122
Total expenditures	793,226	728,122
Deficiency of revenues under expenditures	(50,584)	(13,721)
Other Financing Sources		
Operating transfers in	42,978	
Total other financing sources	42,978	-
Deficiency of revenues and other financing sources under expenditures	(7,606)	(13,721)
Fund balances at beginning of year	$7,606	21,327
Fund balances at end of year	-	$7,606

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Telephone surcharge	$715,500	$742,642	$27,142	$750,000	$713,906	($36,094)
Operating transfers in	-	42,978	42,978	-	-	-
Investment income	1,060	-	(1,060)	8,500	495	(8,005)
Total revenues	716,560	785,620	69,060	758,500	714,401	(44,099)
Expenditures						
Current operations						
Public safety						
Police						
Personal services	723,897	793,226	(69,329)	841,919	728,122	113,797
Total expenditures	723,897	793,226	(69,329)	841,919	728,122	113,797
(Deficiency) of revenues (under) expenditures	($7,337)	(7,606)	($269)	($83,419)	(13,721)	$69,698
Fund balances at beginning of year		$7,606			21,327	
Fund balances at end of year		-			$7,606	

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, 1998
(with comparative totals for September 30, 1997)

	1998	1997
Assets		
Pooled cash and investments	$283,205	$245,066
Due from state government	33,629	33,776
Total assets	$316,834	$278,842
Liabilities and fund balances		
Liabilities		
Accrued liabilities	$9,801	$8,575
Total liabilities	9,801	8,575
Fund balances		
Unreserved, undesignated	307,033	270,267
Total liabilities and fund balances	$316,834	$278,842

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
For the fiscal year ended September 30, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Revenues		
Intergovernmental	$368,699	$360,591
Investment income	16,092	13,229
Total revenues	384,791	373,820
Expenditures		
Current operations		
Streets and sanitation		
Personal services	348,025	348,268
Total expenditures	348,025	348,268
Excess of revenues over expenditures	36,766	25,552
Fund balances at beginning of year	270,267	244,715
Fund balances at end of year	$307,033	$270,267

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	$386,900	$368,699	($18,201)	$400,000	$360,591	($39,409)
Investment income	12,720	16,092	3,372	13,000	13,229	229
Total revenues	399,620	384,791	(14,829)	413,000	373,820	(39,180)
Expenditures						
Current operations						
Streets and sanitation						
Personal services	346,800	348,025	(1,225)	346,800	348,268	(1,468)
Total expenditures	346,800	348,025	(1,225)	346,800	348,268	(1,468)
Excess of revenues over expenditures	$52,820	36,766	($16,054)	$66,200	25,552	($40,648)
Fund balances at beginning of year		270,267			244,715	
Fund balances at end of year		$307,033			$270,267	

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, 1998
(with comparative totals for September 30, 1997)

	1998	1997
Assets		
Pooled cash and investments	$402,145	$489,594
Due from state government	29,274	29,351
Total assets	$431,419	$518,945
Liabilities and fund balances		
Liabilities		
Accounts payable	$91	-
Total liabilities	91	-
Fund balances		
Unreserved, undesignated	431,328	$518,945
Total liabilities and fund balances	$431,419	$518,945

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
For the fiscal year ended September 30, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Revenues		
Intergovernmental	$340,083	$333,124
Investment income	34,472	15,036
Total revenues	374,555	348,160
Expenditures		
Current operations		
Streets and sanitation		
Other	462,172	76,787
Total expenditures	462,172	76,787
Excess (deficiency) of revenues over (under) expenditures	(87,617)	271,373
Fund balances at beginning of year	518,945	247,572
Fund balances at end of year	$431,328	$518,945

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	$333,900	$340,083	$6,183	$350,000	$333,124	($16,876)
Investment income	10,600	34,472	23,872	22,000	15,036	(6,964)
Total revenues	344,500	374,555	30,055	372,000	348,160	(23,840)
Expenditures						
Current operations						
Streets and sanitation						
Other	165,900	462,172	(296,272)	168,000	76,787	91,213
Total expenditures	165,900	462,172	(296,272)	168,000	76,787	91,213
Excess (deficiency) of revenues over (under) expenditures	$178,600	(87,617)	($266,217)	$204,000	271,373	$67,373
Fund balances at beginning of year		518,945			247,572	
Fund balances at end of year		$431,328			$518,945	

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, 1998
(with comparative totals for September 30, 1997)

	1998	1997
Assets		
Pooled cash and investments	$22,429	$2,177
Total assets	$22,429	$2,177
Liabilities and fund balances		
Liabilities		
Accounts payable	-	$432
Total liabilities	-	432
Fund balances		
Unreserved, undesignated	$22,429	1,745
Total liabilities and fund balances	$22,429	$2,177

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Revenues		
Investment income	$583	$76
Confiscated drug funds	20,101	2,419
Total revenues	20,684	2,495
Expenditures		
Current operations		
Public safety		
Police		
Other	-	750
Total	-	750
Capital outlays	-	-
Total expenditures	-	750
Excess of revenues over expenditures	20,684	1,745
Other Financing Sources		
Operating transfers in	-	-
Total other financing sources	-	-
Excess of revenues and other financing sources over expenditures	20,684	1,745
Fund balances at beginning of year	1,745	-
Fund balances at end of year	$22,429	$1,745

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
Budget and Actual
For the fiscal year ended September 30, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998			1997		
	* Budget	Actual	Variance Favorable (Unfavorable)	* Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Investment income	-	$583	$583	-	$76	$76
Confiscated drug funds	-	20,101	20,101	-	2,419	2,419
Total revenues	-	20,684	20,684	-	2,495	2,495
Expenditures						
Current operations						
Public safety						
Police						
Other	-	-	-	-	750	(750)
Total	-	-	-	-	750	(750)
Capital outlays	-	-	-	-	-	-
Total expenditures	-	-	-	-	750	(750)
Excess of revenues over expenditures	-	20,684	20,684	-	1,745	1,745
Other Financing Sources						
Operating transfers in	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Excess of revenues and other financing sources over expenditures	-	20,684	$20,684	-	1,745	$1,745
Fund balances at beginning of year		1,745			-	
Fund balances at end of year		$22,429			$1,745	

* This fund by law can not be budgeted in the annual budget of the city.

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, 1998
(with comparative totals for September 30, 1997)

	1998	1997
Assets		
Pooled cash and investments	$652,338	$370,361
Total assets	$652,338	$370,361
Liabilities and fund balances		
Fund balances		
Unreserved, undesignated	$652,338	$370,361
Total liabilities and fund balances	$652,338	$370,361

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Revenues		
Investment income	$26,874	$13,013
Court costs	255,103	203,975
Total revenues	281,977	216,988
Expenditures		
Current operations		
Municipal court		
Other	-	-
Total expenditures	-	-
Excess of revenues over expenditures	281,977	216,988
Fund balances at beginning of year	370,361	153,373
Fund balances at end of year	$652,338	$370,361

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998			1997		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Investment income	$18,000	$26,874	$8,874	$9,000	$13,013	$4,013
Court costs	180,000	255,103	75,103	180,000	203,975	23,975
Total revenues	198,000	281,977	83,977	189,000	216,988	27,988
Expenditures						
Current operations						
Municipal Court						
Other	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess of revenues over expenditures	$198,000	281,977	$83,977	$189,000	216,988	$27,988
Fund balances at beginning of year		370,361			153,373	
Fund balances at end of year		$652,338			$370,361	

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

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.

One-Half Cent Capital Projects Fund accounts for financial resources to be used from the proceeds of a one cent sales and use tax increase passed during fiscal 1994. By resolution, the City Council voted to use one-half of the increase generally for the acquisition or construction of major capital projects.

Capital Projects Fund accounts for capital expenditures for which the City intends to reimburse itself from the proceeds of long term borrowing planned for fiscal 1999 or 2000.

THE CITY OF HOOVER, ALABAMA
Capital Projects Funds
Combining Balance Sheet
September 30, 1998
(with comparative totals for September 30, 1997)

	One-half Cent Capital Projects	Capital Projects	Totals 1998	Totals 1997
Assets				
Pooled cash and investments	$3,035,239	-	$3,035,239	$237,097
Total assets	$3,035,239	-	$3,035,239	$237,097
Liabilities and fund balances				
Liabilities				
Accounts payable	$700,058	-	$700,058	$217,097
Due to other funds	-	$5,171,812	5,171,812	-
General obligation warrants payable	-	-	-	4,800,000
Total liabilities	700,058	5,171,812	5,871,870	5,017,097
Fund balances				
Unreserved, (deficit)	2,335,181	($5,171,812)	(2,836,631)	(4,780,000)
Total liabilities and fund balances	$3,035,239	-	$3,035,239	$237,097

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, 1998
(with comparative totals for the fiscal year ended September 30,1997)

	One-half Cent Capital Projects	Capital Projects	Totals 1998	Totals 1997
Revenues				
Investment income	$119,114	-	$119,114	$58,691
Total revenues	119,114	-	119,114	58,691
Expenditures				
Capital outlays	3,860,303	$371,812	4,232,115	8,835,972
Total	3,860,303	371,812	4,232,115	8,835,972
Debt service				
Interest	-	-	-	-
Total expenditures	3,860,303	371,812	4,232,115	8,835,972
Deficiency of revenues under expenditures	(3,741,189)	(371,812)	(4,113,001)	(8,777,281)
Other financing sources				
Operating transfers in	6,056,370	-	6,056,370	3,967,900
Total other financing source	6,056,370	-	6,056,370	3,967,900
Excess (deficiency) of revenues and other financing sources over (under) expenditure	2,315,181	(371,812)	1,943,369	(4,809,381)
Fund balances (deficit) at beginning of year	20,000	(4,800,000)	(4,780,000)	29,381
Fund balances (deficit) at end of year	$2,335,181	($5,171,812)	($2,836,631)	($4,780,000)

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

THE CITY OF HOOVER, ALABAMA
One-half Cent Capital Projects Fund
Comparative Balance Sheets
September 30, 1998
(with comparative totals for September 30, 1997)

	1998	1997
Assets		
Pooled cash and investments	$3,035,239	$237,097
Total assets	$3,035,239	$237,097
Liabilities and fund balances		
Liabilities		
Accounts payable	$700,058	$217,097
Total liabilities	700,058	217,097
Fund balances		
Unreserved	2,335,181	20,000
Total liabilities and fund balances	$3,035,239	$237,097

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

THE CITY OF HOOVER, ALABAMA
One-half Cent Capital Projects Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended September 30, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Revenues		
Investment income	$119,114	$58,691
Total revenues	119,114	58,691
Expenditures		
Capital outlays		
Administrative	3,860,303	4,035,972
Total	3,860,303	4,035,972
Debt service		
Interest	-	-
Total expenditures	3,860,303	4,035,972
Deficiency of revenues under expenditures	(3,741,189)	(3,977,281)
Other Financing Sources		
Operating transfers in	6,056,370	3,967,900
Total other financing sources	6,056,370	3,967,900
Excess (deficiency) of revenues and other financing sources over (under) expenditures	2,315,181	(9,381)
Fund balances at beginning of year	20,000	29,381
Fund balances at end of year	$2,335,181	$20,000

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, 1998
(with comparative totals for September 30, 1997)

	1998	1997
Assets		
Pooled cash and investments	-	-
Total assets	-	-
Liabilities and fund balances		
Liabilities		
General obligation warrants payable	-	$4,800,000
Due to other funds	$5,171,812	-
Total liabilities	5,171,812	4,800,000
Fund balances		
Unreserved (deficit)	($5,171,812)	($4,800,000)
Total liabilities and fund balances	-	-

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	1998	1997
Revenues		
Investment income	-	-
Total revenues	-	-
Expenditures		
Capital outlays		
Administrative	$371,812	$4,800,000
Total expenditures	371,812	4,800,000
Deficiency of revenues under expenditures	(371,812)	(4,800,000)
Fund balances (deficit) at beginning of year	(4,800,000)	-
Fund balances (deficit) at end of year	($5,171,812)	($4,800,000)

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

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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.

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THE CITY OF HOOVER, ALABAMA
Sewer Enterprise Fund
Comparative Balance Sheets*
September 30, 1998
(with comparative totals for September 30, 1997)

	1998	1997
Assets		
Current assets		
Pooled cash and investments	$354,811	$5,366,233
Accounts receivable	137,922	114,414
Inventory	3,100	3,100
Total current assets	495,833	5,483,747
Property, plant and equipment		
Equipment	415,649	230,750
Land	1,664,800	654,500
Construction in progress	106,400	-
Sewage treatment plants	7,990,984	7,412,124
Total property, plant and equipment	10,177,833	8,297,374
Less accumulated depreciation	(5,082,115)	(4,526,638)
Net property, plant and equipment	5,095,718	3,770,736
Total assets	$5,591,551	$9,254,483
Liabilities and equity		
Current liabilities		
Accounts payable	$198,433	$109,117
Refundable deposits	5,000	5,000
Due to other funds	106,400	-
Accrued expenses	12,842	11,190
Total current liabilities	322,675	125,307
Equity		
Contributed capital		
Government	4,250,000	4,250,000
Customers	2,319,491	2,189,561
Developers	1,839,835	1,819,885
Total contributed capital	8,409,326	8,259,446
Retained earnings (deficit)	(3,140,450)	869,730
Total equity	5,268,876	9,129,176
Total liabilities and equity	$5,591,551	$9,254,483

* A statement of revenues, expenses and changes in retained earnings (deficit) and a statement of cash flows for the Sewer Enterprise Fund is presented in the general purpose financial statements of this report.

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

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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.

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THE CITY OF HOOVER, ALABAMA
Internal Service Fund - Fleet Service
Comparative Balance Sheets*
September 30, 1998
(with comparative totals for September 30, 1997)

	1998	1997^
Assets		
Current assets		
Inventory	$15,663	-
Total current assets	15,663	-
Fixed assets - net	49,628	-
Total assets	$65,291	-
Liabilities and equity		
Current liabilities		
Accounts payable and accrued liabilities	$6,991	-
Due to other funds	12,721	-
Total current liabilities	19,712	-
Equity		
Retained earnings	-	-
Contributed capital	45,579	-
Total fund equity	45,579	-
Total liabilities and fund equity	$65,291	-

^ The Internal Service Fund was created in 1998.

* A statement of revenues, expenses, and changes in retained earnings (deficit) and a statement of cash flows for the Internal Service Fund is presented in the general purpose financial statements of this report.

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

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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.

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THE CITY OF HOOVER, ALABAMA
Comparative Schedule of General Fixed Assets by Source
September 30, 1998
(with comparative totals for September 30, 1997)

	1998	1997
General Fixed Assets		
Land	$8,385,329	$7,533,882
Buildings	14,168,879	14,029,713
Improvements other than buildings	1,287,654	1,287,654
Equipment and vehicles	13,767,542	12,126,931
Total general fixed assets	$37,609,404	$34,978,180
Investment in General Fixed Assets		
General obligation warrants	$15,025,591	$15,025,591
Long-term notes payable	399,334	399,334
Federal grants	1,256,344	1,256,344
General revenues	16,998,237	14,367,013
Donations and annexations	3,929,898	3,929,898
Total investments in general fixed assets	$37,609,404	$34,978,180

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

THE CITY OF HOOVER, ALABAMA
Schedule of General Fixed Assets by Function and Activity
September 30, 1998

Function and Activity	Land	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Total
General government					
Administration	$8,385,329	$7,021,977	$1,167,755	$2,358,391	$18,933,452
Municipal garage	-	254,493	-	-	254,493
Total general government	8,385,329	7,276,470	1,167,755	2,358,391	19,187,945
Public safety					
Police	-	170,825	10,475	3,342,310	3,523,610
Fire	-	6,164,420	51,223	5,193,211	11,408,854
Inspection	-	48,179	-	371,927	420,106
Total public safety	-	6,383,424	61,698	8,907,448	15,352,570
Municipal Court	-	-	-	85,965	85,965
Streets & sanitation	-	508,985	58,201	2,336,087	2,903,273
Health	-	-	-	79,651	79,651
Total general fixed assets allocated to functions and activities	$8,385,329	$14,168,879	$1,287,654	$13,767,542	$37,609,404

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, 1998

Function and Activity	General Fixed Assets October 1, 1997	Additions	Deletions	General Fixed Assets September 30, 1998
General government				
Administration	$18,384,543	$557,099	$8,190	$18,933,452
Municipal Garage	321,944	505	67,956	254,493
Total general government	18,706,487	557,604	76,146	19,187,945
Public safety				
Police	3,393,892	371,712	241,994	3,523,610
Fire	10,694,069	737,634	22,849	11,408,854
Inspection	362,334	57,772	-	420,106
Total public safety	14,450,295	1,167,118	264,843	15,352,570
Municipal Court	90,150	-	4,185	85,965
Streets & sanitation	2,534,619	563,479	194,825	2,903,273
Health	48,076	31,575	-	79,651
Total general fixed assets	$35,829,627	$2,319,776	$539,999	$37,609,404

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

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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.

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THE CITY OF HOOVER, ALABAMA
Comparative Schedule of General Long-Term Debt
September 30, 1998
(with comparative totals for September 30, 1997)

	1998	1997
Amounts available and to be provided for the payment of general long-term debt		
Amount to be provided from General Fund revenues	$62,385,367	$64,551,673
Total available and to be provided	$62,385,367	$64,551,673
General long-term debt		
General obligation warrants payable	$58,379,847	$60,873,278
Claims and judgements payable	637,764	658,922
Accrued compensated leave	3,367,756	3,019,473
Total general long-term debt	$62,385,367	$64,551,673

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

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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, 1998
(with comparative totals for September 30, 1997)

	Board of Education	Park & Recreation Board	Library Board
Assets and other debits			
Assets			
Pooled cash and investments	$32,985,734	$137,972	$73,063
Due from other governments			
County	203,716	-	-
Federal	136,048	-	-
Due from other funds	4,106,032	-	-
Other receivable	-	50,000	-
Other assets	26,158	-	-
Prepaid items	14,921	-	-
Inventory	35,969	-	-
Fixed assets	118,308,031	43,105,844	6,147,814
Deferred compensation plan assets	-	-	-
Other debits			
Amount to be provided for retirement of general long-term debt	95,414,388	-	-
Total assets	$251,230,997	$43,293,816	$6,220,877
Liabilities, equity and other credits			
Liabilities			
Accounts payable and accrued liabilities	$3,997,762	$110,123	$62,987
Due to other funds	4,106,032	-	-
Notes and capital leases payable	1,121,414	-	-
General obligation warrants payable	92,165,000	-	-
Deferred compensation benefits payable	-	-	-
Total liabilities	101,390,208	110,123	62,987
Equity and other credits			
Investment in general fixed assets	118,308,031	43,105,844	6,147,814
Fund balances			
Reserved for inventories	35,969	-	-
Reserved for building commitments	9,817,486	-	-
Reserved for encumbrances	435,121	-	-
Unreserved, undesignated	21,244,182	77,849	10,076
Total equity and other credits	149,840,789	43,183,693	6,157,890
Total liabilities, equity and other credits	$251,230,997	$43,293,816	$6,220,877

Totals	
1998	1997
$33,196,769	$13,492,526
203,716	1,124,280
136,048	131,473
4,106,032	8,995,923
50,000	-
26,158	-
14,921	9,233
35,969	28,946
167,561,689	173,501,340
-	1,599,394
95,414,388	82,641,834
$300,745,690	$281,524,949
$4,170,872	$3,938,562
4,106,032	8,995,923
1,121,414	1,381,578
92,165,000	79,370,000
-	1,599,394
101,563,318	95,285,457
167,561,689	173,501,340
35,969	28,946
9,817,486	702,113
435,121	191,319
21,332,107	11,815,774
199,182,372	186,239,492
$300,745,690	$281,524,949

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	Board of Education	Park & Recreation Board	Library Board
Revenues			
Licenses and permits	-	$534,972	-
Intergovernmental	$63,380,147	-	$169,794
Fines & forfeits	-	-	75,518
Investment income	-	-	3,472
Stadium lease	-	200,000	-
Other	604,274	366,736	98,563
Total revenues	63,984,421	1,101,708	347,347
Expenditures			
Current operations			
General government	1,684,970	-	-
Recreation	-	3,311,093	-
Library	-	-	2,696,540
Instructional services	31,070,122	-	-
Instructional support services	5,918,289	-	-
Operation and maintenance	5,735,758	-	-
Auxiliary services	6,695,550	-	-
Other	2,979,452	-	-
Total	54,084,141	3,311,093	2,696,540
Capital outlays	5,881,810	165,197	3,000
Debt service			
Principal	2,810,282	-	-
Interest and fiscal charges	4,712,469	-	-
Total expenditures	67,488,702	3,476,290	2,699,540
Deficiency of revenues under expenditures	(3,504,281)	(2,374,582)	(2,352,193)
Other financing sources			
Operating transfers in - primary government	6,723,418	2,354,018	2,349,069
Proceeds of general obligation warrants, notes payable and capital leases	15,348,661	-	-
Total other financing sources	22,072,079	2,354,018	2,349,069
Excess (deficiency) of revenues and other financing sources over (under) expenditures	18,567,798	(20,564)	(3,124)
Fund balances at beginning of year	12,626,539	98,413	13,200
Prior period adjustments - Note 5	338,421	-	-
Fund balances as restated	12,964,960	98,413	13,200
Fund balances at end of year	$31,532,758	$77,849	$10,076

Totals	
1998	1997
$534,972	$493,487
63,549,941	56,993,004
75,518	73,997
3,472	3,463
200,000	200,000
1,069,573	1,419,732
65,433,476	59,183,683
1,684,970	1,646,692
3,311,093	2,939,800
2,696,540	2,606,583
31,070,122	30,372,542
5,918,289	6,036,566
5,735,758	5,138,175
6,695,550	5,908,911
2,979,452	2,802,299
60,091,774	57,451,568
6,050,007	6,480,669
2,810,282	2,686,998
4,712,469	4,595,476
73,664,532	71,214,711
(8,231,056)	(12,031,028)
11,426,505	11,103,834
15,348,661	-
26,775,166	11,103,834
18,544,110	(927,194)
12,738,152	13,602,278
338,421	63,068
13,076,573	13,665,346
$31,620,683	$12,738,152

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

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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.

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THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Park and Recreation Board
Combined Balance Sheets
All Fund Types and Account Groups
September 30, 1998
(with comparative totals for September 30, 1997)

	Governmental Fund Types	Account Groups	Totals (Memorandum Only)	
	General	General Fixed Assets	1998	1997
Assets				
Pooled cash and investments	$137,972	-	$137,972	$183,893
Other receivables	50,000	-	50,000	-
Fixed assets	-	$43,105,844	43,105,844	42,775,092
Total assets	$187,972	$43,105,844	$43,293,816	$42,958,985
Liabilities, equity and other credits				
Liabilities				
Accounts payable	$56,667	-	$56,667	$44,764
Accrued libilities	53,456	-	53,456	40,716
Total liabilities	110,123	-	110,123	85,480
Equity and other credits				
Investment in general fixed assets	-	$43,105,844	43,105,844	42,775,092
Fund balances				
Unreserved, undesignated	77,849	-	77,849	98,413
Total equity and other credits	77,849	43,105,844	43,183,693	42,873,505
Total liabilities, equity and other credits	$187,972	$43,105,844	$43,293,816	$42,958,985

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
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
All Governmental Fund Types

For the fiscal year ended September 30, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	Governmental Fund Types	
	General	
	1998	1997
Revenues		
Licenses and permits	$534,972	$493,487
Stadium lease	200,000	200,000
Other	366,736	274,882
Total revenues	1,101,708	968,369
Expenditures		
Current operations		
Recreation		
Personal services	1,769,423	1,633,534
Other	1,541,670	1,306,266
Total	3,311,093	2,939,800
Capital outlays	165,197	169,498
Total expenditures	3,476,290	3,109,298
Deficiency of revenues under expenditures	(2,374,582)	(2,140,929)
Other financing sources		
Operating transfers in - primary government	2,354,018	2,176,274
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(20,564)	35,345
Fund balances at beginning of year	98,413	-
Prior period adjustment - Note 5	-	63,068
Fund balances as restated	-	63,068
Fund balances at end of year	$77,849	$98,413

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
Comparative Schedule of General Fixed Assets by Source
September 30, 1998
(with comparative totals for September 30, 1997)

	1998	1997
General Fixed Assets		
Land	$13,770,586	$13,770,586
Buildings	24,022,486	23,859,524
Improvements other than buildings	3,914,947	3,914,947
Equipment and vehicles	1,351,987	1,230,035
Construction in progress	45,838	-
Total general fixed assets	$43,105,844	$42,775,092
Investment in General Fixed Assets		
General obligation warrants	$23,828,556	$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	13,877,582	13,546,830
Donations and annexations	825,665	825,665
Donations from primary government	3,553,395	3,553,395
Total investment in general fixed assets	$43,105,844	$42,775,092

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 & Activity
September 30, 1998

Function and Activity	Land	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Construction in Progress	Total
Recreation	$13,770,586	$24,022,486	$3,914,947	$1,351,987	$45,838	$43,105,844
Total general fixed assets allocated to functions and activities	$13,770,586	$24,022,486	$3,914,947	$1,351,987	$45,838	$43,105,844

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 Changes in General Fixed Assets by Function & Activity
For the fiscal year ended September 30, 1998

Function and Activity	General Fixed Assets October 1, 1997	Additions	Deletions	General Fixed Assets September 30, 1998
Recreation	$42,775,092	$390,381	$59,629	$43,105,844
Total general fixed assets	$42,775,092	$390,381	$59,629	$43,105,844

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

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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.

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THE CITY OF HOOVER, ALABAMA
Discretely Presented Component Unit - Library Board
Combined Balance Sheets
All Fund Types and Account Groups
September 30, 1998
(with comparative totals for September 30, 1997)

	Governmental Fund Types	Account Groups	Totals (Memorandum Only)	
	General	General Fixed Assets	1998	1997
Assets				
Pooled cash and investments	$73,063	-	$73,063	$84,201
Fixed assets	-	$6,147,814	6,147,814	6,127,258
Total assets	$73,063	$6,147,814	$6,220,877	$6,211,459
Liabilities, equity and other credits				
Liabilities				
Accounts payable	$20,857	-	$20,857	$35,288
Accrued liabilities	42,130	-	42,130	35,713
Total liabilities	62,987	-	62,987	71,001
Equity and other credits				
Investment in general fixed assets	-	$6,147,814	6,147,814	6,127,258
Fund balances				
Unreserved, undesignated	10,076	-	10,076	13,200
Total equity and other credits	10,076	6,147,814	6,157,890	6,140,458
Total liabilities, equity and other credits	$73,063	$6,147,814	$6,220,877	$6,211,459

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, 1998
(with comparative totals for the fiscal year ended September 30, 1997)

	Governmental Fund Types	
	General	
	1998	1997
Revenues		
Intergovernmental	$169,794	$140,988
Fines & forfeits	75,518	73,997
Investment income	3,472	3,463
Other	98,563	97,122
Total revenues	347,347	315,570
Expenditures		
Current operations		
Library		
Personal services	1,605,402	1,416,023
Other	1,091,138	1,190,560
Total	2,696,540	2,606,583
Capital outlays	3,000	12,769
Total expenditures	2,699,540	2,619,352
Deficiency of revenues under expenditures	(2,352,193)	(2,303,782)
Other financing sources		
Operating transfers in - primary government	2,349,069	2,277,183
Deficiency of revenues and other financing sources under expenditures	(3,124)	(26,599)
Fund balances at beginning of year	13,200	39,799
Fund balances at end of year	$10,076	$13,200

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, 1998
(with comparative totals for September 30, 1997)

	1998	1997
General Fixed Assets		
Buildings	$5,604,394	$5,604,394
Improvements other than buildings	14,883	14,883
Equipment and vehicles	528,537	507,981
Total general fixed assets	$6,147,814	$6,127,258
Investment in General Fixed Assets		
General obligation warrants	$5,902,919	$5,902,919
General revenues	169,436	148,880
Donations from primary government	75,459	75,459
Total investment in general fixed assets	$6,147,814	$6,127,258

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 & Activity
September 30, 1998

Function and Activity	Buildings	Improvements Other than Buildings	Equipment and Vehicles	Total
Library	$5,604,394	$14,883	$528,537	$6,147,814
Total general fixed assets allocated to functions and activities	$5,604,394	$14,883	$528,537	$6,147,814

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 & Activity
For the fiscal year ended September 30, 1998

Function and Activity	General Fixed Assets October 1, 1997	Additions	Deletions	General Fixed Assets September 30, 1998
Recreation	$6,127,258	$20,556	-	$6,147,814
Total general fixed assets	$6,127,258	$20,556	-	$6,147,814

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

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STATISTICAL SECTION

PRIMARY GOVERNMENT

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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
1989	$12,716,945	$1,980,915	$34,836	$155,060	$49,046	$14,936,802
1990	15,003,431	2,157,136	25,400	165,269	47,310	17,398,546
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	150336	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

(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
1989	$2,078,774	$7,964,689	$2,542,297	$124,523	$1,835,289
1990	2,244,350	9,600,102	2,760,175	135,333	1,060,623
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

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
$3,082,645	$17,628,217
4,124,387	19,924,970
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

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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
1989	$14,936,802	$3,219,790	$1,043,063	$404,469
1990	17,398,546	3,721,613	1,395,944	380,592
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

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(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
$383,322		$607,592	$20,595,038
841,655	(B)	572,068	24,310,418
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

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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
1988	$1,751,174	$1,655,850	94.6%	$383	$1,656,233	94.6%
1989	1,824,382	1,752,624	96.1%	6,256	1,758,880	96.4%
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	2,054,747	1,935,348	94.2%	21,071	1,956,419	95.2%
1993	2,067,439	1,985,163	96.0%	14,106	1,999,269	96.7%
1994	2,500,454	2,407,911	96.3%	16,516	2,391,395	95.6%
1995	2,730,747	2,486,913	91.1%	8,208	2,495,121	91.4%
1996	2,869,275	2,649,908	92.4%	7,116	2,657,024	92.6%
1997	2,944,597	2,777,040	94.3%	707	2,777,747	94.3%

Shelby County:

Beginning October 1	Total Tax Levy	Total Tax Collections	Percent of Tax Collections to Tax Levy
1988	$328,393	$324,682	98.9%
1989	392,809	398,256	101.4%
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	1,011,844	977,877	96.6%
1995	1,372,512	1,154,951	84.1%
1996	1,551,528	1,331,412	85.8%
1997	1,574,102	1,476,790	93.8%

(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
1988	$207,967,118	$1,408,265,431	$28,331,826	$141,659,130
1989	211,928,255	1,451,431,416	30,148,078	150,740,390
1990	217,467,432	1,507,641,117	32,106,596	160,532,980
1991	225,745,021	1,564,991,798	34,959,344	174,796,720
1992	232,228,585	1,626,395,898	31,343,255	156,718,775
1993	292,958,228	2,037,742,851	32,520,437	162,602,185
1994	299,007,442	2,108,939,188	36,582,126	182,910,630
1995	311,327,661	2,207,875,277	44,224,575	221,122,875
1996	328,041,051	2,330,203,943	46,095,817	230,479,085
1997	336,680,714	2,384,424,320	47,294,761	236,473,805

Located in Shelby County:

1988	$53,956,020	$269,780,100	$4,214,000	$21,070,000
1989	59,066,940	295,334,700	3,412,400	17,062,000
1990	100,310,320	501,551,000	10,342,160	51,710,800
1991	107,783,940	538,919,700	10,665,000	53,325,000
1992	114,616,180	573,080,900	12,254,780	61,273,900
1993	139,602,460	698,012,300	13,720,480	68,602,400
1994	159,994,480	799,972,400	16,629,200	83,146,000
1995	182,967,120	914,835,600	17,921,460	89,607,300
1996	198,222,620	966,939,610	24,483,800	119,433,171
1997	201,097,586	980,963,834	24,846,595	121,202,902

Continued on next page

(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	
$48,758,880	$162,367,070	$285,057,824	$1,712,291,631	16.6%
56,510,980	188,181,563	298,587,313	1,790,353,369	16.7%
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	2,784,960,598	15.9%
69,039,479	230,131,597	453,014,954	2,851,029,722	15.9%
$2,566,960	$12,834,800	$60,736,980	$303,684,900	20.0%
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%

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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
1989	0.65	-	1.35	0.82	1.39	3.56	0.65	4.86
1990	0.65	-	1.35	0.82	1.39	3.56	0.65	4.86
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

Shelby County:

Fiscal Year Ended September 30	City of Hoover		Jefferson County						
	General Fund	City Schools	County	County Schools	School District	Hospital	County Total	State of Alabama	Total Tax
1989	0.65	-	0.75	0.90	0.60	0.30	2.55	0.65	3.85
1990	0.65	-	0.75	1.60	0.60	0.40	3.35	0.65	4.65
1991	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

(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.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Principal Property Taxpayers
For the fiscal year ended September 30, 1998

	City Ad Valorem Taxes	Percentage of Total Property Taxes Collected (A)
BellSouth	$445,219	10.46%
AmSouth Riverchase	127,506	2.99%
Hoover Mall Limited	120,302	2.82%
Metropolitan Life Insurance	118,790	2.79%
Colonial Realty Ltd. Ptn.	90,982	2.14%
Blue Cross/Blue Shield	72,602	1.70%
Wilmington Trust	49,954	1.17%
Tree Crossing Associates	39,765	0.93%
Alabama Power	39,644	0.93%
Gateway Ala Properties	30,547	0.72%
Total	$1,135,311	26.65%

(A) Excludes motor vehicles.

Source: Jefferson and Shelby County Tax Collectors.

THE CITY OF HOOVER, ALABAMA
Computation of Legal Debt Margin
September 30, 1998

Assessed Value of property	$763,688,236	(A)
Debt Limit - 20 percent of total assessed value	152,737,647	
Amount of debt applicable to debt limit	46,489,847	(B)
Legal debt margin	$106,247,800	

(A) Includes assessed value of motor vehicles totaling $68,503,742.

(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
1989		31,319	$341,716,138	(B)	$42,450,000	12.42	$1,355.41
1990		39,788	370,910,744	(B)	56,553,227	15.25	1,421.36
1991		39,788	391,529,273	(B)	56,480,485	14.43	1,419.54
1992	(A)	45,000	451,450,768	(B)	58,037,526	12.86	1,289.72
1993	(A)	48,000	469,130,985	(B)	57,281,488	12.21	1,193.36
1994	(A)	50,000	584,588,625	(B)	64,126,353	10.97	1,282.53
1995	(A)	55,000	636,034,748	(B)	64,303,684	10.11	1,169.16
1996	(A)	56,000	680,492,636	(B)	62,411,015	9.17	1,114.48
1997	(A)	58,500	735,197,343	(B)	60,873,278	8.28	1,040.57
1998	(A)	60,000	763,688,236	(B)	58,379,847	7.64	973.00

(A) Estimate by City.

(B) Includes assessed value of motor vehicles.

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
1989	$3,082,645	$17,628,217	17.49
1990	4,124,387	19,924,970	20.70
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

(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, 1998

	Total Debt Outstanding	Percentage Applicable to City of Hoover	Amount Applicable to City of Hoover
Direct Debt			
City of Hoover - general obligation warrants	$58,379,847	100.00	$58,379,847
Overlapping Debt			
Hoover City Board of Education	93,286,417	100.00	93,286,417
Jefferson County	202,885,428	10.49	21,282,681
Jefferson County Board of Education	72,704,634	10.49	7,626,716
Shelby County	42,475,084	23.65	10,045,357
Shelby County Board of Education	96,049,694	23.65	22,715,753
Total overlapping debt	507,401,257		154,956,924
Total direct and overlapping debt	$565,781,104		$213,336,771

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	Median Household Income	School Enrollment	Unemployment Rate %
1989	40,000 (E)	$39,000 (E)	5,556 (F)	5.5 (B) (C)
1990	39,788 (A)	39,527 (G)	6,115 (F)	5.3 (B) (C)
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)	77,829 (H)	9,017 (F)	1.3 (B) (D)
1998	60,000 (G)	77,829 (H)	9,309 (F)	1.1 (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.

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)
1989	$63,716,547	$27,808,568	$317,120,000	$741,000,000
1990	25,467,426	48,871,241	548,029,000	750,000,000
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

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

THE CITY OF HOOVER, ALABAMA
Miscellaneous Statistics
September 30, 1998

Date of Incorporation: May 18, 1967

Form of Government: Mayor-Council (5 members)

Area: 44 Square miles (A)

Miles of Street:

Paved	260	(A)
Unpaved	0	(A)

Miles of Sewers:

Sanitary	179	(A)
Storm	166	(A)

Number of City Employees:

Administration	45	
Finance	13	
Garage	5	
Police	147	
Fire	133	
Communications	20	
Inspection services	21	
Municipal court	7	
Street and sanitation	31	
Sewer	1	
Recreation	77	
Library	77	
Health	2	
Total	579	(B)

Public Schools:

Established - August 29, 1988
Enrollment - 9,309 (C)
Buildings - one high school; two 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 station	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)

Number of housing units:

Owner occupied	16,743	
Renter occupied	9,970	
Total	26,713	(F)

Value of housing units:

Median value	$152,600	(I)

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: Porter, White & Company, Inc.